



# Vardhman

## VARDHMAN SPECIAL STEELS LIMITED

Delivering Excellence. Since 1965.

CHANDIGARH ROAD  
LUDHIANA-141010, PUNJAB  
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E: secretarial.lud@vardhman.com

Ref. VSSL:SCY:APR:2026-27

Dated: 28.04.2026

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 Requirements) Regulations, 2015, please find enclosed herewith Investor Presentation on financial results of the Company for the quarter and financial year ended 31<sup>st</sup> March, 2026.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For VARDHMAN SPECIAL STEELS LIMITED

SONAM  
DHINGRA

Digitally signed by SONAM DHINGRA  
DN: cn=SONAM DHINGRA,  
2.5.4.20=534392, o=Vardhman Special Steels Limited,  
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serial=161012, street=CO Block Chandigarh  
Road No. 12/18, Block Side, CFPS, Main Highway,  
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Date: 2026.04.28 16:42:31 +05'30'

(SONAM DHINGRA)  
COMPANY SECRETARY

YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS

CIN: L27100PB2010PLC033930

WWW.VARDHMANSTEEL.COM

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# WARDHMĀN

**SPECIAL STEELS LIMITED**

Result Update Presentation Q4 & FY26

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**WAY AHEAD**





# FINANCIAL HIGHLIGHTS

# MANAGEMENT'S MESSAGE



“

*“FY26 has been a milestone year for the Company, marked by strong execution across strategic, operational, and financial priorities. Early in the year, we strengthened our balance sheet by becoming debt-free, reducing finance costs and enhancing financial flexibility. We also progressed on our technology roadmap with the successful commissioning and of the Kocks Block.*

*Our partnership with Aichi Steel Corporation was further reinforced through their increased stake and continued technical collaboration, including the approval of a forging facility, positioning us for forward integration into value-added automotive components.*

*Q4 FY26 was particularly significant, with the commissioning of our solar power plant and the installation of a new reheating furnace, which will increase our capacity to 270,000 tonnes. These developments strengthen our manufacturing capabilities and position us to drive higher volumes, improve cost efficiencies, and deliver more stable margins.*

*Overall, we exit FY26 with a stronger operational base, enhanced capabilities, and a clear pathway for sustainable and profitable growth.”*

”

**Mr. Sachit Jain,**  
Chairman and Managing Director

# FINANCIAL HIGHLIGHTS Q4 FY26

INR Crore	Q4 FY26	Q4 FY25	Y-o-Y %	Q3 FY26
<b>Revenue From Operations</b>	<b>457.92</b>	<b>428.04</b>	<b>6.98%</b>	<b>430.54</b>
Other Income	10.46	7.18		13.17
<b>Total Income</b>	<b>468.37</b>	<b>435.22</b>	<b>7.62%</b>	<b>443.72</b>
Cost of Materials Consumed	241.37	220.40		243.41
Purchases of Stocks	0.00	0.00		0.00
Changes In Inventory	28.46	49.43		3.83
<b>Raw Material Expenses</b>	<b>269.83</b>	<b>269.83</b>		<b>247.25</b>
Employee Expenses	29.74	26.47		29.19
Power & Fuel	46.82	39.06		48.34
Other Expenses	65.44	61.24		62.48
<b>Total Expenditure</b>	<b>411.83</b>	<b>396.60</b>		<b>387.25</b>
<b>EBITDA</b>	<b>56.54</b>	<b>38.62</b>	<b>46.40%</b>	<b>56.47</b>
Depreciation	7.80	8.29		7.99
Interest / Finance Cost	2.76	3.47		3.69
<b>PBT</b>	<b>45.99</b>	<b>26.85</b>	<b>71.25%</b>	<b>44.79</b>
Tax	12.01	7.12		11.21
<b>PAT</b>	<b>33.98</b>	<b>19.73</b>	<b>72.20%</b>	<b>33.59</b>
<b>Basic EPS in Rs.*</b>	<b>3.52</b>	<b>2.42</b>	<b>45.45%</b>	<b>3.48</b>

Volumes for Q4 FY26 stood at **59,370** tonnes as against 53,834 tonnes in Q4 FY25

Revenue increased marginally mainly due to decline in prices during the quarter, the impact was offset by higher sales volumes

EBITDA increase mainly due to increase in other income on account of interest received on fixed deposits of unutilized funds invested by Aichi Steel Corporation (ASC), interest on advance deposit with PSPCL and other operational benefits

EBITDA (including other income) per ton in Q4 FY26 – **Rs. 9,524**. Excluding the non-operational Income to the extent of Income on unutilized funds invested by ASC and interest on advance deposit with PSPCL, EBITDA per ton for the quarter was **Rs. 8,711**

# FINANCIAL HIGHLIGHTS FY26

INR Crore	FY26	FY25	Y-o-Y %
<b>Revenue From Operations</b>	<b>1,754.43</b>	<b>1,764.41</b>	<b>(0.57)%</b>
Other Income	42.35	29.11	
<b>Total Income</b>	<b>1,796.78</b>	<b>1,793.52</b>	<b>0.18%</b>
Cost of Materials Consumed	974.39	1093.68	
Purchases of Stocks	0.00	0.00	
Changes In Inventory	61.66	(10.75)	
<b>Raw Material Expenses</b>	<b>1,036.06</b>	<b>1082.93</b>	
Employee Expenses	114.28	103.39	
Power & Fuel	190.48	177.37	
Other Expenses	247.14	252.67	
<b>Total Expenditure</b>	<b>1,587.96</b>	<b>1,616.37</b>	
<b>EBITDA</b>	<b>208.82</b>	<b>177.16</b>	<b>17.87%</b>
Depreciation	32.87	33.47	
Interest / Finance Cost	11.91	18.63	
<b>PBT</b>	<b>164.05</b>	<b>125.06</b>	<b>31.18%</b>
Tax	42.03	31.97	
<b>PAT</b>	<b>122.02</b>	<b>93.09</b>	<b>31.08%</b>
<b>Basic EPS in Rs.</b>	<b>13.15</b>	<b>11.40</b>	<b>15.35%</b>

