



Vardhman Special Steels Limited

CIN: L27100PB2010PLC033930

Registered Office: Chandigarh Road, Ludhiana, Punjab - 141010

Tel. No. 91-161-2228943 **Fax No.:** 91-161-2601048

Email: secretarial.lud@vardhman.com;

Website: www.vardhman.com/ www.vardhmansteel.com

NOTICE OF EXTRA-ORDINARY GENERAL MEETING

Notice is hereby given that an Extra-ordinary General Meeting (“EGM”) of the Members of Vardhman Special Steels Limited will be held on the 25th day of June, 2025 at 10:30 a.m. through Video Conferencing (“VC”) facility / Other Audio Visual Means (“OAVM”) to consider and transact the following business:

SPECIAL BUSINESS:

Item No. 1:

To issue and allot equity shares:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:-**

“RESOLVED THAT pursuant to Sections 23, 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “**ICDR Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable provisions of the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019 and any other applicable laws, rules and regulations (including any amendment(s), statutory modification(s) or re-enactment(s) of each of the above for the time being in force), enabling provisions in the Memorandum and Articles of Association of the Company and the equity listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (together, the “**Stock Exchanges**”) and subject to necessary approvals/sanctions/permissions of third parties or lenders (if any)/appropriate statutory/regulatory authorities, if applicable, and subject to such conditions as may be prescribed by any of them while granting such approvals/sanctions/permissions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee(s), which the Board may have constituted or may constitute to exercise the powers conferred on the Board by these resolutions), the consent of the shareholders of the Company be and is hereby accorded to the Board to offer, issue and allot 14,770,100 (fourteen million seven hundred and seventy thousand and one hundred) equity shares (“**Shares**”) having a face value of INR 10 (Indian Rupees Ten) per equity share for an aggregate amount of INR 3,849,088,060 (Indian Rupees Three Billion Eight Hundred Forty Nine Million Eighty Eight Thousand and Sixty only) to Aichi Steel Corporation, Japan (“**ASC**”) by way of a preferential allotment on private placement basis (“**Issue**”).

RESOLVED FURTHER THAT in accordance with the provisions of Regulation 166A of Chapter V of the ICDR Regulations, the Valuation Report for determining the price as received from M/s AlphaValue

Consulting Valuation LLP, Independent Registered Valuer, be and is hereby confirmed and taken note of by the shareholders.

RESOLVED FURTHER THAT the Shares shall be of the same class and shall rank *pari passu* with the existing equity shares of the Company in all respects, and ASC will be entitled to all such rights and privileges as available to the holders of existing Shares of the Company in all respects including the payment of dividend and voting rights and shall be subject to the requirements of all applicable laws and the provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of the Act, the name of ASC shall be recorded in Form PAS-5 for the issuance of invitation to subscribe to the Shares and the Board and/or any Committee of Board authorized in this regard is hereby authorised to make an offer to ASC through private placement offer letter (in the format of PAS-4) immediately after passing of these resolutions.

RESOLVED FURTHER THAT in accordance with the provisions of Chapter V of the ICDR Regulations, the relevant date for determining the price of the Shares which will be issued in the Issue is May 26, 2025, which is 30 (Thirty) days prior to the Extra-Ordinary General Meeting.

RESOLVED FURTHER THAT in accordance with Regulation 170(1) of the ICDR Regulations the Shares shall be allotted by the Company to ASC, for cash consideration, within a period of 15 (Fifteen) days from the date of passing of these resolutions, provided that where any approval or permission by any regulatory authority or the Central Government for the allotment is pending, the allotment shall be completed within a period of 15 (Fifteen) days from the date of the order on such approval or the date of approval or permission, as the case may be.

RESOLVED FURTHER THAT the Shares shall be subject to lock-in as provided under the applicable provisions of Chapter V of the ICDR Regulations.

