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VARDHMAN SPECIAL STEELS LIMITED

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Ref. VSSL:SCY:MAY:2025-26

Dated: 29.05.2025

BSE Limited, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, 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: OUTCOME OF THE BOARD MEETING - DISCLOSURE UNDER REGULATION 30 OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SEBI MASTER CIRCULAR NO. SEBI/HO/CFD/PoD2/CIR/P/0155 DATED NOVEMBER 11, 2024

Dear Sir,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 (*as amended from time to time*) ("**LODR Regulations**"), and in furtherance to our intimation dated 26 May, 2025, we hereby inform you that a meeting of the Board of Directors ("**Board**") of the Company was held today on May 29, 2025. The meeting of the Board commenced at 02:30 p.m. and concluded at 04:20 p.m. The following proposals were approved by the Board at its meeting:

- (i) Subject to the approval of the shareholders of the Company and the execution of the requisite documents, the Board has approved the issuance of 14,770,100 (fourteen million seven hundred and seventy thousand and one hundred) fully paid-up equity shares having a face value of INR 10 (Indian Rupees Ten only) per equity share of the Company ("**Subscription Shares**"), at a price of INR 260.60 (Indian Rupees Two Hundred and Sixty and Sixty paise only) per Subscription Share (which complies with the minimum price required to be paid for each Subscription Share in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*as amended from time to time*)) to Aichi Steel Corporation ("**ASC**"), a Japanese corporation, incorporated in Japan, on a preferential basis, in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*as amended from time to time*) ("**Issue**"), and has approved all other matters in connection thereto. Presently, ASC is holding 11.33% (eleven point three three percent) of the issued and paid up equity share capital of the Company and post the proposed Issue, its shareholding in the Company will increase to 24.90% (twenty four point nine per cent.). The details, as required under the LODR Regulations, are enclosed herewith as **Annexure 1**.
- (ii) The Board has authorized the Committee of Directors (Strategic Investment) to do all acts, deeds, matters and things as may be necessary or desirable for, or incidental to, *inter alia*, the allotment of the Subscription Shares to ASC and approving the drafts of Form PAS-4, Form PAS-5 and other

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applicable forms, as may be required under the provisions of the Companies Act, 2013 in relation to the issuance of the Subscription Shares.

- (iii) The Board has approved for execution by the Company, the draft of the Share Subscription and Investment Agreement (“SSIA”) to be entered into between the Company and ASC in relation to the investment in the Company by ASC and other ancillary documents in connection thereto. The same shall be executed on May 29, 2025. The details, as required under the LODR Regulations, are enclosed herewith as **Annexure 2**.
- (iv) Subject to the approval of the shareholders of the Company, execution of the SSIA and relevant compliances therein, the Board has approved the amendment of the articles of association of the Company to incorporate the provisions of the SSIA.
- (v) The Board has approved the Notice of Extra-Ordinary General Meeting to be circulated to the Members of the Company for convening an Extra-Ordinary General Meeting of the Company on Wednesday, June 25, 2025, *inter alia* to approve items related to further issue of equity shares to ASC on preferential basis; amendment of the articles of association of the Company and grant of special rights to ASC under SSIA (“**Notice**”). The aforementioned Notice will be issued to the Members of the Company, as per the requirements prescribed under law.

This intimation letter will be uploaded on the website of the Company at www.vardhman.com / www.vardhmansteel.com.

Kindly take the same on record.

Thanking you,

Yours faithfully,

FOR VARDHMAN SPECIAL STEELS LIMITED

(SONAM DHINGRA)
COMPANY SECRETARY



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ANNEXURE 1

PART A

S. No.	Details/ Clarifications	Response
1.	Type of securities proposed to be issued (viz. equity shares, convertibles etc.)	Equity shares having a face value of INR 10 (Indian Rupees Ten only) per equity share.
2.	Type of issuance (further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment etc.)	Preferential allotment, on private placement basis, in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (<i>as amended from time to time</i>), the Companies Act, 2013 and other applicable laws.
3.	Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately)	14,770,100 (fourteen million seven hundred and seventy thousand and one hundred) fully paid-up equity shares having a face value of INR 10 (Indian Rupees ten only) per equity share (" Subscription Shares ").
4.	Names of the investor(s)	Aichi Steel Corporation (" ASC ")
5.	Post allotment of securities - outcome of the subscription	The post allotment share capital of the Company is provided in Part B of this Annexure 1 .
6.	Issue price	INR 3,849,088,060 (Indian Rupees Three Billion Eight Hundred Forty Nine Million Eighty Eight Thousand and Sixty only), being the aggregate subscription price for which ASC shall subscribe to the Subscription Shares, at a price of INR 260.60 (Indian Rupees Two Hundred and Sixty and Sixty Paise only) per such Subscription Share (which complies with the minimum price required to be paid for each Subscription Share in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (<i>as amended from time to time</i>)).
7.	Number of investors	1 (one)
8.	Any cancellation or termination of proposal for issuance of securities including reasons thereof	N.A.