Volumes for FY26 stood at **2,25,620** tonnes as against 2,15,843 (only rolled products) tonnes in FY25

Decline in Revenue by 0.57% mainly due to decline in prices

EBITDA per Ton for FY26 was **Rs. 9,255**. Excluding the non-operational Income to the extent of Income on unutilized funds invested by ASC and interest on advance deposit with PSPCL, EBITDA per ton for FY26 was **Rs. 8,598**

**The Board has recommended a dividend of Rs. 3.50 per share on fully paid-up equity shares, subject to approval in the Annual General Meeting**

# BALANCE SHEET HIGHLIGHTS

INR Crore	As on 31 <sup>st</sup> Mar'26	As on 31 <sup>st</sup> Mar'25
<b>Equity</b>	<b>1,277.32</b>	<b>797.91</b>
Equity Share Capital	96.69	81.73
Other Equity	1,180.63	716.18
<b>Non-current Liabilities</b>	<b>25.86</b>	<b>24.78</b>
<b>Financial Liabilities</b>		
Borrowing	0.00	3.29
Lease Liability	0.10	0.36
Other Financial Liabilities	0.65	0.15
Provisions	2.09	2.16
Deferred Tax Liabilities (net)	22.69	18.43
Other Non-Current Liabilities	0.33	0.39
<b>Current Liabilities</b>	<b>329.93</b>	<b>313.22</b>
<b>Financial Liabilities</b>		
Borrowings	92.65	116.43
Lease Liabilities	0.25	0.22
Trade Payables		
Total O/s dues of Micro, Small Ent	9.41	5.82
Total O/s other Than Above	174.80	133.49
Other Financial Liabilities	34.89	38.54
Provisions	1.32	1.95
Other Current Liabilities	16.61	16.39
Current Tax Liability (Net)	0.00	0.39
<b>Total Equity &amp; Liabilities</b>	<b>1,633.12</b>	<b>1,135.91</b>

INR Crore	As on 31 <sup>st</sup> Mar'26	As on 31 <sup>st</sup> Mar'25
<b>Non-Current Assets</b>	<b>677.73</b>	<b>474.76</b>
Property Plant & Equipment	584.76	308.29
Capital work in progress	26.47	117.03
Other Intangible Assets	0.01	0.02
Right of Use Asset	0.23	0.39
<b>Financial Assets</b>		
Long Term Investments	3.35	7.66
Long Term Loans	2.31	2.92
Other Financial Assets	2.92	2.94
Deferred Tax Assets (Net)	0.00	0.00
Other Tax Assets (Net)	0.47	0.01
Other Non-Current Assets	57.21	35.50
<b>Current Assets</b>	<b>955.38</b>	<b>661.15</b>
Inventories	350.24	334.97
<b>Financial Assets</b>		
Investments	154.80	10.00
Trade Receivables	277.84	261.30
Cash & Cash Equivalents	6.27	10.76
Other Bank Balance	52.29	0.56
Loans	2.34	2.13
Other Financial Assets	39.72	34.09
Assets Held for Sale	0.00	0.00
Other Current Assets	71.87	7.33
<b>Total Assets</b>	<b>1,633.12</b>	<b>1,135.91</b>



# COMPANY OVERVIEW

# ABOUT US



## Amongst India's Leading Steel Bar Producers for Automotive Applications

- Incorporated in May 2010
- Headquartered in Ludhiana, Punjab
- Caters to sectors such as Engineering, Automotive, Tractor, Bearing and Allied Industries



## Experienced Management Team

- Significant experience in Steel Industry
- Long term vision and proven ability to achieve long term goals for Company
- Strategic alliance with Aichi Steel Corporation



## Specialized Product offerings –

- Steel Bars and Rods and Bright Bars of various categories of Special & Alloy Steels



## 200+ Reputed and long-term customers

- Toyota, Hero Moto Corp, Caterpillar, Hino Motors, Maruti, Bajaj and Hyundai, among others



## State-of-art manufacturing facilities

- Cutting-edge manufacturing technology
- **Manufacturing Capacity**
  - Billets - 3,00,000 MTPA
  - Rolled Bars – 2,00,000 MTPA



## Strong Domestic & International Customer Base for forging applications

- Thailand, Taiwan, Turkey, Russia, Germany and Spain



## Quality Standards, Assurance & Certifications

- ISO 14001 (2015); ISO 45001 (2018); ISO 9001 (2015); IATF 16949 (2016) & ISO 17025 (2017)

# JOURNEY SO FAR

## What We were...

### 1973- 2011

- **1973** – Started as Oswal Steels - 50,000 TPA capacity of special & alloy steels
- **1986** - Acquired Mohta Alloys with capacity of 1,00,000 TPA
- **1995** – Installed modern Steel Melting Shop with Electromagnetic Stirrer
- **2000** – Commissioned Vacuum Degassing System
- **2001** - Strengthened product portfolio – added Bright Bar Facility
- **2010** - Independent identity under Vardhman Group

