



11.09.2014

The Chairman
Vardhman Special Steels Limited
Vardhman Premises, Chandigarh Road
Ludhiana-141010

Dear Sir,

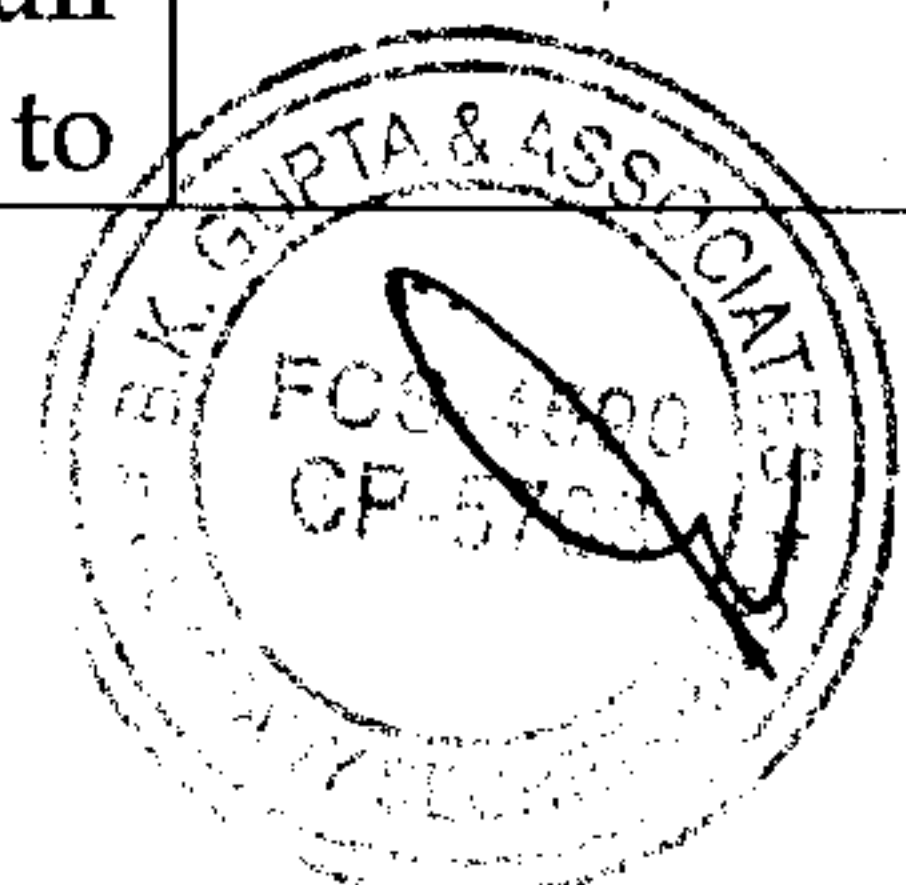
Sub: Passing of Resolutions through Postal Ballot- Revised Scrutinizer Report

Pursuant to the Resolution passed by the Board of Directors of Vardhman Special Steels Limited in its Meeting held on 2nd August, 2014, I have been appointed as Scrutinizer to receive, process and scrutinize the Postal Ballot papers in respect of the following resolutions :

Resolution No.	Reference to the Companies Act, 2013	Description of the Resolution	Type of the Resolution
1.	Section 180(1)c	<p>To Authorise Board of Directors of Company to borrow moneys in excess of aggregate of the paid up share capital and free reserves of the Company, under the provision of Section 180(1)(c) of the Companies Act, 2013.</p> <p>"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 3rd Annual General Meeting held on 31st August, 2013 and pursuant to Section 180(1)(c) (previously being Section 293(1)(d) of the Companies Act, 1956) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the</p>	Special Resolution



