

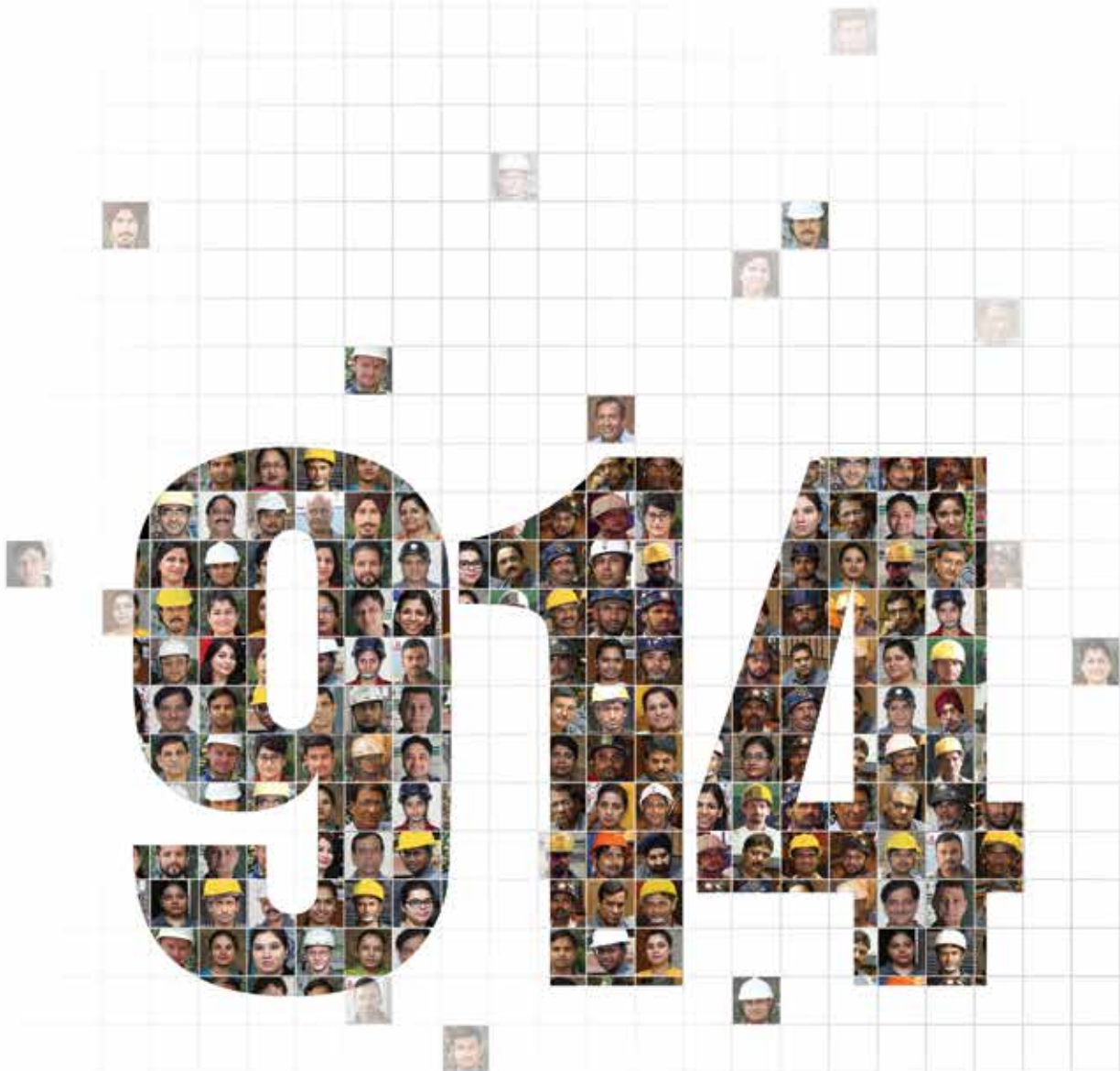
HEADS & HEARTS



Vardhman

Vardhman

Delivering Excellence. Since 1965.