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ANNEXURE 1

PART B

Shareholder	Pre-Issuance Shareholding		Post-Issuance Shareholding	
	Number of Equity Shares	Percentage of Shareholding	Number of Equity Shares	Percentage of Shareholding
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

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ANNEXURE 2

S. No.	Details/ Clarifications	Response
1.	Name(s) of parties with whom the agreement is entered	Aichi Steel Corporation ("ASC") and Vardhman Special Steels Limited ("Company")
2.	Purpose of entering into the agreement	To set out the terms and conditions of subscription of the equity shares by ASC and issuance of the equity shares by the Company to ASC.
3.	Shareholding, if any, in the entity with whom the agreement is executed	Nil
4.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure, etc.	<p>The significant terms of the Share Subscription and Investment Agreement ("SSIA") are as set forth below:</p> <p>(i) <u>Appointment of director:</u></p> <p>ASC has the right to nominate director(s) for appointment ("Subscriber Director") on the board of directors ("Board") of the Company, in accordance with the terms of the SSIA. As long as ASC and/or its affiliates collectively hold 20% (twenty per cent.) or more of the equity share capital of the Company, ASC shall have the right to nominate 2 (Two) Subscriber Directors to the Board, and in case ASC and/or its affiliates collectively hold less than 20% (twenty per cent.) of the equity share capital of the Company (but more than 10% (Ten per cent.) of the equity share capital of the Company), ASC shall have the right to nominate 1 (One) Subscriber Director to the Board.</p> <p>(ii) <u>Approval of ASC for certain matters:</u></p> <p>In order to enable ASC to protect the value of its investment in the Company, as a minority protection measure, ASC's prior approval will be required by the Board of the Company for certain matters, as more specifically set out in the SSIA, including, without limitation, in connection with the Company (a) undertaking any mergers, demergers, amalgamations, (b) issuance of securities below the subscription price paid by the ASC (but excluding rights issue(s) and conversion of employee stock options by the Company) and (c) any resolution for liquidation, winding-up or dissolution of the Company.</p>

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		<p>(iii) <u>Further issue of capital</u></p> <p>ASC and the promoters of the Company have a pre-emptive right in respect of any new securities proposed to be issued by the Company by way of preferential allotment, in accordance with the terms of the SSIA.</p> <p>(iv) <u>Non-compete and non-solicit obligations</u></p> <p>Standard non-compete and non-solicit obligations are imposed on ASC, in the manner provided in the SSIA.</p> <p>(v) <u>Termination of the SSIA</u></p> <p>Amongst other things, the SSIA shall automatically terminate upon ASC's shareholding in the Company falling below certain pre-agreed thresholds, as more specifically set out in the SSIA, except for the survival provisions contained therein.</p> <p>(vi) <u>Amendment of the Articles of the Company</u></p> <p>ASC's investment in the Company, and consequent grant of rights discussed above is subject to, amongst other things, shareholders of the Company approving amendment to the existing articles of association of the Company to incorporate the rights of ASC mentioned above.</p>
5.	Whether the said parties are related to promoter / promoter group / group companies in any manner. If yes, nature of such relationship	No
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	<p>ASC is holding 11.33% equity shares of the Company, hence, as per the provisions of regulation 2 (zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (<i>as amended from time to time</i>) ("LODR"), ASC shall be deemed to be a related party of the Company.</p> <p>However, the proposed allotment of shares to ASC would not fall within the ambit of '<i>related party transaction</i>', as the same</p>

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		is exempted to be a related party transaction, as per proviso to Regulation 2(zc) of LODR.
7.	In case of issuance of shares to the parties, details of: (i) issue price; and (ii) class of shares issued	(i) <u>Issue Price:</u> 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 to ASC (" Subscription Shares ") (which complies with the minimum price required to be paid for each Subscription Share in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (<i>as amended from time to time</i>)). (ii) <u>Class of shares issued:</u> Fully paid-up equity shares having a face value of INR 10 (Indian Rupees Ten only) per share, of the same class as, and ranking <i>pari passu</i> with, the currently outstanding equity shares of the Company in all respects.
8.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	The disclosures in relation to the terms of the SSIA are as set forth in point (4) above.

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