RESOLVED FURTHER THAT the Shares proposed to be allotted to ASC shall be listed on the stock exchanges where the existing equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals, as the case may be, and that the Board be and is hereby authorised to make the necessary applications and to take all other steps as may be necessary for and in connection with the listing of the Shares and for the admission of such Shares with the depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited, and for the credit of such Shares to the demat account of ASC.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including but not limited to execution of various deeds, documents, writings, agreements, filing of forms and applications with the relevant authorities and also to modify, accept and give effect to any modifications therein and the terms and conditions of the issue, as may be required by the statutory, regulatory and other appropriate authorities and to settle all queries or doubts that may arise in the proposed issue, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT subject to applicable laws, the Board be and is hereby also authorized to delegate, all or any of the powers herein conferred, to any Committee(s), Director(s) or Officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and are hereby severally authorized to issue duly certified copies of these resolutions, as and when required.”

Item No. 2:**To amend Articles of Association of the Company:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:-**

“RESOLVED THAT pursuant to the provisions of Sections 5, 14 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014, (including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the completion of closing formalities of the transactions contemplated under the Share Subscription and Investment Agreement (“SSIA”) dated Thursday, 29th May, 2025 between Vardhman Special Steels Limited (“**Company**”) and Aichi Steel Corporation, Japan (“**ASC**”), Part-II of the existing Articles of Association of the Company be and is hereby repealed and substituted with the new Part-II of the Articles of Association of the Company, *inter-alia* incorporating the key terms of the SSIA executed between the Company and ASC on Thursday, 29th May, 2025 and other consequential amendments to align with the provision of the Act and rules made thereunder, effective from the date of completion of the closing formalities of the transactions contemplated under the SSIA.

RESOLVED FURTHER THAT the Board be and is hereby severally authorized to sign all such forms and returns and other documents, and to do all such acts, deeds and things as may be necessary to give effect to the above resolution.

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and are hereby severally authorized to issue duly certified copies of these resolutions, as and when required.”

Item No. 3:

To approve special rights granted to “Aichi Steel Corporation” in accordance with Regulation 31B of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI LODR Regulations”):

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:-**

“RESOLVED THAT pursuant to the requirements prescribed under Regulation 31B of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**“the Listing Regulations”**) and rules made thereunder (including any statutory modifications or re-enactment thereof, the circulars, notifications, regulations, rules, guidelines, if any, issued by the Government of India, if any, for the time being in force), subject to the completion of the closing formalities of the transactions contemplated under the Share Subscription and Investment Agreement (**“SSIA”**) dated May 29, 2025, the consent of the Members of the Company be and is hereby accorded to the Company to give effect to various rights provided to Aichi Steel Corporation (**“ASC”**) as per SSIA dated May 29, 2025 executed and entered amongst the Company and ASC.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient, in the best interest of the Company, to accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other Authority arising from or incidental to the said amendment.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, as it may deem fit in its absolute discretion, to any Committee of the Board or any one or more Director(s)/ Chief Financial Officer/ Company Secretary/ any Officer(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and are hereby severally authorized to issue duly certified copies of these resolutions, as and when required.”

**By order of the Board of Directors
For Vardhman Special Steels Limited**

**Sd/-
(Sonam Dhingra)
Company Secretary
M. No.: ACS 34338**

**Place: Ludhiana
Date: 29th May, 2025**

Notes:

1. As per the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 21, 2021, General Circular No. 20/2021 dated December 8, 2021, General Circular No. 3/2022 dated May 5, 2022, General Circular No. 11/2022 dated December 28, 2022, General Circular No. 09/2023 dated September 25, 2023 and General Circular No. 09/2024 dated September 19, 2024 (“the MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI Circulars”) and pursuant to Section 101 of the Act read with relevant rules made thereunder, this EGM is being convened to be held through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. The proceedings of the EGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the EGM. Notice of EGM is being sent only through electronic mode to those Members who have registered their email address either with the Company or with the Depository.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended) and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the agency to provide e-Voting facility.
3. The Members can join the EGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice (Refer Point 10). The facility of participation at the EGM through VC/OAVM will be made available to at least 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination & Remuneration Committee and Stakeholders’ Relationship Committee, Auditors, etc.
4. Generally, a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since this EGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this EGM and hence the Proxy Form, Route Map and Attendance Slip are not annexed hereto.
5. The Explanatory Statement for the proposed resolutions pursuant to Section 102 of the Companies Act, 2013, which sets out material facts pertaining to the resolutions is annexed hereto and forms part of this Notice.
6. All the material documents referred to in the explanatory statement will be available electronically for inspection by the Members during the EGM. Further, the documents referred to in the Notice, if any, will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of EGM. Members seeking to inspect such documents can send an email at secretarial.lud@vardhman.com.