2.	Section 180(1)(a)	<p>ordinary course of business, shall not be in excess of Rs. 200 Crores (Rupees Two Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”</p> <p>To Authorise Board of Directors of the Company for Mortgaging and/or charging, including but not limited to, by way of equitable and/or legal mortgage(s) on the immovable/moveable properties of the Company including whole undertaking of the Company, under the provision of Section 180(1)(a) of the Companies Act, 2013.</p> <p>“RESOLVED THAT in supersession of the Ordinary Resolution adopted at Extra- ordinary General Meeting held on 1st April, 2011, the consent of the Company under the provisions of section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging, including but not limited to, by way of equitable and/or legal mortgage(s) on the immovable/moveable properties of the Company, both present and future, where so ever situated and/or the whole of the undertaking of the Company together with the power to take over the management of the business and concern of the Company in certain events in favour of the Banks/Financial Institutions or any other Body Corporates /Persons (hereinafter called as “the lender(s)”) to secure the various fund based/non fund based credit facilities granted/to be granted to the Company and the interest at the agreed rate, additional interest, further interest, liquidated damages, compound interest, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company under the Deed(s) of Hypothecation and other documents executed/to be executed by the Company in respect of credit facilities of such lender(s), in such form and manner as may be acceptable to such lender(s).</p> <p>RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised and shall always be deemed to have been authorised to</p>	Special Resolution
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		finalise with lender(s) the documents for creating the aforesaid mortgage(s) and/or charge and to do all acts, deeds and things as may be deemed necessary for giving effect to the above resolution.”	
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We report that the Postal Ballot notice dated 2nd August, 2014 under Section 110 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, was issued individually to all shareholders and the notices were dispatched on 11th August, 2014 through Registered Post. Further, all the Shareholders have also been given an option of e-voting through e-voting website of Central Depository Services (India) Limited (www.evotingindia.com) as per the aforesaid Act and Rules and clause 35B of the Listing Agreement, We report that as stated in the notice sent to the shareholders, the Company has fixed 10th September, 2014 as the last date for receipt of Postal Ballots. As stated in Rule 22(3) of the Companies (Management and Administration) Rules, 2014 an advertisement was published by the Company in Business Standard & Desh Sewak on 12th August, 2014, informing about the dispatch of Postal Ballot forms and other related matters mentioned therein.

We report we have received the Postal Ballot Forms from the Shareholders during the period starting from 12th August, 2014 to 10th September, 2014.

All the Postal Ballot forms received up to the closure of working hours (5.00 p.m.) on 10th September, 2014, the last date fixed by the Company for receipt of the forms, were considered for our scrutiny.

During the course of scrutiny of Postal Ballot forms we have not come across any mutilated Postal Ballot Forms.

We report that all the Postal Ballot Forms were scrutinized and processed and register containing the Shareholders Name, Address, Folio Number, Postal Ballot Number, Number of Shares held, Number of votes voted, Assented , Dissented and Rejected was maintained in electronic Format.

We report that out of 17,893 Shareholders, we have received polled Postal Ballot Forms from 279 Shareholders. Further, the option to vote through electronic mode was also been given to the Shareholders of the Company through e-voting portal of Central



Depository Services (India) Limited (www.evotingindia.com). The details of polling are given below.

The votes were unblocked at 5.30 PM on September 10th, 2014 in the presence Mr. Onkar Singh and Mr. Amit Sharma who are not the employees of the Company, and who have signed below as witness to the unblocking of the votes.

The votes polled through Ballot received by the scrutinizer till the closing hours of the e-voting were also opened and processed in the presence of aforesaid witnesses.

The E-Voting results/lists of Equity Shareholders who have voted "For" and "Against" were downloaded from the e-voting website of Central Depository Services (India) Limited (www.evotingindia.com) and the same are being handed over to the Chairman.

Total Number of Shareholders	17,893 (as on 4 th August, 2014)
Total Number of Shares (Fully paid up)	1,85,55,376 (as on 4 th August, 2014)
Receipt of Postal Ballot Forms	From 12 th August, 2014 to 10 th September, 2014.
Total Postal Ballot Forms Received	279
Total Folios Voted through CDSL e-voting	53

1. Special Resolution, in respect of Resolution under Section 180(1)(c) of the Companies Act, 2013

To Authorise Board of Directors to borrow moneys in excess of aggregate of the paid up share capital and free reserves of the Company, under the provision of Section 180(1)(c) of the Companies Act, 2013.