### 2012 - 2015

- **2012** - Listed on BSE & NSE
- **2013** – Installed fully automatic rolling mill with capacity of 1,50,000 TPA & Magnaflux leakage testing system (Dr. Foerster Germany), and Ultrasonic Testing from (Olympus, Canada)
- **July 2015** – Installed Fume Extraction system
- **Aug 2015** – Increased Bright bars capacity to 36,000 TPA & 1,80,000 TPA for Hot Rolled

### 2016 - 2018

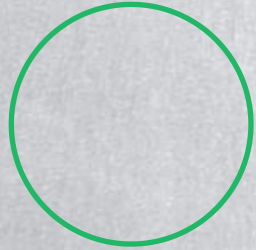
- **Dec 2016** – Upgraded transformer & allied equipment to reduce melting time & resulting in SMS capacity to 1,65,000 TPA
- **April 2017** – Rights Issue of Rs 67.85 Cr.
- **Oct 2017** – Purchased ~8 acres of adjoining land for Rs. 36 Cr.
- **Feb. 2018** – QIP of Rs 50 Cr.
- **June 2018** – CRISIL upgraded credit rating
- **Aug 2018** – Change in Statutory Auditors to M/s B. S. R. & Co. LLP

### 2019 – Till

- **Feb 2019** – Fortified Board of Directors -one Independent Woman Director and one Additional Director appointed
- **Sept 2019** – Replacement of electric arc furnace and other related activities
- **Nov 2019** – Signs Technical Assistance Agreement with Aichi Steel Corporation (ASC) - Issuance of equity shares on preferential basis worth Rs. 50 Cr.
- Appointed Additional Director as representative of Aichi Steel Corporation
- **July 2021** – Received environmental clearance for capacity expansion
- **Mar 2023** – Joins hands with ASC to start mass production
- **May 2023** – Issued Bonus Share in ratio 1:1
- **Nov 2024** – Achieved production over enhanced billet capacity of 2,85,000 TPA.
- **Jun 2025** – Aichi Steel Corporation raises its equity stake to 24.09%
- **Dec 2025** - Approved a ₹475 crore investment for a new steel forging and machining facility in Ludhiana

.... Transforming into one of India's leading steel bar producers

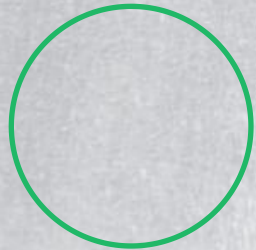
# STRONG EXPERIENCED BOARD OF DIRECTORS CONTD...



## Mr. Sachit Jain

Chairman & MD

- B. Tech (Electrical) - IIT, New Delhi, MBA (Gold medallist) - IIM, Ahmedabad and Owner/President Management Program – Harvard - Experience of over 34 years in Textile & Steel
- Chairman of CII, Northern Region



## Mr. Rajendar Kumar Rewari

Executive Director

- B. Sc. from Punjabi University, Patiala and LLB & Post Graduation diploma from Kurukshetra University
- More than 41 years of experience in manufacturing sector
- More than 10 years of experience as Managing Director of Morarjee Textiles Limited
- He has long track record at Vardhman Group in various key positions



## Ms. Soumya Jain

Executive Director

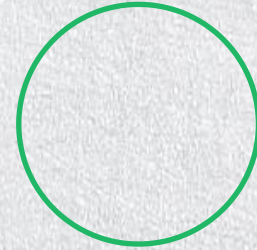
- Graduation in B.Sc. Economics from University of Bristol, UK
- MBA in family business from Indian School of Business
- 5 years of exp. in Vardhman Textiles in various fields like production, marketing, exports, HR, R&D, Capital investments, etc.
- Joined Vardhman Steel in 2021 with involvement in various departments



## Mr. Randhir Singh Kalsi

Independent Director

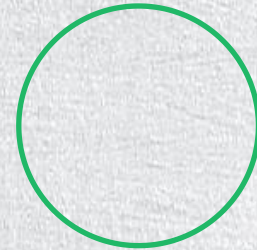
- Mechanical Engineer, from Delhi College of Engineering
- Worked for 40+ years with Maruti Suzuki India Ltd. across different functions
- Area of expertise includes – Leadership & Change Management, Business Strategy & Innovation, Startup & New Business Ventures, Aftermarket Parts & Logistics, Operations Management and Digital Transformation



## Ms. Suchita Jain

Non-Executive Director

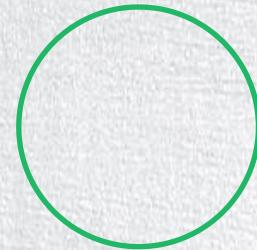
- Master's degree in Commerce from Punjab University, Chandigarh
- Over 31 years of rich experience in textile industry
- Representative of Vardhman Group



## Mr. Rajinder Kumar Jain

Non-Executive Director

- Chartered Mechanical Engineer from Institute of Mechanical Engineers London
- Retired as General Manager from Indian Railways after 35 years of service



## Mr. Toshio Ito

Non-Executive Non-Independent Director

- Mechanical Engineer, graduated from Nagoya University, Japan
- Managing Executive Officer at Aichi Steel Corporation since 2020
- Experience as Plant Manager at steelmaking, rolling mill and forging plants of Aichi Steel



## Mr. Koichiro Hayashida

Non-Executive Non-Independent Director

- Master's degree from Kumamoto University, Japan
- Currently serves as an Executive Officer of Hagane Company (Specialty Steel) and as General Manager of the Specialty Steel Business Management Division
- served as the President of Aichi Forge, Thailand from 2021 to 2024