DISPATCH OF EGM NOTICE THROUGH ELECTRONIC MODE:

7. In compliance with the MCA Circulars and SEBI Circulars, Notice of the EGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice will also be available on the Company's website www.vardhman.com / www.vardhmansteel.com, website of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on website of Central Depository Services (India) Limited (e-Voting agency) at www.evotingindia.com.
8. For receiving all communications from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at secretarial.lud@vardhman.com or to RTA at rta@alankit.com
 - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

9. INTRUCTIONS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETING ARE AS UNDER:

- (i) The Remote e-Voting period commences on 22nd June, 2025 (9:00 a.m.) and ends on 24th June, 2025 (5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 18, 2025, may cast their vote electronically. The Remote e-Voting module shall be disabled by CDSL for voting after end of voting period on 24th June, 2025.

Further, the facility for voting through electronic voting system will also be made available at the Meeting and Members attending the Meeting will be able to vote at the Meeting.

- (ii) Members who have already voted through Remote e-Voting would not be entitled to vote during the EGM.
- (iii) As per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on e-Voting Facility provided by Listed Entities, **“individual shareholders holding shares of the Company in demat mode”** can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. The procedure to login and access remote e-Voting and join virtual meeting, as devised by the Depositories / Depository Participant(s), is given below:

Option 1 – Login through Depositories

NSDL	CDSL
1. Members who have already registered for IDeAS facility to follow below steps: <ol style="list-style-type: none"> (i) Go to URL: https://eservices.nsdl.com (ii) Click on the “Beneficial Owner” icon under ‘IDeAS’ section. (iii) A new page will open. Enter the existing User 	1. Members who have already registered for Easi / Easiest to follow below steps: <ol style="list-style-type: none"> (i) Go to URL: www.cdslindia.com and then go to Login and select New System Myeasi. (ii) Login with user id and password. (iii) Click on e-Voting. The option will be made

<p>ID and Password. On successful authentication, click on “Access to e-Voting”.</p> <p>(iv) Click on the Company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p>	<p>available to reach e-Voting page without any further authentication.</p> <p>(iv) Click on the Company name or e-Voting service provider name to cast your vote during the remote e-Voting period.</p>
<p>2. User not registered for IDeAS e-Services:</p> <p>(i) To register click on link: https://eservices.nsdl.com. Select option “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>(ii) Proceed with completing the required fields.</p>	<p>2. User not registered for Easi/ Easiest:</p> <p>(i) Option to register is available at www.cdslindia.com.</p> <p>(ii) Click on login & New System Myeasi Tab and then click on registration option.</p>
<p>3. Users can directly access e-Voting module of NSDL and follow the below process:</p> <p>(i) Go to URL: https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</p> <p>(ii) Enter 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP.</p> <p>(iii) Enter the OTP received on registered email id/mobile number and click on login.</p> <p>(iv) On successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>(v) Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>	<p>3. Users can directly access e-Voting module of CDSL and follow the below process:</p> <p>(i) Go to URL: www.cdslindia.com</p> <p>(ii) Click on the icon “E-Voting”</p> <p>(iii) Provide Demat Account Number and PAN No.</p> <p>(iv) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat account.</p> <p>(v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress.</p> <p>(vi) Click on the Company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

Option 2 - Login through Depository Participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 21 09911.

Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
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(iv) Login method for e-Voting **for shareholders other than individual shareholders holding in Demat form and physical shareholders:**

(i) The Members should log on to the e-voting website www.evotingindia.com.

(ii) Click on “Shareholders” module.

(iii) Now enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-Voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the Depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(vii) After entering these details appropriately, click on “SUBMIT” tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-Voting on the resolution contained in this Notice.

- (x) Click on the EVSN: 250526003 for <**Vardhman Special Steels Limited**> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Additional facility for Non-Individual Shareholders and Custodians – Remote e-Voting only:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial.lud@vardhman.com, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

10. INSTRUCTIONS FOR MEMBERS ATTENDING THE EGM THROUGH VC/OAVM ARE AS UNDER:

- a. The procedure for attending meeting & e-Voting on the day of the EGM is same as the instructions mentioned above for e-Voting at point no. 9.