Summary of the Results for Resolution 1 are given below:

Total Shareholding and Ballots Received through Post

Particulars	Number of folios	Number of Shares (Votes)	Percentage (%) (Votes)
Total Shareholders	17,893	1,85,55,376	100.00
Number of Ballots Received	279	37,53,756	20.23
Number of Votes For	269	37,53,190	99.98
Number of Votes AGAINST	10	564	0.02

Break-up of voting details through e-voting and Voted in favour resolution

Promoter/Promoters Group	30	1,02,05,426	99.48
Public-Institutional	7	32,773	0.31
Public-Others	15	19,945	0.20

Break-up of voting details through e-voting and Voted in against resolution

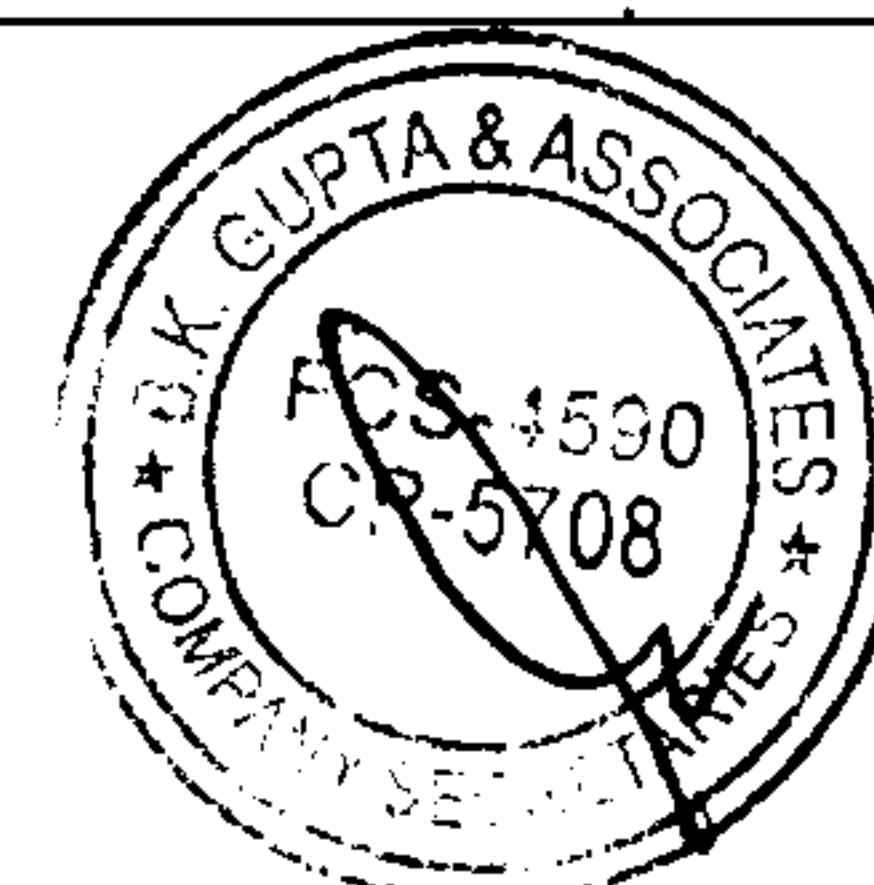
Promoter/Promoters Group	0	0	0.00
Public-Institutional	0	0	0.00
Public-Others	1	2	0.01

Polled through e-voting

Particulars	Number of Ballots	Number of Shares (Votes)	Percentage(%) (Votes)
Total Folios voted through e-voting	53	1,02,58,146	100.00
No. of Folios voted FOR	52	1,02,58,144	99.99
No. of Folios voted AGAINST	1	2	0.01

Break-up of voting details through e-voting and Voted in favour resolution

Promoter/Promoters Group	30	1,02,05,426	99.48
Public-Institutional	7	32,773	0.32
Public-Others	15	19,945	0.20



