



Vardhman

VARDHMAN SPECIAL STEELS LIMITED

Delivering Excellence. Since 1965.

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Ref. VSSL:SCY:AUG:2017-18

DATED: 30-Aug-2017

The Deputy General Manager,
Corporate Relationship Deptt,
Bombay Stock Exchange Limited,
1st Floor, 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

SUB: SUBMISSION OF NOTICE OF 7TH ANNUAL GENERAL MEETING

Dear Sir,

Please find attached herewith a copy of Notice of 7th Annual General Meeting (AGM) of the Members of Vardhman Special Steels Limited scheduled to be held on Friday, 22nd September, 2017 at 11.00 A.M. at Registered office, Vardhman Premises, Chandigarh Road, Ludhiana - 141010 to transact the businesses as per the attached Notice of the Meeting.

Kindly take the same on records.

Thanking you,

Yours faithfully,
For VARDHMAN SPECIAL STEELS LIMITED


SONAM TANEJA
(Company Secretary)

YARNS | FABRICS | THREADS | GARMENTS | FIBRES | **STEELS**

NOTICE

NOTICE is hereby given that the **SEVENTH ANNUAL GENERAL MEETING** of members of Vardhman Special Steels Limited will be held on Friday, the 22nd day of September, 2017 at 11.00 a.m. at the Registered Office of the Company situated at Chandigarh Road, Ludhiana, to transact the following business:-

ORDINARY BUSINESS:

Item No. 1 – Adoption of financial statements

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2017 together with Report of Board of Directors and Auditors thereon.

Item No. 2 – Re-appointment of Mr. B.K. Choudhary as a director liable to retire by rotation

To appoint a Director in place of Mr. B.K. Choudhary (DIN: 00307110), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Item No. 3 – Ratification of appointment of Statutory Auditor

To consider and approve the appointment of Statutory Auditors of the Company for the financial year 2017-18 and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. S. S. Kothari Mehta & Co., (Firm Registration No. 022150N) Chartered Accountants, as the Statutory Auditors of the Company for a term of consecutive five years starting from conclusion of the Fourth Annual General Meeting till the conclusion of Ninth Annual General Meeting of the Company be and is hereby ratified at the Seventh Annual General Meeting of the Company at such remuneration as may be finalized by the Vice-Chairman & Managing Director in consultation with auditor plus applicable tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

SPECIAL BUSINESS:

Item No. 4 – Re-appointment of Mr. Prafull Anubhai, Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Prafull Anubhai (DIN: 00040837), Independent Director, whose period of office is expiring at this Annual General Meeting and who has submitted a declaration confirming he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years starting from the date of 7th Annual General Meeting to the conclusion of 12th Annual General Meeting of the Company.”

Item No. 5 – Re-appointment of Mr. Rajeev Gupta, Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajeev

Gupta (DIN: 00241501), Independent Director, whose period of office is expiring at this Annual General Meeting and who has submitted a declaration confirming he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years starting from the date of 7th Annual General Meeting to the conclusion of 12th Annual General Meeting of the Company.”

Item No. 6 – Re-appointment of Mr. Sanjeev Pahwa, Independent Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sanjeev Pahwa (DIN: 00022674), Independent Director, whose period of office is expiring at this Annual General Meeting and who has submitted a declaration confirming he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years starting from the date of 7th Annual General Meeting to the conclusion of 12th Annual General Meeting of the Company.”

Item No. 7 – Re-appointment of Mr. Jayant Davar, Independent Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Jayant Davar (DIN: 00100801), Independent Director, whose period of office is expiring at this Annual General Meeting and who has submitted a declaration confirming he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years starting from the date of 7th Annual General Meeting to the conclusion of 12th Annual General Meeting of the Company.”

Item No. 8 - Approval of remuneration payable to Mr. Sachit Jain, Vice-Chairman & Managing Director, from the financial year 2017-18 to 2019-20:

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

“**RESOLVED THAT** in furtherance of the resolution passed by Members in their Annual General Meeting held on 4th September, 2015 & 28th September, 2016 in respect of remuneration payable to Mr. Sachit Jain, Vice-Chairman & Managing Director and pursuant to the provisions of Sections 196, 197, 203, Schedule V of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial

Personnel) Rules, 2014, the approval of Members be and is hereby accorded to pay the following remuneration to Mr. Sachit Jain from 1st April, 2017 to 31st March, 2020:

S. No.	Remuneration	Details
I.	Salary	Salary will be in the scale of ₹8,00,000 - ₹1,00,000 - ₹10,00,000 per month.
II.	Commission	Commission equals to: – 1.5% of the Net Profit of the Company if return on average net worth for that year is up to 15%. – 3% of the Net Profit of the Company if return on average net worth for that year exceeds 15%.
III.	Perquisites	Perquisites in addition to salary and commission shall be restricted to an amount equal to 1 year's salary during each year as per details given below:-
a)	Housing	Free residential accommodation or House Rent Allowance equal to 40 per cent of the salary. Free furnishing is provided by the Company along with other amenities.
b)	Other Allowance	₹4,70,000 per month for F.Y. 2017-18 ₹5,30,000 per month for F.Y. 2018-19 ₹5,90,000 per month for F.Y. 2019-20
c)	Club Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
d)	Personal Accident Insurance	Premium not to exceed ₹5,000/- per annum.
e)	Gratuity	Gratuity payable not exceeding half a month's salary for each completed year of service and this shall not be included in the computation of ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
f)	Car & Telephone	Free use of Company's car for official work as well as for personal purposes and telephone at Company's cost.

Explanation: "Family" means the spouse, the dependent children and dependent parents of the appointee.

'Average Net Worth' means average of the opening and closing Net Worth of the financial year.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to intimate the Registrar of Companies and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to Nomination and Remuneration Committee/ Board to give effect to the aforesaid resolution."

Item No. 9 – Approval of commission payable to Mr. Prafull Anubhai, Chairman & Independent Director, for the financial year 2017-18

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

"**RESOLVED THAT** pursuant to provisions of Sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, approval of the members of

the Company be and is hereby given for the payment of remuneration by way of commission @ 1% of the net profits of the Company subject to the maximum of ₹10 lakhs per annum for a period of one year i.e. from 1st April, 2017 to 31st March, 2018 to Mr. Prafull Anubhai, Chairman & Independent Director of the Company, who is neither in whole time employment of the Company nor the Managing Director, in addition to the sitting fees being paid to him for attending the Board/ Committee meetings of the Company."

Item No. 10 – Ratification of Method of Valuation of Options granted under Vardhman Special Steels Limited Employee Stock Option Plan 2016 under SEBI (Share Based Employee Benefits) Regulations, 2014

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

“RESOLVED THAT in furtherance of resolution passed by Members in their Annual General Meeting held on 28th September, 2016 in relation to **Vardhman Special Steels Limited Employee Stock Option Plan 2016** and pursuant to section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force and subject to SEBI (Share Based Employee Benefits) Regulations, 2014 (“SEBI Guidelines”), the method of valuation of the Options granted under Vardhman Special Steels Limited Employee Stock Option Plan 2016 i.e. Fair Valuation Method be and is hereby ratified at Seventh Annual General Meeting of the Company.”

Item No. 11 – Increase the sitting fees being paid to Non-Executive Directors of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of members be and is hereby given for enhancement of the sitting fees payable to Non-Executive Directors of the Company from ₹15,000/- per Board Meeting and ₹10,000/- per Committee Meeting to ₹40,000/- per Board Meeting, ₹30,000 per Audit Committee Meeting and ₹20,000/- for other Committee Meetings.”

Item No. 12 – Ratification of remuneration payable to Cost Auditors for the financial year ending 31st March, 2018:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ramanath Iyer & Company, Cost Auditors, New Delhi appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018 be paid the remuneration of ₹39,760/- plus applicable tax.

RESOLVED FURTHER THAT Mr. Sachit Jain, Vice-Chairman & Managing Director and Ms. Sonam Taneja, Company Secretary, be and are hereby severally authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution.”

Place: Gurugram
Dated: 28th April, 2017

By Order of the Board
Sonam Taneja
Company Secretary

Notes:

1. 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 / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS SEPARATELY ENCLOSED ALONGWITH ATTENDANCE SLIP.

However, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **The Register of Members and the Share Transfer Books of the Company shall remain closed from 11th September, 2017 to 22nd September, 2017 (both days inclusive).**
4. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However, members holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.
5. The information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 regarding the Directors seeking appointment/re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Directors have furnished

the requisite declarations for their appointment/ re-appointment.

6. Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
7. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10:30 a.m. to 12:30 p.m.
8. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.
9. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars allowing Companies to send official documents to their Members electronically.

In support of the Green Initiative, your Company proposes to send the documents like Notice calling the Annual General Meeting and Annual Report containing Balance Sheet, Statement of Profit & Loss and Director's Report, etc. and other communications in electronic form.

The Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialized form) or with Registrar & Transfer Agent- Alankit Assignments Limited, New Delhi (in case of shares held in physical form).

10. The Annual Report 2016-17 is being sent through electronic mode only to the Members whose email addresses are registered with the Company/ Depository Participant(s), unless any Member has requested for a physical copy of the report. For Members who have not registered their email addresses, physical copies of the Annual Report 2016-17 are being sent by permitted mode.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account

Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agent.

12. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015 the Company is pleased to provide members a facility to exercise their right to vote at the 7th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- (i) The e-voting period commences on 19th September, 2017 (9:00 a.m.) and ends on 21st September, 2017 (5:00 p.m.). During this period, shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on 21st September, 2017. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders".
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.

- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form 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 first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance Slip provided with the Annual Report. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Bank Details or Date of Birth (DOB)	Enter the 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 Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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 also to be used by the demat holders for voting for resolutions 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN 170819047 for <VARDHMAN SPECIAL STEELS LIMITED> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If 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.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting" available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians
- 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 as Corporates.

- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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.

(xxi) Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 15th September, 2017 may follow the same instructions as mentioned above for e-Voting.

(xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

13. M/s. Harsh Goyal & Associates, Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). 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 AGM of the Company will be declared within 48 hours of the conclusion of AGM. The results declared along with the

Scrutinizer's report shall be simultaneously placed on the Company's website www.vardhmansteel.com and on the website of CDSL and will be communicated to the Stock Exchanges.

15. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

Place: Gurugram
Dated: 28th April, 2017

By order of the Board
Sonam Taneja
Company Secretary

Annexure to the Notice

Statement pursuant to section 102 of the Companies Act, 2013.

Item No. 4 to 7 of the Special Business

Mr. Prafull Anubhai, Mr. Rajeev Gupta, Mr. Sanjeev Pahwa and Mr. Jayant Davar were appointed as Independent Directors of the Company for a term of three consecutive years, pursuant to approval of the Members under the provisions of the Companies Act, 2013 through resolutions passed at the 4th Annual General Meeting held on 24th September, 2014. Now, the term of appointment of all these Independent Directors expires at 7th Annual General Meeting.

Considering the rich experience, knowledge, skills, valuable contribution to the Company and overall performance evaluation of these Independent Directors, the Board of Directors of the Company in its meeting held on 28th April, 2017 had approved and recommended the re-appointment of Mr. Prafull Anubhai, Mr. Rajeev Gupta, Mr. Sanjeev Pahwa and Mr. Jayant Davar as Independent Directors for a second term of 5 consecutive years to the conclusion of 12th Annual General Meeting to the Members of the Company for their approval.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company.

Mr. Prafull Anubhai, Mr. Rajeev Gupta, Mr. Sanjeev Pahwa and Mr. Jayant Davar individually has given a declaration to

the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director.

The Company has received notice in writing from a member along with a requisite deposit proposing the candidature of Mr. Prafull Anubhai, Mr. Rajeev Gupta, Mr. Sanjeev Pahwa and Mr. Jayant Davar to be re-appointed as Independent Directors of the Company in accordance with the provisions of the Companies Act, 2013.

Brief Profile, Qualifications, Experience, Date of Appointment on Board, Shareholding in the Company along with Directorship, Membership / Chairmanship of Committees held in other Listed Companies of Mr. Prafull Anubhai, Mr. Rajeev Gupta, Mr. Sanjeev Pahwa and Mr. Jayant Davar are enclosed along with explanatory statement.

The Board of Directors recommends the Special Resolutions as set out at Item Nos. 4 to 7 for approval of the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Prafull Anubhai, Mr. Rajeev Gupta, Mr. Sanjeev Pahwa and Mr. Jayant Davar, being appointees, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolutions set out at Item Nos. 4 to 7.

Item No. 8 of the Special Business

The Members of the Company, vide their resolution passed at the 5th Annual General Meeting (AGM) of the Company held on 4th September, 2015 had re-appointed Mr. Sachit Jain as Managing Director of the Company for a period of 5 years starting from 1st April, 2015 to 31st March, 2020. Due to expected inadequacy of profits in the financial year 2015-16 & 2016-17, the remuneration to be paid to Mr. Sachit Jain was fixed for these years as per the provisions of Section-II of Part-II of Schedule V of the Companies Act, 2013 i.e. remuneration payable to managerial personnel in case of inadequacy of profits. But due to efforts being put in by Mr. Sachit Jain and his team, the Company has seen a turnaround in its performance with a Net Profit of ₹18.91 crores during the financial year 2016-17.