- b. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.
- c. Members are encouraged to join the Meeting through Laptops / iPads for better experience.
- d. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- e. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- f. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial.lud@vardhman.com. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of EGM.
- g. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- h. If any Votes are cast by the shareholders through the e-Voting available during the EGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the shareholders attending the meeting.

11. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:

- a) For Physical shareholders- please provide necessary details like Form ISR-1, Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to secretarial.lud@vardhman.com / rta@alankit.com.
- b) For Demat shareholders - please update your email id & mobile no. with your respective Depository Participant (DP).
- c) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you may write an email to helpdesk.evoting@cdslindia.com or contact 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 21 09911.

- 12. The Board of Directors of the Company in its meeting held on May 29, 2025, has appointed M/s Khanna Ashwani & Associates, Practicing Company Secretaries as Scrutinizer for conducting the Voting process in a fair and transparent manner. Mr. Ashwani Kumar Khanna (Certificate of Practice No. 2220), Prop.

of the said firm, has given his consent to act as the scrutinizer and would be available for the purpose of ascertaining the requisite majority.

13. The Scrutinizer shall upon the conclusion of e-Voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
14. The Results of the resolutions passed at the EGM of the Company will be declared within 2 working days of the conclusion of EGM. The results declared along with the Scrutinizer's report shall be simultaneously placed on the Company's website www.vardhman.com / www.vardhmansteel.com and on the website of CDSL and will be communicated to the Stock Exchanges.

**By order of the Board of Directors
For Vardhman Special Steels Limited**

**Place: Ludhiana
Date: 29th May, 2025**

**Sd/-
(Sonam Dhingra)
Company Secretary
M. No.: ACS 34338**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
FORMING PART OF THE NOTICE

Item No. 1:

In order to raise funds for funding the (i) capital expenditure requirements for setting up a green field steel manufacturing plant at Ludhiana, Punjab, (ii) capital expenditure requirements for the existing plant, (iii) repayment of working capital borrowing and such other purposes agreed between the Company and Aichi Steel Corporation (“ASC”), the Company proposes to offer, issue and allot 14,770,100 (fourteen million seven hundred and seventy thousand and one hundred) equity shares (“Shares”) having a face value of INR 10 (Indian Rupees Ten) per equity share for an aggregate amount of INR 3,849,088,060 (Indian Rupees Three Billion Eight Hundred Forty Nine Million Eighty Eight Thousand and Sixty only) to ASC by way of preferential allotment on private placement basis (“Issue”).

The issue and allotment of the Shares so offered shall be in dematerialized form and the Shares shall, subject to receipt of necessary approvals, be listed and traded on the National Stock Exchange of India Limited and the BSE Limited, and shall be subject to the provisions of the Memorandum and Articles of Association of the Company. The disclosures required pursuant to Regulation 163 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) and the Companies Act, 2013, are as follows:

a) The objects of the preferential issue:

The object of the issue is to raise funds for funding the (i) capital expenditure for setting up a green field steel manufacturing plant at Ludhiana, Punjab amounting to INR 1,349,088,060 (Indian Rupees One Billion Three Hundred Forty Nine Million Eighty Eight Thousand and Sixty only) (ii) capital expenditure requirements at the existing plant is INR 1,000,000,000 (Indian Rupees One Billion only) and (iii) repayment of working capital borrowing amounting to INR 1,500,000,000 (Indian Rupees One Billion Five Hundred Million only), and such other purposes as agreed between the Company and ASC.

The Company is expected to utilize the funds against the above-mentioned objects no. (i) and (ii) tentatively within a period of 1.5 years; and against object no. (iii) tentatively within 10 days of receipt of funds; and till that time the funds shall be kept in a separate bank account.

b) Total number of securities to be issued, price or price band at/within which the allotment is proposed, basis on which the price has been arrived at:

The Company proposes to offer and to issue 14,770,100 (fourteen million seven hundred and seventy thousand and one hundred) equity shares having a face value of INR 10 (Indian Rupees Ten only) per equity share for an aggregate amount of INR 3,849,088,060 (Indian Rupees Three Billion Eight Hundred Forty Nine Million Eighty Eight Thousand and Sixty only) at a price of INR 260.60 (Indian Rupees Two Hundred and Sixty and Sixty Paise only) (including a premium of INR 250.60 (Indian Rupees Two Hundred and Fifty and Sixty Paise only)) per fully paid-up equity share to be issued.