REASONS

VARDHMAN SPECIAL STEELS LIMITED
ANNUAL REPORT 2016-17



Contents

Heads & Hearts – making a difference	02	Corporate Governance Report	63
About the Corporate	12	Financial statements	72
From the Vice-Chairman's desk	16	Notice	121
Management discussion and analysis	20	Corporate Information	132
Directors' Report	32		



**MOST COMPANIES ATTRIBUTE THEIR SUCCESS
TO A HANDFUL OF PATH-BREAKING FACTORS**

**AT VARDHMAN SPECIAL STEELS LIMITED,
WE ATTRIBUTE OURS TO NO LESS THAN 914
REASONS**

**BECAUSE EVERY VARDHMAN TEAM MEMBER
HAS CONTRIBUTED IMMENSELY TO OUR
SUCCESS**

**THEIR BELIEF, THEIR PASSION, THEIR
PERSEVERANCE**

**SILENTLY MERGED INTO OUR BUSINESS
IMPROVEMENT**



At Vardhman,

We did not make any path-breaking innovations

We just asked our team to dream

We believed in their dreams

We invested in their dreams

We asked them to do different things

We directed them to do things differently

We supported their efforts

We applauded their progress

We celebrated their failures

We pushed them to learn and improve

A man in a dark suit and tie is shown from the chest up, pointing his right index finger towards a digital interface. The interface features a glowing white line graph that starts from the left, moves horizontally, then diagonally upwards, and finally horizontally to the right. The background is a soft, out-of-focus light. Several small, semi-transparent squares in various colors (green, orange, blue, black) are scattered across the lower half of the image. A blue rectangular box containing white text is positioned in the lower right quadrant.

AND WITH THAT...

WE EMBARKED ON THE
JOURNEY OF MEMORABLE
GROWTH THAT HAD
ELUDED OUR COMPANY
IN THE FIRST DECADE
OF THE TWENTY FIRST
CENTURY.



STEELY RESOLVE

Our steel melting team determined to raise their efficiency bar.
We only supported their resolve.

While they painstakingly analysed every operational and maintenance process, worked on improvement and institutionalised the improved discipline, we complemented their efforts by investing in new technology, superior machines, adequate redundancies and small automation.



AND THE RESULTS WERE QUITE INTERESTING!

OUR PRODUCTIVITY
IMPROVED

10

Average no. of
heats per day
(2011-12)



15

Average no. of
heats per day
(2016-17)

OUR CYCLE TIME
BETWEEN BATCHES
REDUCED

109

Gross tap-to-tap time
(minutes in 2011-12)



95

Gross tap-to-tap time
(minutes in 2016-17)

OUR HEAT
SEQUENCING
IMPROVED

11%

Sequencing percentage
(2011-12)



68%

Sequencing percentage
(2016-17)

OUR STEEL
PRODUCTION
JUMPED (BILLETS)

99,893 MT

Steel production
(2011-12)



1,35,884 MT

Steel production
(2016-17)





ON A ROLL

Our rolling mill team resolved to widen the opportunity matrix
We only facilitated their efforts.

While we invested in a new rolling mill sourced from the leading rolling mill supplier of the world, our team worked fervently on making the best even better.

AND, OUR WORLD HAS TRANSFORMED EVER SINCE!



WE WIDENED
OUR PRODUCT
RANGE

25-70 mm

Sizes of rolled products
(2011-12)



16-125 mm

Sizes of rolled products
(2016-17)

WE IMPROVED
ON THE LABEL
CAPACITY

70,000 TPA

Rolling mill capacity
(2011-12)



1,80,000 TPA

Rolling mill capacity
(2016-17)

OUR WASTAGES
DECLINED

0.35%

Miss roll - operational
(2011-12)



0.16%

Miss roll - operational
(2016-17)

OUR OWN STEEL
PRODUCTION
JUMPED
(ROLLED)