Considering the performance of the Company in 2016-17

and future profitability, the Board of Directors in its meeting held on 28th April, 2017, has approved to increase the remuneration payable to Mr. Sachit Jain upto 10% of the Net Profits of the Company for his remaining term of three years.

Pursuant to provisions of Section 197(1) of Companies Act, 2013, the Board can pay remuneration to a Managing Director up to 5% of the Net Profit of the Company and any remuneration exceeding 5% but up to 10% of the Net Profit can be paid with the approval of the Members of the Company in General Meeting. Accordingly, your approval is solicited.

The Board of Directors recommends Special Resolution as set out at Item No. 8 for approval of the Members.

Memorandum of Interest:

Except Mr. Sachit Jain, appointee, Mrs. Suchita Jain and Mr. Rajinder Kumar Jain, being appointee's relative, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Item No. 9 of the Special Business

In order to reward the contribution made by Mr. Prafull Anubhai, Chairman and Independent Director, towards the business of the Company, the Board of Directors in its meeting held on 30th July, 2016 had recommended to pay commission @ 1% of Net profits subject to maximum of ₹10 lakhs to him for the financial year 2016-17 only. This payment of Commission was approved by Members in the 6th Annual General Meeting.

Since, the Commission was fixed for financial year 2016-17 only, the Board of Directors in its meeting held on 28th April, 2017 had approved payment of commission @ 1% of Net profits subject to maximum of ₹10 lakhs to him for the financial year 2017-18 also.

The Board of Directors recommends Ordinary Resolution as set out at Item No. 9 for approval of the Members.

Memorandum of Interest:

Except Mr. Prafull Anubhai, none of the Directors/ Key Managerial Personnel (KMP) of the Company is interested in the resolution set out at Item No. 9.

Item No. 10 of the Special Business

Pursuant to the provisions of Section 62(1)(b) and other

applicable provisions of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014, the Members in their 6th Annual General Meeting held on 28th September, 2016 had approved **Vardhman Special Steels Limited Employee Stock Option Plan, 2016**. However, method to be used by Company for Valuation of its Options under the Scheme was not disclosed in the explanatory statement to the notice of 6th Annual General Meeting. In this regard, the National Stock Exchange of India requires that the method of valuation of Options used by the Company for grant of Options i.e. **Fair Valuation Method** shall be ratified by the Members in the next Annual General Meeting.

Accordingly, your approval is solicited for ratification of method of Valuation of Options by passing Special Resolution as set out at Item No. 10 of the notice.

Memorandum of Interest:

Except Mr. Sanjeev Singla, CFO, none of the Directors/ Key Managerial Personnel (KMP) of the Company is interested in the resolution set out at Item No. 10.

Item No. 11 of the Special Business

Section 197 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of your Company, provides for payment of sitting fees to every director for attending a meeting of the Board or its Committee upto a maximum of ₹1,00,000/- for each meeting of the Board or its Committee.

The contribution, participation and valuable guidance of the Directors in the affairs of the Company have increased enormously over a period of time. To commensurate their increased contribution and guidance, the Board of Directors of the Company in its meeting held on 28th April, 2017 had

enhanced the sitting fees from ₹15,000/- to ₹40,000/- for attending the Board meeting, from ₹10,000/- to ₹30,000 for attending Audit Committee meeting and from ₹10,000/- to ₹20,000 for attending other Committee meetings, subject to the consent of the Members in General Meeting. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. B.K. Choudhary, all other Directors of the Company are interested in the resolution set out at Item No. 11.

Item No. 12 of the Special Business

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Cost Audit is required to be conducted in respect of the Cost Accounts maintained by the Company. Upon the recommendations of Audit Committee, the Board of Directors in its meeting held on 28th April, 2017 had appointed M/s. Ramanath Iyer & Co., 808, Pearls Business Park, Netaji Subhash Place, New Delhi as Cost Auditors of the Company to conduct Cost Audit for the Financial Year ending 31st March, 2018.

Accordingly, the consent of the Members is solicited for passing an Ordinary Resolution as set out at Item No. 12 of the notice for ratification of payment of remuneration of ₹39,760/- to the Cost Auditors for the Financial Year ending 31st March, 2018. The Board recommends the Ordinary Resolution as set out at Item No. 12 of the Notice for approval by the shareholders.