The equity shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited and the equity shares of the Company are frequently traded in accordance with ICDR Regulations. Further, the proposed issue size is more than 5% of the post issue fully diluted share capital, therefore, the Company has also obtained Valuation Report from M/s AlphaValue Consulting Valuation LLP, an Independent Registered Valuer. As such, the proposed Issue Price has been computed considering the minimum pricing requirement of Regulation 164(1) and 166A of the ICDR Regulations.

c) Relevant date with reference to which the price has been arrived at:

The relevant date for determination of the price at which the Shares are proposed to be issued in the Issue is May 26, 2025 which is 30 (thirty) days prior to the date of Extra-Ordinary General Meeting.

d) Class or classes of persons to whom the allotment is proposed to be made:

The issuance and allotment of the Shares in the Issue is proposed to be made to ASC.

e) Intent of the promoters, directors, key management personnel or senior management of the Company to subscribe to the offer:

None of the promoters, directors, key management personnel or senior management of the Company has any intention to subscribe to the offer. The offer is limited to ASC.

f) Shareholding Pattern of the Company before and after the proposed preferential Issue:

The pre issue and post issue shareholding pattern of the Company is as under:

Shareholder	Pre-Issue*		Post-Issue	
	Shares	%	Shares	%
Promoter and Promoter Group	4,93,43,832	60.37	4,93,43,832	51.13
Public (all shareholders excluding Promoter but including mutual funds, FIs, FIIs, insurance companies, NRIs and Indian public)	2,31,30,238	28.30	2,31,30,238	23.97
ASC	92,59,258	11.33	2,40,29,358	24.90
Total	8,17,33,328	100	9,65,03,428	100

*Pre-issue pattern is as on May 29, 2025.

g) Proposed time within which the preferential Issue shall be completed:

Pursuant to Regulation 170(1) of the ICDR Regulations, the Shares shall be allotted within a period of 15 (Fifteen) days from the date of approval of the members to the Issue, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 (Fifteen) days from the date of the order on such application or the date of approval or permission, as the case may be.

h) Identity of the natural persons who are ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

The equity shares of the proposed allottee, ASC, are listed on the Tokyo Stock Exchange in Japan, and accordingly, in terms of the proviso to Regulation 163(1)(f) of the ICDR Regulations, no further disclosure is necessary.

Post the proposed preferential issue, ASC will be holding 24.90% (twenty four point nine per cent.) equity shares of the Company.

There will be no change in the management or control of the Company, consequent to the said issuance of Shares.

- i) **Names of the proposed allottees and the percentage of the post preferential issue that may be held by them:**

Name of the proposed allottee	Post preferential issue shareholding
Aichi Steel Corporation	24.90% (twenty four point nine per cent.)

- j) **The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:**

Nil

- k) **Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

Not applicable, as the allotment of the Shares proposed to be made is not for consideration other than cash.

- l) **Undertaking by the Company:**

As required under the ICDR Regulations, the Company hereby undertakes that:

- (i) it shall re-compute the price of the Shares in terms of the provision of the ICDR Regulations where it is required to do so;
- (ii) if the amount payable on account of the re-computation of price is not paid within the time stipulated in the ICDR Regulations, the Equity Shares shall continue to be locked-in till the time such amount payable is paid by the allottee(s);
- (iii) neither the Company, nor its Directors or promoters have been declared as willful defaulter or a fraudulent borrower;
- (iv) none of the Company's Directors or Promoters is a fugitive economic offender as defined under the ICDR Regulations;
- (v) it is in compliance with the conditions of continuous listing of equity shares as specified in the listing agreement with the Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and circulars and notifications issued by SEBI thereunder; and
- (vi) it is eligible to make the preferential issue to its proposed allottees under Chapter V of the ICDR Regulations.

- m) **Current and proposed status of allottee:**

ASC is a non-promoter shareholder of the Company and will remain the same post allotment as well.

