



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN SPECIAL STEELS LIMITED

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-161-2601048, 2222616, 2601040
E: secretarial.lud@vardhman.com

Ref. VSSL:SCY:JAN:2021-22

Dated: 29.01.2022

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
---	--

SUB: COMPLIANCE OF REGULATION 30 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 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/ nine-months ended 31st December, 2021.

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

Media Release

**Q3 FY22 volumes at 44,723 MT
9M FY22 volumes at 1,31,711 MT**

9M FY22 Revenue from Operations at Rs. 1,025.11 Crore

9M FY22 EBITDA (including other income) at Rs. 143.01 Crore

9M FY22 PAT at Rs. 71.56 Crore

EBITDA for the quarter is Rs. 9,114 per Ton

29th January 2022, Ludhiana, Punjab: Vardhman Special Steels Limited (BSE: 534392. NSE: VSSL), Amongst India's leading producers of special steels catering to diverse sectors of automotive, engineering, tractor, bearing & allied industries, has announced its unaudited financial results for the third quarter and nine-months ended 31st December 2021 in the Board meeting held on 28th January 2022.

Key Financial Highlight (Rs. Crore): -

Particulars	Q3 FY22	Q3 FY21	Y-o-Y	Q2 FY22	9M FY22	9M FY21	Y-o-Y
Sales Volume (tonnes)	44,723	45,964	(2.70%)	43,283	1,31,711	1,02,437	28.58%
Revenue from Operations	359.32	287.65	24.91%	335.65	1025.11	602.60	70.11%
EBIDTA*	40.76	42.64	(4.40%)	48.55	143.01	61.63	132.04%
PAT	19.47	21.67	(10.15%)	24.29	71.56	17.83	301.24%
Basic EPS (Rs.)	4.81	5.36	(10.26%)	6.00	17.67	4.41	300.68%

*including other income

Performance Highlights: -

For the quarter ended December 31st, 2021:

- The volumes for the quarter stood at **44,723 tonnes** as against 45,964 tonnes in Q3 FY21. The Company had 15 days of shut down of Steel Melt Shop during the quarter in addition to slight slackness in demand
- **Revenue from Operations stood at Rs. 359.32 crore** in Q3 FY22, as against Rs. 287.65 crore in Q3 FY21, growth of 24.91% mainly on account of price increase
- **EBITDA (including other income) for the quarter is Rs. 40.76 crore** as against Rs. 42.64 crore in Q3 FY21, decrease of **4.40%**. Despite sharp increase in raw material price Company's strict measure to control other costs led to lower decline in EBITDA

- **EBITDA for the quarter is Rs. 9,114 per Ton** as against Rs. 9,276 per Ton in Q3 FY21
- **Q3 FY22 PAT stood at Rs. 19.47 crore** as against profit of Rs. 21.67 crore in Q3 FY21, decrease of **10.15%**

For nine-months ended December 31st, 2021:

- The volumes stood at **1,31,711 tonnes** as against 1,02,437 tonnes in 9M FY21
- **Revenue from Operations stood at Rs. 1,025.11 crore** in 9M FY22, as against Rs. 602.60 crore in 9M FY21, growth of **70.11%**
- **EBITDA (including other income) is at Rs. 143.01 crore** as against Rs. 61.63 crore in 9M FY21, increase of **132.04%**
- **EBITDA for nine months is Rs. 10,858 per Ton** as against Rs. 6,017 per Ton in 9M FY21
- **9M FY22 PAT stood at Rs. 71.56 crore** as against profit of Rs. 17.83 crore in 9M FY21, increase of **301.24%**

Management Comment:

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

“Our Q3FY22 profitability has been lower than our earlier quarters however it is still within the normal range. The price increase of raw material costs, slackness in demand and therefore less than expected increase in price increase from OEMs led to this. Also, the plant shut down was in effect for about 15 days during the quarter.

Our capital employed has been on the higher side because of increase in inventories due to the planned plant shutdown as well as surplus raw material inventory which was a conscious and strategic decision.

On an overall basis, I believe, given the circumstances, we performed on the satisfactory side. Despite slight decrease in volume sales y-o-y, our topline grew by over 24% to Rs. 359 crore for the quarter in discussion on account of the price increase though less than then expected. And despite the sharp increase in Raw Material costs, EBITDA YoY declined by just over 4%.

As for nine months the overall volume growth has been over 28% and we are confident to achieve our year end targets. Also, the EBITDA per ton for 9 months stood at over Rs. 10,800 and for Q3 it was around Rs.9,100, which is above our stated yearly target range of Rs. 7,000 to 10,000 tonnes.

On the Aichi collaboration front, work is progressing smoothly. The upgradation project undertaken during the last shutdown happened under the supervision of Aichi. As we have been stating that we remain focused on creating value for our stakeholders and managing the business for the long term to transform both - our business and our ways of working.



I would like to convey my heartfelt thanks to team Vardhman for possessing the admirable gift of grit in consistently helping the Company move forward and achieving milestones on the path.”

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:

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

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. Kilimanjaro