Memorandum of Interest:

None of the Directors / Key Managerial Personnel (KMP) of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 12.

Information Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Directors seeking appointment/ re-appointment in the Annual General Meeting.

Name of the Director	Mr. B.K. Choudhary	Mr. Prafull Anubhai	Mr. Rajeev Gupta	Mr. Sanjeev Pahwa	Mr. Jayant Davar
Date of Birth	27.06.1951	20.01.1938	19.03.1958	26.12.1966	18.10.1961
Date of Appointment	15.03.2011	15.03.2011	15.03.2011	15.03.2011	09.11.2013
Expertise in specific functional area	Experience of more than 43 years in Steel & Textiles Industry.	Business Consultant having experience of more than 43 years.	Experience of more than 34 years in manufacturing, investment banking and private equity.	Experience of more than 25 years in the field of bicycle/ automobiles tyres and tubes industry and bicycle components.	Experience of more than 29 years in auto industry.
Qualification	B.Sc., M.Com & MBA	B.Com, B.Sc. (Economics Honours), London University.	B. Tech, MBA	B. Tech	Mechanical Engineer
Directorships in Other Listed Companies as on 31 st March, 2017	1. Vardhman Acrylics Limited	1. Vardhman Textiles Limited 2. Unichem Laboratories Limited 3. Gruh Finance Limited	1. TV. Today Network Limited 2. Cosmo Films Limited 3. EIH Limited 4. VIP Industries Limited 5. United Spirits Limited	NIL	1. Jagran Prakashan Limited
Chairman/Member of Committees of Other Listed Companies as on 31 st March, 2017	Audit Committee: NIL	Audit Committee: 1. Vardhman Textiles Limited 2. Unichem Laboratories Limited 3. Gruh Finance Limited	Audit Committee: 1. TV. Today Network Limited 2. Cosmo Films Limited 3. EIH Limited 4. United Spirits Limited	NIL	NIL
	Stakeholders' Relationship Committee: Vardhman Acrylics Limited	Stakeholders' Relationship Committee: 1. Unichem Laboratories Limited 2. Gruh Finance Limited	Stakeholders' Relationship Committee: NIL		
No. of Shares held	NIL	NIL	NIL	NIL	NIL
Relationship with other Director(s)	Not related to any Director.	Not related to any Director.	Not related to any Director.	Not related to any Director.	Not related to any Director.

Notes

[illegible]

Corporate Information

BOARD OF DIRECTORS	PRESIDENT & CHIEF EXECUTIVE
1. Mr. Prafull Anubhai – Chairman	Mr. Subhasis Dey
2. Mr. B.K. Choudhary	CHIEF FINANCIAL OFFICER
3. Mr. Jayant Davar	Mr. Sanjeev Singla
4. Mr. Rajeev Gupta	COMPANY SECRETARY
5. Mr. Rajinder Kumar Jain	Ms. Sonam Taneja
6. Mr. Sanjeev Pahwa	STATUTORY AUDITORS
7. Mr. Sanjoy Bhattacharyya	M/s S.S. Kothari Mehta & Co.,
8. Mrs. Suchita Jain	Chartered Accountants, Panchkula.
9. Mr. Sachit Jain – Vice-Chairman & Managing Director	

WORKS	BANKERS
Vardhman Special Steels Limited Unit-I,	State Bank of India
C-58, Focal Point,	HDFC Bank Limited
Ludhiana.	Axis Bank Limited
	Yes Bank Limited

REGISTERED OFFICE	REGISTRAR & TRANSFER AGENT
Vardhman Premises, Chandigarh Road,	Alankit Assignments Limited
Ludhiana – 141010.	1E/13, Alankit Heights, Jhandewalan Extn.,
Phones: (0161)2228943-48	New Delhi – 110 055.
Fax: (0161) 2601048	Phone: (011) 41540060-63
E-mail: secretarial.lud@vardhman.com	Fax: (011) 41540064
Website: www.vardhmansteel.com	E-mail: rta@alankit.com

