

Media Release

Growth driven by increase in sales volumes, realizations and operational efficiencies

Q1 FY19 Volume growth stood at 11.53% YoY at 41,587 MT

Q1 FY19 Net Revenues at Rs 269.50 Crore, Y-o-Y growth of 33.34%

Q1 FY19 EBITDA (excluding other income) at Rs. 17.84 Crore, Y-o-Y growth of 57.77%

Q1 FY19 PAT at Rs. 9.08 Crore increase of 270.61% Y-o-Y

13th August 2018, 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 unaudited financial results for first quarter ended June 30th, 2018.

Key Financial Highlight (Rs. Crore): -

Particulars	Q1 FY19	Q1 FY18	Y-o-Y%	Q4 FY18
Sales Volume (MT)	41,587	37,289	11.53	38,455
Revenue from operations	269.50	202.12	33.34	231.36
EBIDTA (excluding other income)	17.84	11.31	57.77	17.20
PAT	9.08	2.45	270.61	7.27
EPS (Rs)	2.54	0.95	167.76	2.16

Performance Highlights: -

For the quarter ended June 30th, 2018:

- The volume for the quarter stood at **41,587 MT** – a YoY growth of **11.53%**
- **Revenue from operations stood at Rs. 269.50 crore** in Q1 FY19, as against Rs. 202.12 crore in Q1 FY18, a **Y-o-Y growth of 33.34%**, mainly on account of increase in sales volumes and realizations
 - Domestic revenue stood at 95%, whereas Exports stood at 5%
- **EBITDA for the quarter was Rs. 17.84 crore** in Q1 FY19 as against Rs. 11.31 crore in the corresponding previous period, a **Y-o-Y growth of 57.77%**. This growth was driven by opting for rich raw material mix that resulted in higher output combined with lower power consumption cost

- **Profit After Tax stood at Rs. 9.08 crore** in Q1 FY19 as against Rs. 2.45 crore in Q1 FY18, a **Y-o-Y growth of 270.61%**
- EPS stood at Rs. 2.54 in Q1 FY19 as against Rs 0.95 in Q1 FY18, **Y-o-Y increase of 167.37%**

Recent Development:

- Recently the Company's credit ratings have been upgraded to '**CRISIL AA**' from 'CRISIL AA-' for **long term borrowing** and '**CRISIL A1+**' reaffirmed for **short term borrowings**. Total bank loan facilities rated was at Rs. 546.82 crore

Management Comment:

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

"This quarter, we have demonstrated a good growth. This growth has come on the back of growth in our volumes, rich raw material mix which led to a higher output combined with lower power consumption. This has led to an increase in our sales & EBIDTA realizations as well. We have seen an uptick in demand coming in from the automobile sectors. I believe, this is good news for companies like ours as we will benefit from this rising demand.

Our focus continues to remain on improving and maintaining our operational efficiencies leading to a better profitability. Our strength being operating efficiencies combined with capacity expansion will help the Company to achieve its future goals and consistently deliver superior performance. Our continued association with existing customers and focus on entering into associations with new customers has helped us grow.

I thank the entire team of 'Vardhman Special Steels Limited' for their untiring efforts, hard work, sincerity and high dedication. Also, I would like to thank our valued Shareholders, whose support and faith in our Company along with their critical inputs has given us the determination and ambition to grow from strength to strength."

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, Russia and Spain.

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 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

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