



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN SPECIAL STEELS LIMITED

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Ref. VSSL:SCY:APR:2023-24

Dated: 27.04.2023

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 Media Release on financial results of the Company for the quarter and financial year ended 31st March, 2023.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For VARDHMAN SPECIAL STEELS LIMITED

(SONAM TANEJA)
Company Secretary

Media Release

FY23 volumes at 2,00,095 MT

FY23 Revenue from Operations at Rs. 1,734.99 Crore, YoY increase of 26.78%

FY23 EBITDA (including other income) at Rs. 180.08 Crore, YoY decrease of 11.11%

FY23 PAT at Rs. 100.45 Crore, YoY decrease of 0.30%

Board has recommended a dividend of Rs. 2 per equity share

27th April 2023, 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 audited financial results for the fourth quarter and financial year ended 31st March 2023 in the Board meeting held on 27th April, 2023.

Key Financial Highlight (Rs. Crore): -

Particulars	Q4 FY23	Q4 FY22	Y-o-Y	Q3 FY23	FY23	FY22	Y-o-Y
Sales Volume (tonnes)	50,511	41,596	21.43%	46,358	2,00,095	1,73,308	15.46%
Revenue from Operations	422.04	343.35	22.92%	400.63	1,734.99	1,368.46	26.78%
EBIDTA*	29.67	59.56	(50.19)%	49.74	180.08	202.58	(11.11)%
PAT	13.68	29.19	(53.15)%	28.47	100.45	100.75	(0.30)%
Basic EPS (Rs.)	3.37	7.20	(53.19)%	7.02	24.76	24.87	(0.44)%

*including other income;

Performance Highlights: -

For the quarter ended March 31st, 2023:

- The **volumes for the quarter** stood at **50,511 tonnes** as against 41,596 tonnes in Q4 FY22 – YoY increase of **21.43%**.
- **Revenue from Operations stood at Rs. 422.04 crore** in Q4 FY23, as against Rs. 343.35 crore in Q4 FY22, registering growth of **22.92%** Y-o-Y, mainly on account of higher sales volumes coupled with better realization. This revenue is after accounting the price decrease of Rs.1,750/- MT agreed with the OEMs w.e.f. 01.10.2022. The decision of decrease was finalised in Feb'2023 after finalisation of quarterly results for Q3 FY23. Therefore, price decrease pertaining to Q3 FY23 amounting to Rs. 6.60 crores has also been accounted in Q4 FY23 itself.
- **EBITDA (including other income) for the quarter** is **Rs. 29.67** as against Rs. 59.56 crore in Q4 FY22, a decrease of **50.19%** mainly due to the following:

- Decrease in other income - In Q4 of previous year, we had other income of Rs. 19.32 crores towards incentives from State Govt. towards exemption of electricity duty under Industrial Policy 2013
 - Higher raw material prices
 - Higher Fuel cost due to increase in prices of Natural Gas and Furnace Oil
 - Higher prices of consumables etc.
- **EBITDA per Ton** for the quarter was **Rs. 5,873**
 - **Q4 FY23 PAT stood at Rs. 13.68 crore** as against PAT of Rs. 29.19 crore in Q4 FY22, decrease of **53.15%** mainly due to the impact of other income in Q4 FY22, fluctuations in raw material pricing, higher prices of fuel and consumables
 - **EPS for the quarter** stood at **Rs. 3.37** vs Rs. 7.20 in Q4 FY22

For the financial year ended March 31st, 2023:

- The volumes stood at **2,00,095 tonnes** as against 1,73,307 tonnes in FY22, YoY increase of **15.46%**
- **Revenue from Operations stood at Rs. 1,734.99 crore** in FY23, as against Rs. 1,368.46 crore in FY22, growth of **26.78%** mainly on account of higher sales volumes coupled with better realizations
- **EBITDA (including other income) was at Rs. 180.08 crore** as against Rs. 202.58 crore in FY22, decrease of **11.11%** mainly due to decrease in sale price by Rs. 1,750/- MT effective 1st Oct 2022 coupled with higher price of fuel and consumables
- **EBITDA per Ton** for twelve months was **Rs. 9,000**
- **FY23 PAT stood at Rs. 100.45 crore** as against PAT of Rs. 100.75 crore in FY22, decrease of **0.30%**
- **EPS for FY23** stood at **Rs. 24.76** vs Rs. 24.87 in FY22
- **The Board has recommended a dividend of Rs. 2 per share on fully paid-up equity shares, subject to approval in the Annual General Meeting**

Management Comment:

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

“Q4 FY23 was a difficult quarter wherein on one hand we saw good sales volume of over 50,500 tons leading to sales volume of more than 2,00,000 tons for the full year for the first time in history. On the



other hand, we saw a price correction from OEMs putting pressure on realizations thereby impacting the overall EBITDA. The EBITDA showed a bigger fall than due for the fourth quarter as this quarter reflected the price reduction of the third quarter as well.

The EBITDA per ton was also impacted on account of higher prices of fuel and consumables and lower other income. Despite certain stated difficulties, we have achieved EBITDA/ton of Rs. 9,000 for full year which is well within the stated range of Rs. 7,000 – 10,000.

This quarter has marked a breakthrough in the Company and I am happy to share that the Company has started mass production of steel for forging companies of Aichi Steel Corporation based in South East Asia for some grades for which approvals have been received. Further, we are delighted to share that we had wonderful celebrations on completion of 50 glorious years of Vardhman Group in the Steel Business. Mr. Takahiro Fujioka, President of Aichi Steel Corporation, Japan was the Chief Guest.

Vardhman's entire team deserves appreciation for the tremendous work they have put in. We remain focused and committed to our strategic goals and are actively working to further improve our performance going forward. I reassure my stakeholders that we will maintain the pace of our efforts and hard work and continue to execute in line with the stated objectives.”

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, Bearings 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.