



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN SPECIAL STEELS LIMITED

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Ref. VSSL:SCY:MAY:2019-20

DATED: 04-May-2019

The Deputy General Manager,
Corporate Relationship Deptt,
Bombay Stock Exchange Limited,
1st Floor, New Trading Ring,
Rotunda Building, P.J Towers,
Dalal Street, Fort,
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

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 Media Release on financial results of the Company for the quarter and financial year ended 31st March, 2019.

Kindly note and display the notice 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

**Media Release****FY19 Volume at 1,61,676 tonnes – YoY growth of 6.25%****FY19 Revenue from Operations at Rs 1,120.76 Crore, YoY growth of 30.48%****FY19 EBITDA (including other income) at Rs. 69.71 Crore, YoY growth of 2.47%**

4th May 2019, Ludhiana, Punjab: Vardhman Special Steels Limited (BSE: 534392. NSE: VSSL), among India's leading producers of special steels catering to diverse sectors of engineering, automotive, tractor, bearing & allied industries, has announced its audited financial results for the quarter and full year ended March 31st, 2019.

Key Financial Highlight (Rs. Crore): -

Particulars	Q4 FY19	Q4 FY18	Y-o-Y	FY19	FY18	Y-o-Y
Sales Volume (tonnes) (own manufactured)	34,363	38,455	(10.64%)	1,61,676	1,52,162	6.25%
Revenue from Operations*	243.25	231.36	5.14%	1,120.76	858.96	30.48%
EBIDTA#	11.17	19.49	(42.69%)	69.71	68.03	2.47%
PAT	(0.15)	7.21	-	22.21	25.03	(11.27%)
Basic EPS (Rs.)	(0.04)	2.16	-	6.22	7.91	(21.37%)

*includes sale of traded goods and raw material; #including other income

Performance Highlights: -

For the fourth quarter ended March 31st, 2019:

- The volume for the quarter stood at 34,363 tonnes – YoY decline of 10.64%, mainly on account of a significant slowdown in automotive industry
- Revenue from Operations was Rs. 243.25 crore in Q4 FY19, as against Rs. 231.36 crore in Q4 FY18, a Y-o-Y growth of 5.14%, mainly on account of better realizations and due to sale of outsourced goods and raw materials in Q4FY19 - that was not there in the corresponding period of last year
- EBITDA (including other income) for the quarter was Rs. 11.17 crore as against Rs. 19.49 crore in the corresponding previous period, a Y-o-Y decline of 42.69%, on account of increase in operating costs that were incurred to build inventory for upcoming planned plant shutdown. The plant shutdown is for modernization and upgradation of steel melting shop



- **Profit After Tax stood at Rs. (0.15) crore** in Q4 FY19 as against Rs. 7.21 crore in Q4 FY18, mainly on account of decline in EBITDA and increase in interest cost

For the full year ended March 31st, 2019:

- The volume for **FY19** stood at **1,61,676 tonnes** – a YoY growth of 6.25%
- **Revenue from operations stood at Rs. 1,120.76 crore** in FY19, as against Rs. 858.96 crore in FY18, **Y-o-Y growth of 30.48%**, mainly on account of increase in sales volumes, better realizations and due to sale of outsourced goods and raw materials that was not there in the corresponding period of last year
- **EBITDA (including other income) for the FY19 was Rs. 69.71 crore** as against Rs. 68.03 crore in the corresponding previous period, **Y-o-Y growth of 2.47%**
- **Profit After Tax stood at Rs 22.21 crore** in FY19 as against Rs. 25.03 crore in FY18, **Y-o-y decline of (11.27%)**, on account of increase in depreciation and interest cost during the year
- Basic EPS stood at Rs. 6.22 in FY19 as against Rs. 7.91 in FY18

Key Developments during FY19

- In June 2018, **CRISIL upgraded** the Company's Long-Term Credit Rating to '**CRISIL AA/Stable**' and short term reaffirmed to '**CRISIL A1+**'
- In August 2018, the Company appointed **M/s B.S.R & Co. LLP** as their **Statutory Auditors** for a term of five years
- In February 2019, the Company appointed **Ms. Shubhra Bhattacharya** as **Woman Independent Director** for a term of five years - Ms. Shubhra Bhattacharya is MBA (Human Resource Management) from Xavier's Labor Relations Institute, India and Honour's Diploma in Computer Programming, NIIT. Currently, she is associated with Vyaktitva, India as an Associate Partner. She has professional experience of more than 25 years in HR

Management Comment:

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

"In FY19, we faced two significant changes – in the first half there was an increase in the basic raw materials costs and in the second half, the overall automotive industry witnessed a major slowdown. Though we were able to grow our volumes by 6% to 1,61,676 tonnes for the year, the EBITDA grew by only 2.5% on account of increase in operational costs in the second half. The increase in



operational costs was on account of our strategic decision to build inventory for the upcoming plant shutdown. This shutdown is to upgrade and modernize our steel melting shop that will help us to achieve our future goals and deliver consistent performance.

Overall, we remain committed to our set agenda of delivering consistent, profitable volume led growth. I thank all the stakeholders of 'Vardhman Special Steels Limited' for their continued support and faith in our Company"

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 Engineering, Automotives, 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, Hero Moto Corp, Caterpillar, Hino Motors, Maruti, Bajaj and Hyundai, among others.

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

For any Investor Relations query, please contact:

<p>Mr. Sanjeev Singla Vardhman Special Steels Limited Email: sanjeevsingla@vardhman.com</p>	<p>Mr. Amit Sharma / Mr. Smit Shah Bridge Investor Relations Pvt. Ltd Email: amit@bridge-ir.com / smit@bridge-ir.com</p>
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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.