



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN SPECIAL STEELS LIMITED

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Ref. VSSL:SCY:JUN:2021-22

Dated: 23-Jun-2021

BSE Limited, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI-400001. Scrip Code: 534392	The National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 Scrip Code: VSSL
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SUB: COMPLIANCE OF REGULATION 30 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIRMENTS) REGULATIONS, 2015.

Dear Sir,

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith Business Update Release on Environmental Clearance granted by the Ministry of Environment to the Company for planned expansion in existing plant in Ludhiana.

Kindly note and display the same on your notice board for the information of the members of your exchange and general public.

Thanking you,

Yours faithfully,
For VARDHMAN SPECIAL STEELS LIMITED


(SONAM TANEJA)
Company Secretary



YARNS | FABRICS | THREADS | GARMENTS | FIBRES | **STEELS**

PAN NO.: AADCV4812B CIN: L27100PB2010PLC033930
WWW.VARDHMANSTEEL.COM

Business Update Release

Ministry of Environment grants Environmental Clearance for our planned expansion in existing plant in Ludhiana

This clears path towards our expansion plans

Big step towards achieving medium term strategic goals

With this clearance, expansion of current rolling mill can be increased to 250,000 tons per annum

23rd June 2021, Ludhiana, Punjab: Vardhman Special Steels Limited (BSE: 534392. NSE: VSSL), among India's leading producers of special steels catering to diverse sectors of automotive, engineering, tractor, bearing & allied industries, has been granted the long-awaited Environmental Clearance for expansion of capacity at its existing plant in Ludhiana, upto 2,80,000 tons per annum of rolled production.

The Company applied for the said approval in CY 2019 and since then has been making continuous and untiring efforts and pitching its case before the concerned authorities for the grant of environment clearance. The Company has all the mechanisms in place that will take proper care of the concerns related to environment. Its commitment towards creating a sustainable environment is among the top priority.

With this approval the path for enhancement of capacity is cleared. To begin with, the current rolling capacity of 200,000 tons per annum would be increased to 250,000 tons. This would also enable the Company to fill up the enhanced capacities with the requirements of Aichi, partners of VSSL. Once this happens the Management is confident of achieving higher profitability.

Management Comment:

Commenting on the development, **Mr. Sachit Jain, Vice Chairman & Managing Director, Vardhman Special Steels Ltd.** said,

"We are pleased to inform that the long-awaited approval for the Environmental Clearance (EC) has been granted to the Company by the Ministry of Environment. This is a very exciting development for the Company and its stakeholders. This approval is the first step towards achievement of medium-term objectives, to begin with we would have a capacity enhancement to 250,000 tons per annum.

Now we are in a position to utilize the funds infused by Aichi in the most productive way so that we can fulfil the demand for new and high-grade automotive steel. Also, as stated on public platform, this capacity enhancement would enable us to up our EBITDA target range to Rs. 7,000 to Rs. 9,000 per



ton. And I am happy to share that our talks with OEMs regarding price increase is going well as per our expectations.

As regards Aichi, we have sent out our first samples to our customers for Aichi’s operations in Thailand and Aichi’s operations in Philippines and to Head Office in Japan. The EC approval is going to facilitate the sampling process and give us greater confidence to reach our strategic goals well in time.

Although we experienced very challenging times especially in the last few years, but I must state that we have been endowed with a very dedicated and enthusiastic team who took up the challenge and kept the morale high which has been an important factor in keeping us going. I am thankful to the entire team at Vardhman for their willingness to take up challenges and overcome those with their untiring efforts.”

About Vardhman Special Steels Limited:

Incorporated in May 2010 as a Public Limited Company, Vardhman Special Steels Limited (VSSL) was vested with steel business undertaking of the parent company Vardhman Textiles Limited in 2011, pursuant to Scheme of Arrangement & Demerger.

Headquartered in Ludhiana, Punjab, VSSL is one of India’s leading producers of special steels, catering to diverse requirements of Automotive, Engineering, Tractors, Bearing and Allied Industries. The Company also takes care of steel requirements of select customers for forging applications in international markets of Thailand, Taiwan, Turkey, Italy, Russia, Germany, Vietnam and Japan.

The Company’s manufacturing facilities incorporate the latest cutting-edge manufacturing technology, ensuring highest levels of quality and compliance. VSSL’s varied product suite comprises of billets, steel bars and rods and bright bars of various categories of special and alloy steels.

Leveraging on state-of-the-art manufacturing facilities and vast experience in the domain, the Company has developed long term relationships with reputed and renowned customers globally, which include corporations such as Toyota, Maruti, Hyundai, Hero Moto Corp, Caterpillar, Hino Motors and Bajaj, among others.

For more details, please visit: www.vardhmansteel.com

For any Investor Relations query, please contact:

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Caution Concerning Forward- Looking Statements:

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. The Company is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.