BRANCHES & WAREHOUSES
- SPL-1, Phase-I, Industrial Area, Bhiwadi, District Alwar – 301 019. - Sai Road, Baddi – 173 205. - Plot Nos. 400-401, Block-C, Pioneer Industrial Park, Pathredi, Gurugram – 123 413. - Survey No. 10/1, Bommasandra Village, Attibale Hubli, Anekal Taluka, Bangalore – 560 099. - Khasra No. 1050, Near Cloud 9 Resort, Meerut Road, Ghaziabad. - Village- Fauzi Matkota, Tehsil – Kichha, District – Udhm Singh Nagar, Rudrapur – 263 153. - DP No. 17, Sidco Womens Industrial Estate, Thirumullaivoyal, Chennai. - C/o M/s Sudalloys Private Limited, B-26, MIDC Chakan, Pune – 410 501, Maharashtra. - Gala #908A, Gat #71 B/s, Goodyear Tyre, Group Grampanchayat – Ghanegaon, Vitava Naryangaon (Khurad) – Aurangabad.



REGISTERED OFFICE

Vardhman Premises, Chandigarh Road,
Ludhiana-141010

Tel :0161-2228943-48

Fax: 0161-2601048

Website: www.vardhmansteel.com

E-mail: secretarial.lud@vardhman.com

VARDHMAN SPECIAL STEELS LIMITED

CIN: L27100PB2010PLC033930

Regd. Office: Chandigarh Road, Ludhiana 141 010 (Punjab), India.

Phone No.: 0161-2228943-48, Fax: 0161-2601048

E-mail: secretarial.lud@vardhman.com; Website: www.vardhmansteel.com**ATTENDANCE SLIP
E-VOTING PARTICULARS****7TH ANNUAL GENERAL MEETING****2017**

I/We hereby record my/ our presence at the 7th Annual General Meeting of Vardhman Special Steels Limited held at the Registered Office of the Company situated at Chandigarh Road, Ludhiana-141 010 on Friday, the 22nd day of September, 2017 at 11:00 a.m.

Member's Folio/DP ID-Client ID No.

Member's /Proxy's name in Block Letters

Member's/Proxy's Signature

Note:

1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting place.
2. Electronic copy of the Annual Report for 2016-17 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2016-17 alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	USER ID / Folio No. / DP / Client ID	SEQUENCE NO.

NOTE: Please read instructions given at Point No. 12 of the Notice of 7th Annual General Meeting annexed in the Annual Report for 2016-17 of the Company, carefully before voting electronically.

VARDHMAN SPECIAL STEELS LIMITED

CIN: L27100PB2010PLC033930

Regd. Office: Chandigarh Road, Ludhiana 141 010 (Punjab), India.

Phone No.: 0161-2228943-48, Fax: 0161-2601048

E-mail: secretarial.lud@vardhman.com; Website: www.vardhmansteel.com**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We being the holder(s) of.....shares of the above named Company bearing folio no. hereby appoint :

1. Name : Address :
E-mail Id : Signature: or failing him;
2. Name : Address :
E-mail Id : Signature: or failing him;
3. Name : Address :
E-mail Id : Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the Company, to be held on Friday, the 22nd day of September, 2017 at 11:00 a.m. at Registered Office of the Company situated at Chandigarh Road, Ludhiana-141 010 and at any adjournment thereof in respect of such resolutions as are indicated below:-

RESOLUTIONS:-**Ordinary Business**

1. Adoption of Financial Statements for the financial year ended 31st March, 2017.
2. Re-appointment of Mr. B.K. Choudhary as a Director liable to retire by rotation.
3. Ratification of appointment of Statutory Auditors of the Company for the financial year 2017-18 and to fix their remuneration.

Special Business

4. Re-appointment of Mr. Prafull Anubhai as an Independent Director of the Company.
5. Re-appointment of Mr. Rajeev Gupta as an Independent Director of the Company.
6. Re-appointment of Mr. Sanjeev Pahwa as an Independent Director of the Company.
7. Re-appointment of Mr. Jayant Davar as an Independent Director of the Company.
8. Approval of remuneration payable to Mr. Sachit Jain, Vice-Chairman & Managing Director, from the financial year 2017-18 to 2019-20.
9. Approval of commission payable to Mr. Prafull Anubhai, Chairman & Independent Director, for the financial year 2017-18.
10. Ratification of method of valuation of Options granted under Vardhman Special Steels Limited Employee Stock Option Plan 2016 under SEBI (Share Based Employee Benefits) Regulations, 2014.
11. Increase the sitting fees being paid to Non-Executive Directors of the Company.
12. Ratification of remuneration payable to Cost Auditors for the financial year ending 31st March, 2018.

Sign this day of 2017.

Signature of shareholder Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix Revenue
Stamp not
less than
Rs. 0.15