# STRONG EXPERIENCED BOARD OF DIRECTORS CONTD...

## Mrs. Vidya Shah

Independent Director

- MBA from Indian Institute of Management, Ahmedabad
- 11 years of career in investment banking - ICICI, Peregrine and NM Rothschild
- Non-Executive Director of Edelweiss Financial Services Ltd. and Executive Chairperson of EdelGive Foundation
- Recognised as India's Top 100 Women in Finance by Association of International Wealth Management of India (AIWMI) 2019

## Mr. Rakesh Jain

Independent Director

- Ph.D. in Polymers from University of Akron
- Worked in Advanced Technology Group at GE Electro-materials Division (EMD) in Coshocton, OH, USA & Aditya Birla Group (ABG) as MD of Indo Gulf Fertilizers Ltd

## Mr. Suman Chatterjee

Independent Director

- Graduation in B.Sc. Economics from Presidency College, Kolkata
- Holds post graduate diploma in Business Management from Indian Institute of Management, Ahmedabad
- Over 30 years of experience in Multiple Leadership roles - worked in sales & marketing and has led businesses for Levi Strauss and SC Johnson in India

## Mr. Hemant Bharat Ram

Independent Director

- Master's degree in Industrial Administration (MBA) & Bachelor's degree in Mathematics and Computer Science, both from Carnegie Mellon University, Pittsburgh, PA, USA
- Started his career in 1991 with DCM Data Systems & thereafter he looked after various businesses of DCM Group
- Managing Director of DCM Nouvelle Limited since 2019 & prior to that led the Textile Business of DCM Limited for over 9 years

## Mr. Dinkar Gupta

Independent Director

- Commerce graduate with a Master's degree in Police Administration.
- 1987 batch IPS officer from the Punjab cadre has over 30 years of experience in national security.
- Served as Director General of the National Investigation Agency (NIA) and as Director General of Police (DGP), Punjab, leading major counter-terrorism and law enforcement initiatives.

## Mr. Nishant Arya

Independent Director

- Graduated in Business Administration from Bradford University, UK and has studied further at the London School of Economics.
- Vice Chairman & MD of global Indian conglomerate JBM Group and Chairman of Linde Wiemann GmbH, Germany.
- Represents India at key global platforms including COP27-29, World Economic Forum-Davos, actively promoting sustainable mobility and clean energy in collaboration with global institutions such as ADB, AIIB, IFC, and EDB Singapore.



Wire Feeder



# BUSINESS OVERVIEW

NOZZLES

# WIDE RANGE OF ROLLED & BRIGHT BARS PRODUCTS

## Hot Rolled Bars



- Diameter Size : Increased from 25-70 MM in 2012 to 16-120 MM

## Bright Bars



- Size : 14.66 to 78 mm (Peeled), 18 to 55.25 mm (Drawn)

# DIVERSE APPLICATIONS OF OUR PRODUCTS

- Axle Gears
- Stabilizer Bar
- Knuckle Spindle
- Piston
- Connecting Rod
- Camshaft
- Center Velocity Joint
- Crankshaft
- Differential Gears



- Transmission Gear
- Drive-Shaft
- Tie-Rod
- Bearings
- Companion-flange
- Axle Shaft
- Piston-Pin
- Steering-Yoke
- Steering Shaft

# STATE OF ART MANUFACTURING FACILITIES



**Steel Melting Shop**

**Annual Capacity : 3,00,000 TPA**

- 35 MT Ultra High Power (UHP) Eccentric Bottom Tapping (EBT Type)
- Fully automated continuous feeding system for DRI & other raw materials
- Automatic lance manipulator for oxygen and coke injection
- Electrode regulation system - Melt Controller
- CELOX for active oxygen measurement (Electronite)



**Rolling Mill**

**Annual Capacity : 2,00,000 TPA**

- Rolling Mill installed in 2013-14
- Mill with complete automation
- 33 TPH "Walking" Hearth Type Reheating Furnace
- Reversible 2 high shift able stand with Bar Manipulator
- 10 Continuous Stands in Horizontal & Vertical configuration
- Online Dimensional Measurements
- Rack Type Cooling bed designed for better straightness & Hardness levels
- Abrasive Cutter



