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VARDHMAN SPECIAL STEELS LIMITED

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-161-2601048
E: secretarial.lud@vardhman.com

Ref. VSSL:SCY:OCT:2026-27

Dated: 30.10.2026

BSE Limited, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI-400001. **Scrip Code: 534392**	National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 **Scrip Code: VSSL**

SUB: MONITORING AGENCY REPORT FOR THE QUARTER ENDED 30TH SEPTEMBER, 2026

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Regulation 162A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed herewith Monitoring Agency Report for the quarter ended 30th September, 2026, issued by CRISIL Ratings Limited, the Monitoring Agency, in respect to utilization of the proceeds raised by the Company through issuance of equity shares by way of Preferential Issue.

This is for your information and records.

Thanking you,

Yours faithfully,

FOR VARDHMAN SPECIAL STEELS LIMITED

SONAM DHINGRA

Digitally signed by SONAM DHINGRA
DN: c=IN, st=Punjab, 2.5.4.20=53acef8660da7d7f91b5dbf88b23ea bcfe0c92175933b925e673687fb5b4ff1, postalCode=141012, street=CO Rishit Dhingra House No 1218 Back Side Of MBD Mull Nagunu Nagar, pseudonym=ecd465e7d5fd4fd6b3fe30b5cff9255c, title=4713, serialNumber=b09c7076c4f741fb18f54b8bc84b1ffe97ba24b137d8dbbbb3f7f1edb8fe695c74, o=Personal, cn=SONAM DHINGRA
Date: 2026.10.30 12:05:41 +05'30'

(SONAM DHINGRA)
COMPANY SECRETARY

Monitoring Agency Report

for

Vardhman Special Steels Limited

for the quarter ended

September 30, 2026

Crisil Ratings Limited
Corporate Identity Number: U67100MH2019PLC326247
Registered Office: Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai- 400 072. India
Phone: +91 22 6137 3000 | www.crisilratings.com

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CRL/MAR/VSS/2026-27/2024

October 29, 2026

To
Vardhman Special Steels Limited
C-58, Phase-III, Focal Point,
Ludhiana – 141010, Punjab

Dear Sir,

Monitoring Agency Report for the quarter ended September 30, 2026 - in relation to the Preferential Issue ("PI") of Vardhman Special Steels Limited ("the Company")

Pursuant to Regulation 162A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**") and Monitoring Agency Agreement dated June 04, 2025, enclosed herewith the Monitoring Agency Report, issued by Crisil Ratings Limited, Monitoring Agency, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of PI for the quarter ended September 30, 2026.

Request you to kindly take the same on records.

Thanking you,
For and on behalf of Crisil Ratings Limited

Shounak Chakravarty

Shounak Chakravarty
Director, Ratings (LCG)

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Report of the Monitoring Agency (MA)

Name of the issuer: Vardhman Special Steels Limited

For quarter ended: September 30, 2026

Name of the Monitoring Agency: Crisil Ratings Limited

(a) Deviation from the objects: Not applicable

(b) Range of Deviation: Not applicable

Declaration:
We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no Statutory verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature: Shounak Chakravarty

Name and designation of the Authorized Signatory: Shounak Chakravarty
Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

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1) **Issuer Details:**

Name of the issuer:	Vardhman Special Steels Limited
Names of the promoter:	Vardhman Textiles Limited
Industry/sector to which it belongs:	Steel

2) **Issue Details**

Issue Period:	4th July, 2025
Type of issue (public/rights):	Preferential Issue (PI)
Type of specified securities:	Equity shares
IPO Grading, if any:	NA
Issue size:	Rs 3,849,088,060/-* (Rupees three billion eight hundred and forty-nine million, eighty-eight thousand and sixty)

**Crisil Ratings shall be monitoring the Issue proceeds amount.*

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3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Management undertaking, Peer review Independent Chartered Accountant's Certificate^, Notice to Shareholders, Bank Statements	The utilization during the quarter is as per the disclosures in the Notice to Shareholders	No Comments
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA	Management Undertaking, Peer Reviewed Independent Chartered Accountants Certificate	No Comments	No Comments
Whether the means of finance for the disclosed objects of the issue has changed?	No		No Comments	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	NA		No Comments	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA		No Comments	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA		No Comments	No Comments
Are there any favorable events improving the viability of these object(s)?	No		No Comments	No Comments
Are there any unfavorable events affecting the viability of the object(s)?	No		No Comments	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No		No Comments	No Comments

NA represents Not Applicable

^Certificate dated October 14,2026 issued by M/s S.S. Periwal & Co., Chartered Accountants (Firm Registration Number: 001021N), Peer Reviewed Independent Chartered Accountants.