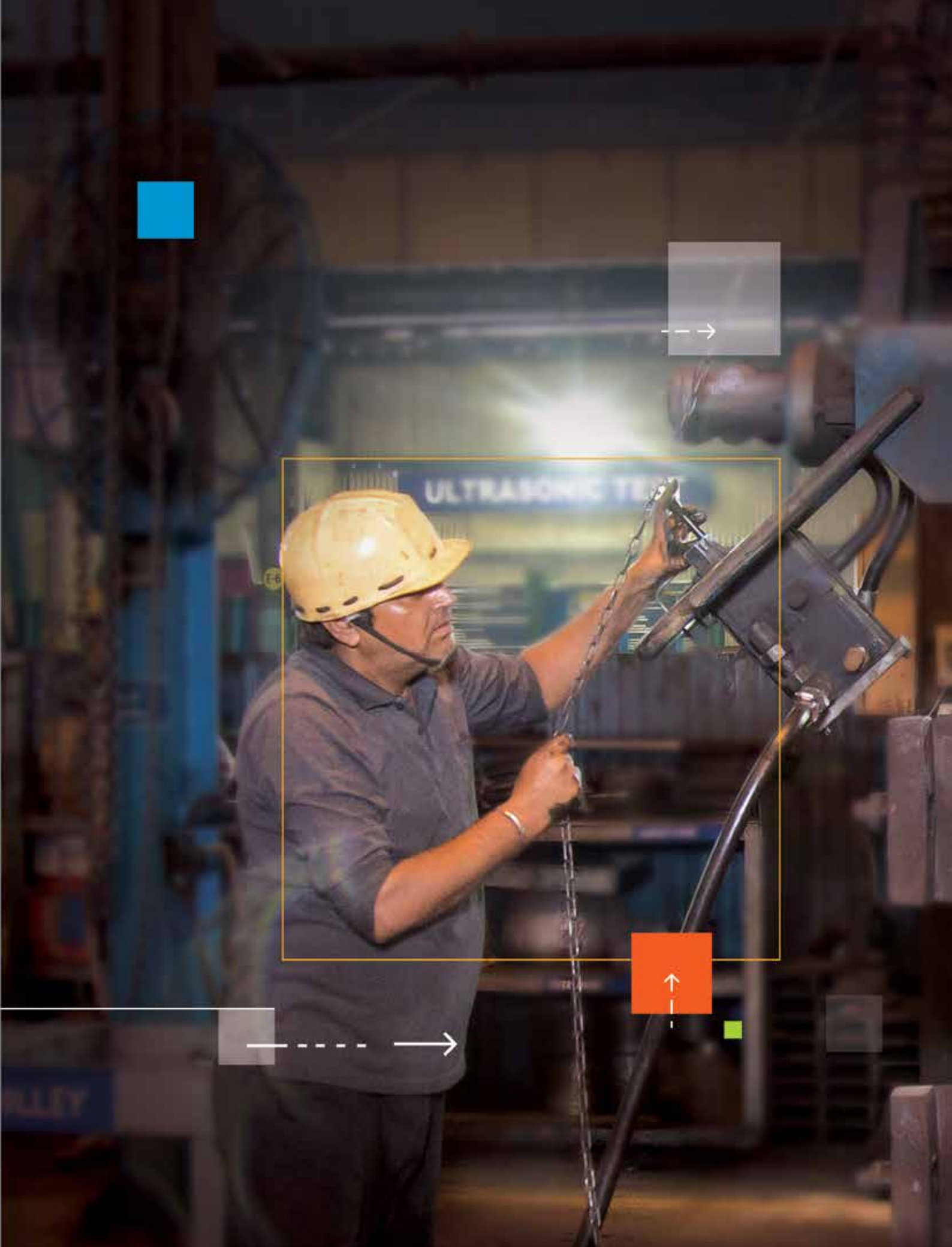
67,298 MT

Steel production
(2011-12)



1,35,199 MT

Steel production
(2016-17)





REACHING OUT

Our marketing team determined that the efforts of their in-plant colleagues be adequately rewarded. We encouraged their out-reach adventures.

While our team unearthed business development opportunities from new and existing customers, we assisted them with our contacts and clout to strike the deal.

THE NUMBERS SHOWCASE OUR SUCCESS!



OUR DOMESTIC
REACH
WIDENED

12

OEM's in India
(2011-12)



18

OEM's in India
(2016-17)

OUR GLOBAL
PRESENCE
EXPANDED

2

Global customers
(2011-12)



7

Global customers
(2016-17)

SALES VOLUMES
INCREASED

93,169^{MT}

Sales volumes
(2011-12)



1,31,636^{MT}

Sales volumes
(2016-17)

OUR CUSTOMER'S
CONFIDENCE
STRENGTHENED

14

Customers (Tier 1's & Tier
2's) giving us more than 60%
of their business (2011-12)



21

Customers (Tier 1's & Tier
2's) giving us more than 60%
of their business (2016-17)