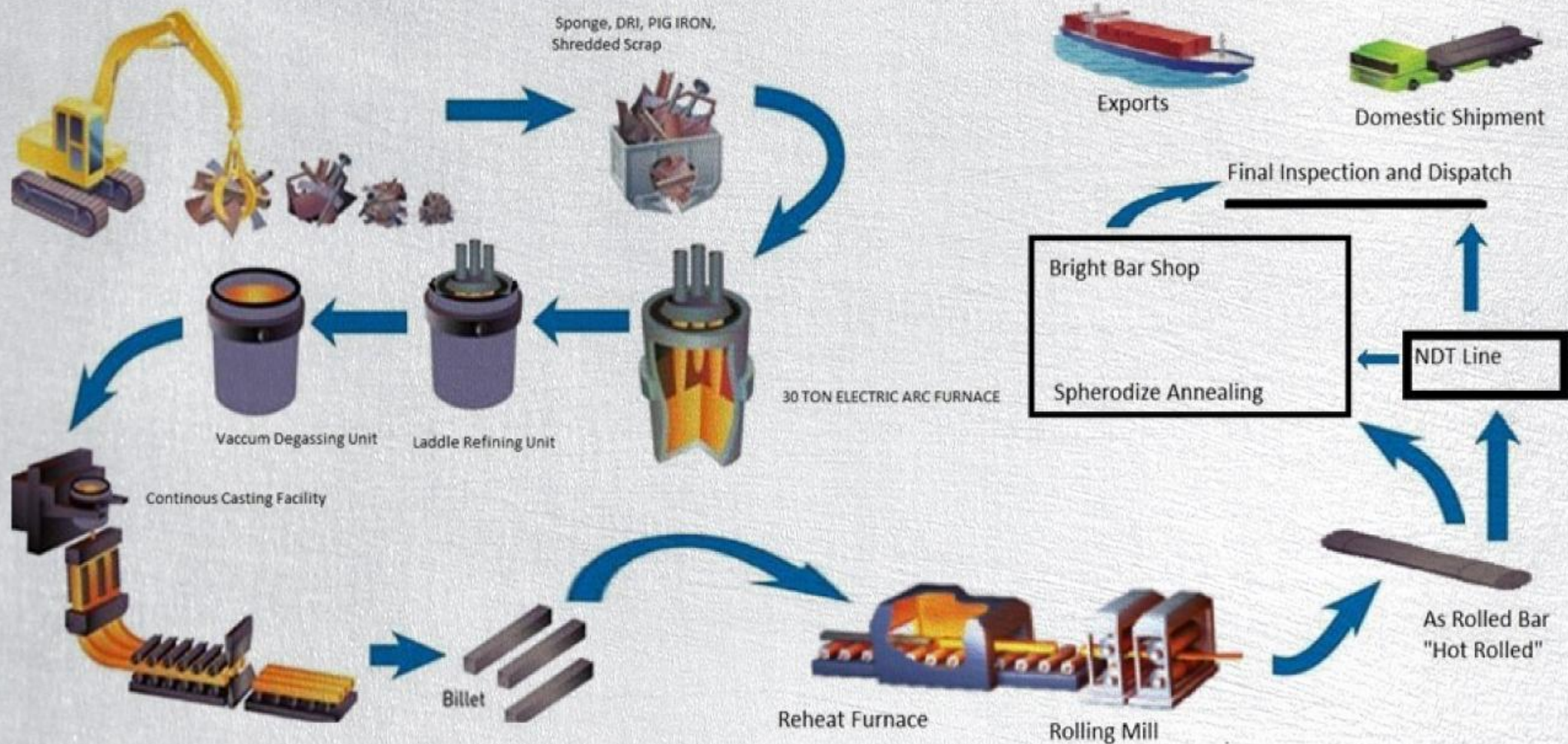
**Bright Bars**

**Annual Capacity : 48,000 TPA**

- Bar Peeling & Centreless Grinding
  - Straightening
  - Peeling
  - Cold drawing
  - Polishing
  - Centreless grinding
  - Full length bar Magnetic Particle Inspection
  - High Speed Band Saws
  - Circular Saw - Cut to Length Steel