Details of object(s) to be monitored:

i. Cost of the object(s):

Sr. No.	Item Head	Source of information/ certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs)	Revised Cost (Rs)	Comment of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrange-ments made
1	Capital expenditure for setting up a green field steel manufacturing plant at Ludhiana, Punjab	Management undertaking, Peer Reviewed Independent Chartered Accountants Certificate^, Notice to shareholders	1,349,088,060	-	No revision during reported quarter	-		
2	Capital expenditure requirements at the existing plant		1,000,000,000	-		-		
3	Repayment of working capital borrowing		1,500,000,000	-		-		
	Total	-	**3,849,088,060**	-	-	-	-	-

^ *Certificate dated October 14,2026 issued by M/s S.S. Periwal & Co., Chartered Accountants (Firm Registration Number: 001021N), Peer Reviewed Independent Chartered Accountants.*

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ii. Progress in the object(s):

Sr. No.	Item Head#	Source of information/ certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs)	Amount utilized (Rs)			Total unutilized amount (Rs)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Capital expenditure for setting up a green field steel manufacturing plant at Ludhiana	Management undertaking, Peer Reviewed Independent Auditors Certificate^, Notice to Shareholders, Bank Statements	1,349,088,060	-	-	-	1,349,088,060	-	No Comments	
2	Capital expenditure requirements at the existing plant		1,000,000,000	480,304,351	295,249,674	775,554,025	224,445,975	Refer note below	No Comments	
3	Repayment of working capital borrowing		1,500,000,000	1,500,000,000	-	1,500,000,000	-	-	No Comments	
	Total		**3,849,088,060**	**1,980,304,351**	**295,249,674**	**2,275,554,025**	**1,573,534,035**	**-**	-	-

^ *Certificate dated October 14,2026 issued by M/s S.S. Periwal & Co., Chartered Accountants (Firm Registration Number: 001021N), Peer Reviewed Independent Chartered Accountants.*

***Note**: During the quarter ended September 30, 2026, the Company had transferred Rs. 23,97,39,476 from its monitoring account to its current accounts for utilization towards the objects of the issue "Capital expenditure requirements at the existing plant of VSSL", for operational ease. The transferred proceeds have been fully utilized as at the end of the reported quarter.*

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iii. Deployment of unutilised proceeds^:

S. No.	Type of instrument and name of the entity invested in	Amount invested (Rs)	Maturity date	Earnings As On September 30, 2026*	Return on Investment	Market value as at the end of quarter (if the market value is not feasible, provide NAV/NRV/Book value of the same)
1.	SBI Savings Fund – (Direct Growth)	450,000,000	-	28,336,847	6.33%	478,336,847
2.	Bandhan Money Market Fund – (Direct Plan)	406,707,446	-	26,599,545	6.52%	433,306,991
3.	Kotak Money Market (Direct Growth)	450,000,000	-	29,119,095	6.92%	479,119,095
4.	Kotak Savings Fund-(Direct Growth)	266,826,589	-	2,804,760	6.72%	269,631,349
	Total	**1,573,534,035**	**-**	**86,860,247**		**1,660,394,282**

**Monitoring the deployment of gains earned from unutilised proceeds does not form part of the scope of Monitoring Agency report.*

***Note:** The market value and return on investments in Mutual Funds are subject to market risks.*

***Note:** An amount of Rs. 14,63,25,000 was lying in the MA Account as on September 30, 2026, pertaining to internal accruals of the Company.*

^On the basis of Management undertaking and Certificate dated October 14,2026 issued by M/s S.S. Periwal & Co., Chartered Accountants (Firm Registration Number: 001021N), Peer Reviewed Independent Chartered Accountants.

iv. Delay in implementation of the object(s):

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual		Reason of delay	Proposed course of action
Not applicable^					

^On the basis of Management undertaking and Certificate dated October 14,2026 issued by M/s S.S. Periwal & Co., Chartered Accountants (Firm Registration Number: 001021N), Peer Reviewed Independent Chartered Accountants.

4) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Not applicable on the basis of Management undertaking and Certificate dated October 14,2026 issued by M/s S.S. Periwal & Co., Chartered Accountants (Firm Registration Number: 001021N), Peer Reviewed Independent Chartered Accountants.

Disclaimers:

a) *This Report is prepared by Crisil Ratings Limited* ***(hereinafter referred to as "Monitoring Agency" / "MA" / "CRL")****. The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.*

b) *This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.*

c) *Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.*

d) *The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no Statutory verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.*

e) *The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.*

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h) *CRL is not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing this report, MA has not taken into consideration the objectives or particular needs of any particular user.*

i) *It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be a basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).*

j) *The report comprises professional opinion of CRL as of the date they are expressed, based on the information received from the issuer and other sources considered reliable by CRL. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. The report does not constitute statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions.*

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