- n) **Lock in:**

The Shares will be subject to applicable lock-in and transfer restrictions stipulated under Regulations 167 and 168 of the ICDR Regulations.

The entire pre-preferential allotment shareholding of ASC, if any, shall be locked-in from the relevant date up to a period of 90 trading days from the date of the trading approval. Further, ASC has not sold its equity shares in the Company during the 90 trading days preceding the relevant date. The issue of the

Shares is in accordance with the provisions of the Memorandum and Articles of Association of the Company.

o) Certificate from Practicing Company Secretary:

A copy of the certificate from M/s Ashok K. Singla & Associates, a practicing Company Secretary, certifying that the proposed Issue is being made in accordance with the requirements of the ICDR Regulations, shall be placed before the Members of the Company at the EGM and the same shall be open for inspection at the Registered Office of the Company between 10:30 a.m. and 12:30 p.m. on all working days, other than Sunday, up to the date of the EGM. The same is also available on the website of the Company www.vardhman.com/ www.vardhmansteel.com

In terms of Sections 42 and 62(1)(c) of the Companies Act, 2013, the approval of the Members by way of a special resolution is required to issue the Shares by way of a preferential allotment on private placement basis. Hence, the Board recommends the Special Resolution as set out at Item No. 1 of the Notice for approval by the Members of the Company. The resolution of the Board in this regard was passed on May 29, 2025.

Memorandum of Interest:

Except Mr. Toshio Ito, Subscriber Director, none of the Directors/ Key Managerial personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 1, except to the extent of their respective shareholding in the Company.

Item No. 2:

The Company has entered into a Share Subscription and Investment Agreement (“SSIA”) with Aichi Steel Corporation (“ASC”) on May 29, 2025. The Part-II of the existing Articles of Association of the Company is required to be amended to incorporate the relevant provisions of the SSIA.

The Board of Directors at their meeting held on May 29, 2025 gave their approval (subject to the approval of the Members) to amend the existing Part-II of the Articles of Association of the Company to incorporate the relevant provisions of the SSIA, subject to the completion of the closing formalities of the transactions contemplated under the SSIA.

In terms of Section 14 of the Companies Act, 2013, approval of the Members by way of a special resolution is required for the alteration of the Articles of Association of the Company. Hence, the Board recommends the Special Resolution as set out at Item No. 2 of the Notice for approval by the Members of the Company.

The Amended Articles of Association of the Company shall be placed before the Members of the Company at the EGM and the same shall be open for inspection at the Registered Office of the Company between 10:30 a.m. and 12:30 p.m. on all working days, other than Sunday, up to the date of the EGM.

Memorandum of Interest:

Except Mr. Toshio Ito, Subscriber Director, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 2, except to the extent of their respective shareholdings in the Company.

Item No. 3:

The Share Subscription and Investment Agreement (“SSIA”) was executed on 29th May, 2025, between the Company and Aichi Steel Corporation (“ASC”), *inter-alia* detailing the terms of investment by ASC in the Company and rights and obligations of ASC as a shareholder. Further, the terms and conditions restated in amended Articles of Association of the Company is placed for approval of shareholders at Item No. 2 of this notice.

Regulation 31B of the SEBI LODR Regulations requires that any Special Rights granted to the shareholders of the Company shall be subject to approval of the shareholders of the Company by way of a Special Resolution once in every five years starting from the date of such grant.

In view of the above, the Board seeks the consent of the Shareholders by way of a Special Resolution, in accordance with the requirements of Regulation 31B of the SEBI LODR Regulations (including any statutory modifications or re-enactment thereof for the time being in force), subject to the completion of the closing formalities of the transactions contemplated under the SSIA. Hence, the Board recommends the Special Resolution as set out at Item No. 3 of the Notice for approval by the Members of the Company.

A copy of SSIA shall be placed before the Members of the Company at the EGM and would be available for inspection by the Shareholders, at the Registered Office of the Company between 10:30 a.m. and 12:30 p.m. on all working days, other than Sunday, up to the date of the EGM.

Memorandum of Interest:

Except Mr. Toshio Ito, Subscriber Director, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3, except to the extent of their respective shareholdings in the Company.