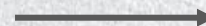


# PROCESS FLOW



# IN HOUSE STEEL MELTING SHOP

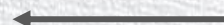
Electric Arc Furnace



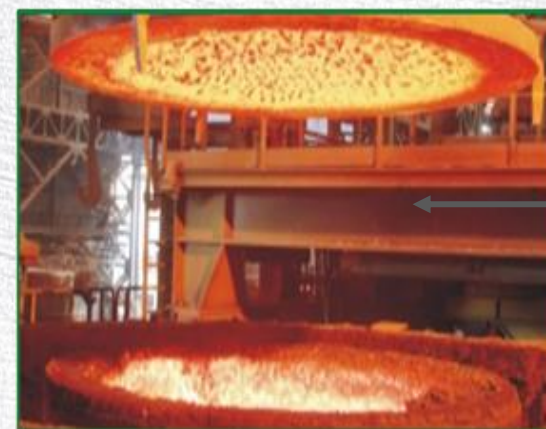
Two Ladle Refining Furnace



Continuous Casting Machine



Vacuum Degassing



# ROLLING MILL & BRIGHT BARS

Rolling Mill



Reheating Furnace

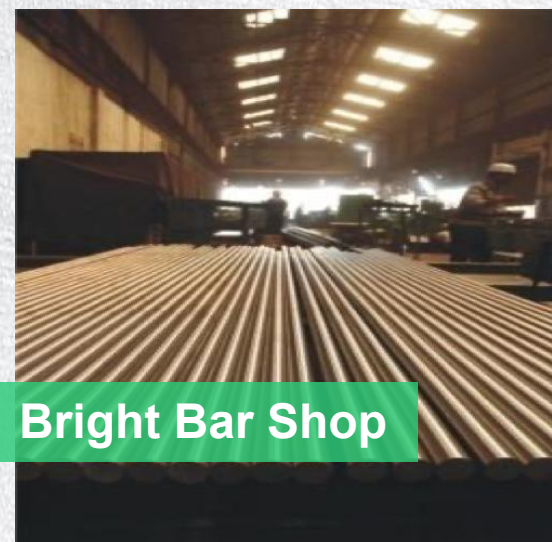


Rolling Mill

Bright Bar Shop



Spherodizing & Annealing Machines



Bright Bar Shop

# AUTOMATIC LINE OF BAR INSPECTION NDT LINE

## Straightening

Straightness :  
2mm / meter



## Chamfering

Bar ends free from  
Burr



## MFLT

Acceptance Criteria:  
0.2x10mm



## UST

Acceptance Criteria: SDH -  
0.8x10mm, FBH - 0.8 & 1.2mm

## Shot Blasting



# BEST IN CLASS R&D FACILITY

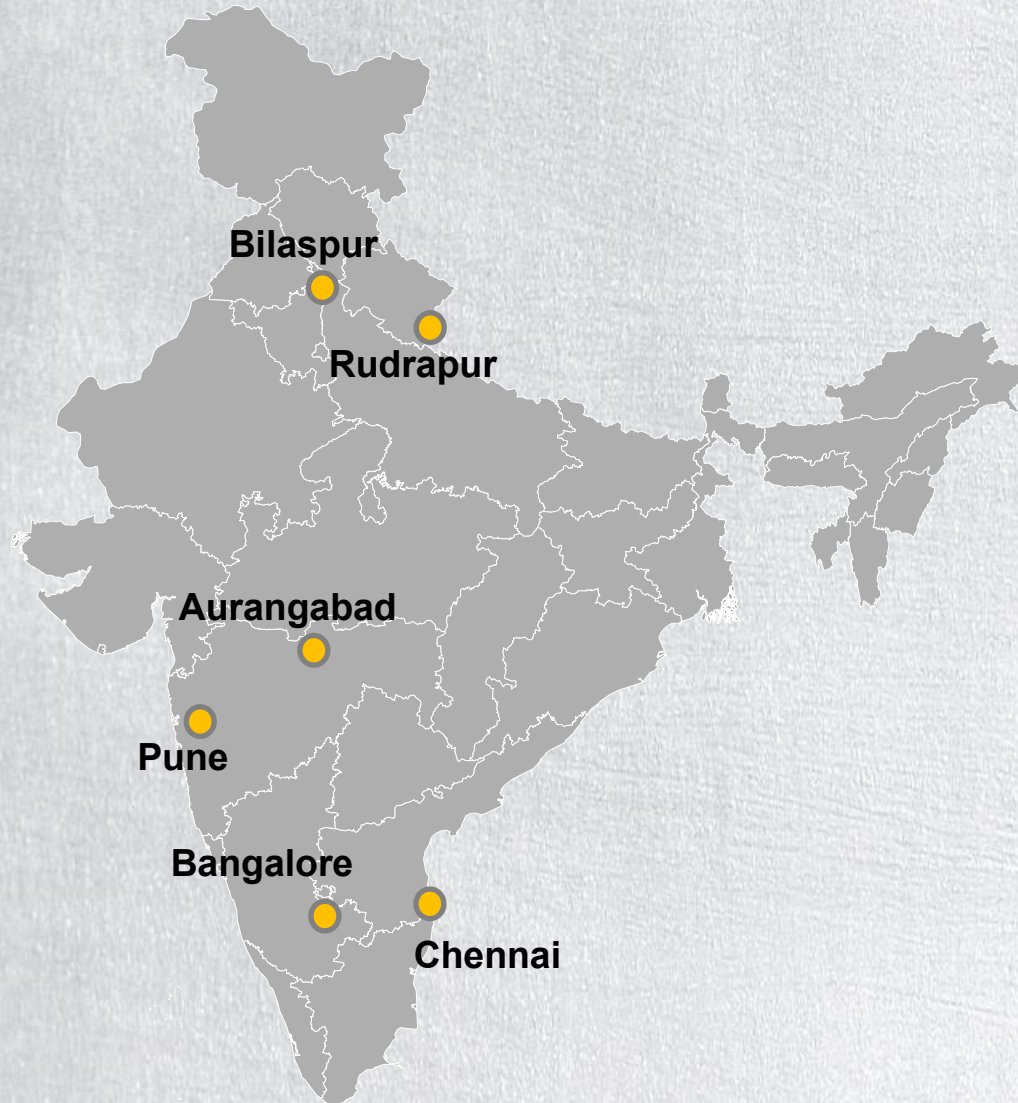
- **Spectrometer:** ARL 4460:1454 for Chemical Analysis. Can check 32 different elements
- CS - 230 : Analyzer for Carbon & Sulfur content in steel
- **LECO gas analyzer:** TC 600 H<sub>2</sub>, N<sub>2</sub>, O<sub>2</sub> Analyzer
- Mobile Spectro and XRF for Mix up Testing of Bars
- **Mechanical and Metallurgical Testing Lab:**
  - Rockwell Hardness Tester
  - Impact Testing Machine (Material Toughness)
- **Metallurgical Microscope with Image Analyzer:**
  - Carl Zeis microscope with maximum magnification of 1000x
  - Olympus microscope with maximum magnification of 2000x
- **RADLAB-1 GAMMA RAY Spectrometer:**
  - For Testing Steel Samples for Radiological Content
  - Can identify different types of Isotopes present in Steel Sample and show Results in Bq/gm
  - Samples Radiological content can be certified with 300 Second scan in RadLab "Well"
- **XRF Spectrometer:** Higher range & All input/ output material can be checked and chemically analysed
- **Scanning Electron Microscopy and Energy Dispersive X-ray Spectroscopy (SEM-EDS):** For material surface analysis, material rejection, contaminant identification, solder joint analysis etc.
- **Digital Optical Microscope With Elemental Analyzer:** For observation, analysis and elemental analysis, allowing the status and composition of the target to be checked from its outer appearance



...ensuring highest levels of quality and compliance



# STRATEGICALLY LOCATED WAREHOUSING FACILITIES



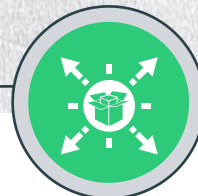
- **One Owned Warehouse**
  - Bilaspur Haryana
- **Five Leased Warehouses in India**
  - Bangalore
  - Chennai
  - Rudrapur
  - Pune
  - Aurangabad

# KEY STRENGTHS



## State of Art Manufacturing Facilities and advanced R&D Capabilities

- Well equipped with latest upgraded Technology Machines



## Diversified Product offerings

- Manufactures diverse range of products with wide applications across sectors
- Further expanding product offerings to increase wallet share with existing customers and adding new clients



## Rich Management Experience

- Dynamic & rich experience in special steel sector
- Diverse team with right mix of operational & technical expertise along with dedicated and skilled employee base



## Quality Standards & Assurance

- Adherence to quality standards across all stages of manufacturing
- Checked for dimensional accuracy & temper at every stage
- Well equipped modern testing facilities to check for physical, mechanical & chemical properties



## Brand Image

- Continuous brand building exercise by providing excellent services to satisfy our customers

# 200+ REPUTED & LONG TERM CUSTOMERS....

## Cars



## Two Wheelers



## HCL/LCVs



## Auto Components



## Tractors



## Off Highway Vehicles





# .... ACROSS GLOBE WITH CUSTOMER BASE



*\*Includes exports to Aichi Forge, Thailand, through its trading arm in India.*

SVN SLAG +



**WAY AHEAD**

# INVESTING IN OUR REAL ASSETS



- **CCL - US based Organisation** – offers leadership programs across 160 countries, FT top10 in executive education with 500K alumni over 50 years
- **Customized leadership training** for 12 senior management



- **Training programs** – functional, attitudinal, skill development, quality – across all levels of employees
- **Specialized & customized programs**



- **New Initiative undertaken**
- **Formalized training programs** that focus on technical knowledge, enhance skill sets and productive efficiencies of personnel

# EVOLUTION OF THE STRATEGIC ALLIANCE WITH AICHI STEEL CORPORATION (ASC), JAPAN



## Phase - 1

- Technology and technical know how shared with VSSL to make steel for Toyota companies and other OEM's
- To raise quality of steel of VSSL to be supplied to future ready cars like Hybrid, Hydrogen fuel and Electric



## Phase - 2

- Increase VSSL production capacity with aim to achieve high quality combined with minimum cost
- Enable VSSL to build optimal global production system and customer requirements in India and ASEAN regions

## TARGET

**To make Japanese quality steel in India for Indian auto majors and ASEAN region**  
**To reduce manufacturing costs by reducing and eliminating waste**



## Phase - 3

Setting up new **Greenfield steel plant** in the state of Punjab

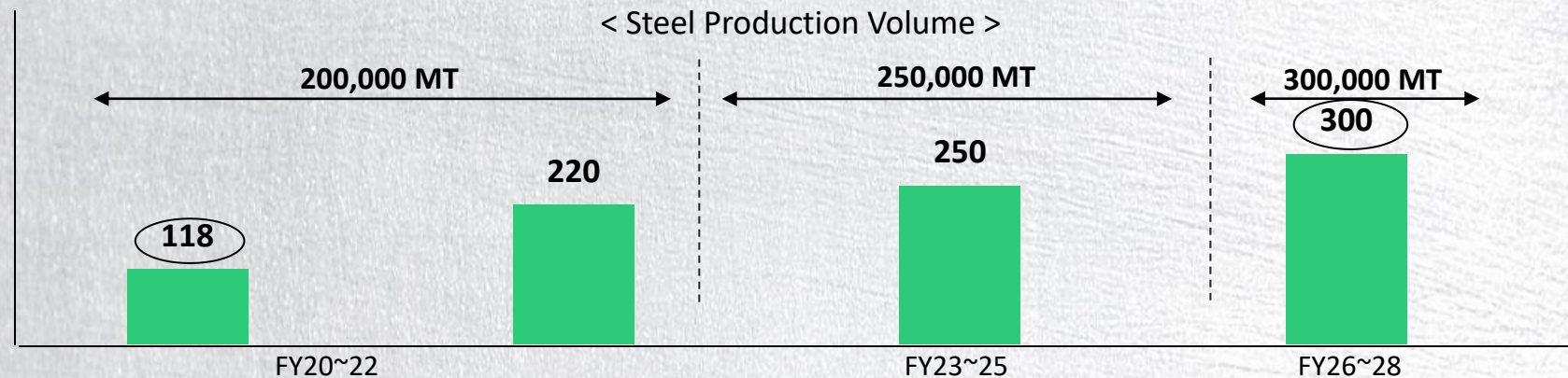
- **Aichi** increases its stake in VSSL from **11.33% to 24.90%** marking a decisive shift from being a passive strategic investor to a deeply integrated partner in VSSL's growth story.
- Planned **capacity is 5,00,000 MT** per annum of billet production with commensurate Rolling Mill and testing facilities. The new capacity is expected to be **commissioned by FY 2029–30**.
- The project aligns with trends such as **Green Steel and the Circular Economy**, which are expected to boost demand through the Electric Arc Furnace (EAF) route.
- The company also **aims to diversify into new product segments** such as wire rods, forging, and the non-automotive sector.

# WHAT ADVANTAGE FOR VSSL AFTER ALLIANCE WITH AICHI

## Possibilities

- Future Ready products - Patent steel grades developed for special application in EV's, hybrid and conventional cars
- **Own In House R&D** – Toyota Car Company takes input from Aichi on special steel to be developed car parts. It means we can target more approvals for VSSL in Maruti Suzuki and Toyota
- More customers for Vardhman in India and ASEAN region
- Export expected to increase from current 5% in FY22 to 20% - 25% by FY27
- Ministry of Environment grants Environmental Clearance for expansion from 2,00,000 MT per annum to 2,80,000 MT per annum of rolled capacity
- **Forward Integration of VSSL into specialised Forging plant in India**

## Road map of production volume (billets)



# TIMELINE FOR ACTIVITIES



## Phase 1

- Continuous improvement in quality and productivity by strengthening existing procedures
- Focus on Improving safety levels
- Start marketing to customers in India, Thailand, Philippines and Indonesia
- FY 2021-22 – Year of Sampling for Aichi

**2019-2022**



## Phase 2

- Initiate CAPEX to increase production capacity to 250,000 MT in first phase
- FY 23: Year of manufacturing of Trial orders for Aichi
- Anticipate to receive orders from Aichi for Southeast Asia as well as import substitutions
- ✓ Joins hands with ASC to start mass production in Mar'23
- FY 24: Start supply of products against firm orders for Aichi

Take Japanese approvals like Yamaha, Mushashi, JTEKT, Toyota, Aichi Forge, Suzuki, Hino Motors

**2022-2025**



## Phase 3

Production 300,000MT / year  
Export 60,000 MT / year

- Vardhman may look forward to Forging business in India
- Time for Aichi to Invest more in Vardhman
- VSSL AICHI may lay foundation for future steel company in India

**2025-2028**

## Goal 2030

**VSSL to emerge as #1 Special Steels' Manufacturer in India**

# ESG INITIATIVES



## Environment

- Committed towards cleaner, greener and healthier environment by implementing stringent standards & policies for Environment in our unit
- Making steel through Electric Arc Furnace route which is significantly more environment friendly than Blast Furnace route. Most of our competitors are making steel through Blast Furnace route
- In 2015, installed Secondary Fume Extraction system with investment of Rs. 12 crores, to capture dust going into air. Its annual operational cost is approximately Rs. 5 crores
- On our journey of expanding production capacity from existing 2 lac TPA to 2.80 lac TPA, we are also leaping step forward in tightening our norms towards environment protection. These include development of Greenbelt of over 33% existing land area, emissions below 30 ppm against 150 ppm followed by most of our competitors, zero liquid discharge and reduction of substantial water extraction even after expansion. Apart from this, we are developing forest on 5 acres of land owned by Vardhman Textiles Ltd. situated at middle of Focal Point, Ludhiana with Japanese technique known as “Miyawaki”. This will be unique facility on such large area for benefit of environment and society at large. All this will be done with total capital outlay of over Rs. 30 crores
- Aspire to plant 1,000 acres of forest in next 15 years in Punjab
- Plan to replace Furnace Oil with Natural Gas (being Greener Fuel), thus reducing load of carbon emissions going into environment
- Trees are planted every year to increase green area in and around factory, planted over 52,000 trees till March 2023 and also undertaken parks and other areas for development
- Focusing on water conservation by recharging water through 7 rainwater harvesting pits in factory and adopted more than 10 ponds for desilting
- Install renewable solar power plants in next 2-3 years to reduce carbon footprint
- Target – to bring down carbon footprint below 0.5 by 2030 and 0 by 2050, well ahead of India’s target of net 0 by 2070
- Disposing all types of wastes being generated in factory through agencies duly approved by Pollution Control Board

## Social

- Support principles of inclusive growth and equitable development through CSR initiatives for sustainable development in core business activities
- We have made several contributions towards:
  - (i) Preventive & Promoting Healthcare and Sanitation
  - (ii) Towards Environment sustainability
  - (iii) For Promoting Education
  - (iv) Towards Women Empowerment
  - (v) Towards socially and economically backward groups



- Have In-house oxygen generation plants for our captive consumption. During Covid time, we had served society by supplying oxygen cylinders. During 2nd wave of Covid, we have been able to serve for 50% requirement of oxygen of Ludhiana city
- **Employee well being:**
  - ✓ We hadn't laid off anyone during Covid time, rather we had paid full salaries to our employees and ensured full payment to our contract workers. Apart from this, we had given timely increments, production incentives and above all distributed one time incentive for hard work done by entire team during tough times of Covid
  - ✓ In current year, we had developed well-equipped Health Fitness Centre in campus managed by professional trainer
  - ✓ We have launched 3 welfare policies in current year:
    - Chalo Ghar Bhi Banaye (Housing loan scheme)
    - Main Hoon Naa (Taking care of education of children on unfortunate demise of our employee till graduation irrespective of any College/University)
    - Vidwaan Bano (Scholarship of Rs. 50,000/- to outstanding children of our employees)
- **We are having strong Women Grievance handling mechanism in place**
- **We have various unique facilities and schemes for benefit of employees such as single roof canteen serving same food from Worker to MD**
- **Two full time Doctors posted in campus, promoting Trekking, Meditation in Vipasana or equivalent, helping to maintain BMI and more**

## Governance

- M/S B S R & Co LLP, affiliate of KPMG, Chartered Accountants are our Statutory Auditors.
- We are led by strong Board consisting of 11 members out of which 6 are independent directors. Chairperson is non-executive independent director. Our Board includes two women directors, out of which one is independent director.
- Aichi Steel Corporation Japan, main steel supplier to Toyota Group had selected us as their partner and entered strategic alliance in 2019 along with equity participation in VSSL and have seat on the Board



**Vardhman**

Delivering Excellence. Since 1965.

# THANK YOU

For further information, please contact

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**NSE**

National Stock Exchange of India Limited

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