Break-up of voting details through e-voting and Voted in against resolution

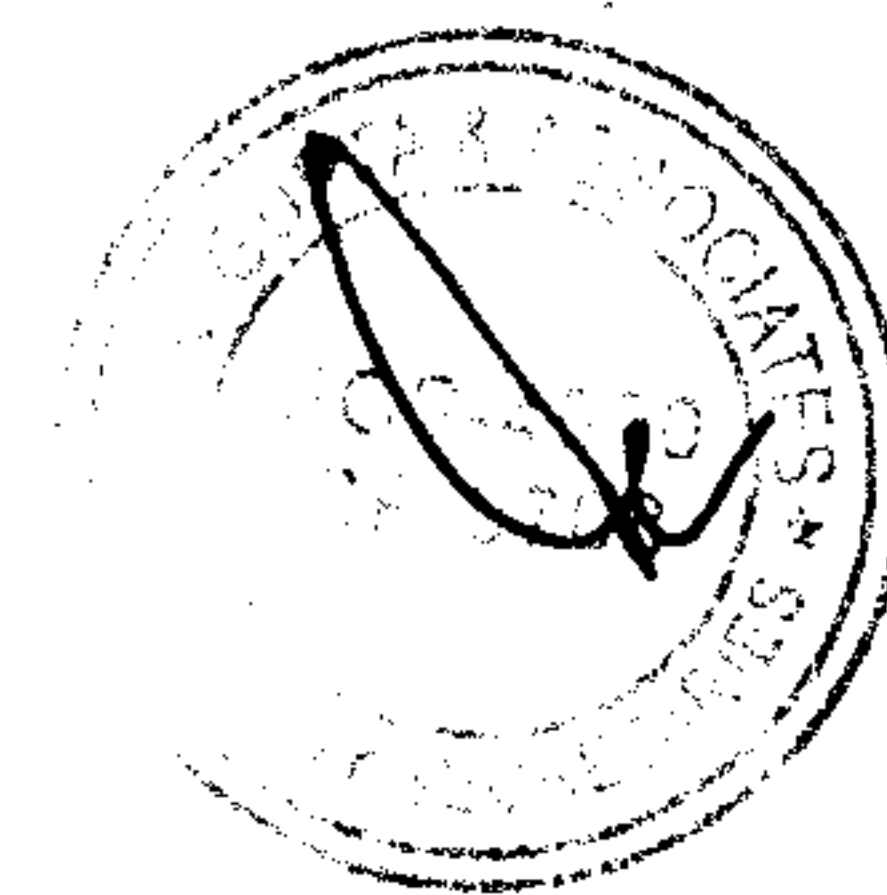
Promoter/Promoters Group	0	0	0.00
Public-Institutional	0	0	0
Public-Others	1	2	0.01

Total Votes Polled and Results

Particulars	Number of Ballots	Number of Shares (Votes)	Percentage(%) (Votes)
Total Folios Voted through e-voting and post	332	1,40,11,902	100.00
No. of Folios voted FOR	321	1,40,11,334	99.99
No. of Folios voted AGAINST	11	566	0.01

RESULT FOR RESOLUTION NO . 1

As the number of votes cast in respect of Special Resolution mentioned in the Notice of Postal Ballot was more than the three fourth of votes cast against it, I report that the Special Resolution under Section 180(1)(c) of the Companies Act, 2013 as set out in the Notice of Postal Ballot has been passed by the shareholders as Special Resolution .



2. Special Resolution, in respect of Resolution under Section 180(1)(a) of the Companies Act, 2013 To Authorise Board of Directors of the Company for Mortgaging and/or charging, including but not limited to, by way of equitable and/or legal mortgage(s) on the immovable/moveable properties of the Company including whole undertaking of the Company, under the provision of Section 180(1)(a) of the Companies Act, 2013.

Summary of the Results for Resolution 2 are given below:

Total Shareholding and Ballots Received through Post

<u>Particulars</u>	<u>Number of folios</u>	<u>Number of Shares (Votes)</u>	<u>Percentage (%) (Votes)</u>
Total Shareholders	17,893	1,85,55,376	100.00
Number of Ballots Received	279	37,53,756	20.23
Number of Votes For	262	37,52,842	99.97
Number of Votes AGAINST	17	912	0.03

Break-up of voting details through e-voting and Voted in favour resolution

Promoter/Promoters Group	30	1,02,05,426	99.48
Public-Institutional	5	29,773	0.29
Public-Others	14	19,830	0.19

Break-up of voting details through e-voting and Voted in against resolution

Promoter/Promoters Group	0	0	0
Public-Institutional	2	3,000	0.30
Public-Others	2	114	0.01

Polled through e-voting

<u>Particulars</u>	<u>Number of Ballots</u>	<u>Number of Shares (Votes)</u>	<u>Percentage(%) (Votes)</u>
Total Folios voted through e-voting	53	1,02,58,143	100.00
No. of Folios voted FOR	49	1,02,55,029	99.96
No. of Folios voted AGAINST	4	3,114	0.04

Break-up of voting details through e-voting and Voted in favour resolution

Promoter/Promoters Group	30	1,02,05,426	99.48
Public-Institutional	5	29,773	0.29
Public-Others	14	19,830	0.19

Break-up of voting details through e-voting and Voted in against resolution

Promoter/Promoters Group	0	0	0.00
Public-Institutional	2	3,000	0.03
Public-Others	2	114	0.01

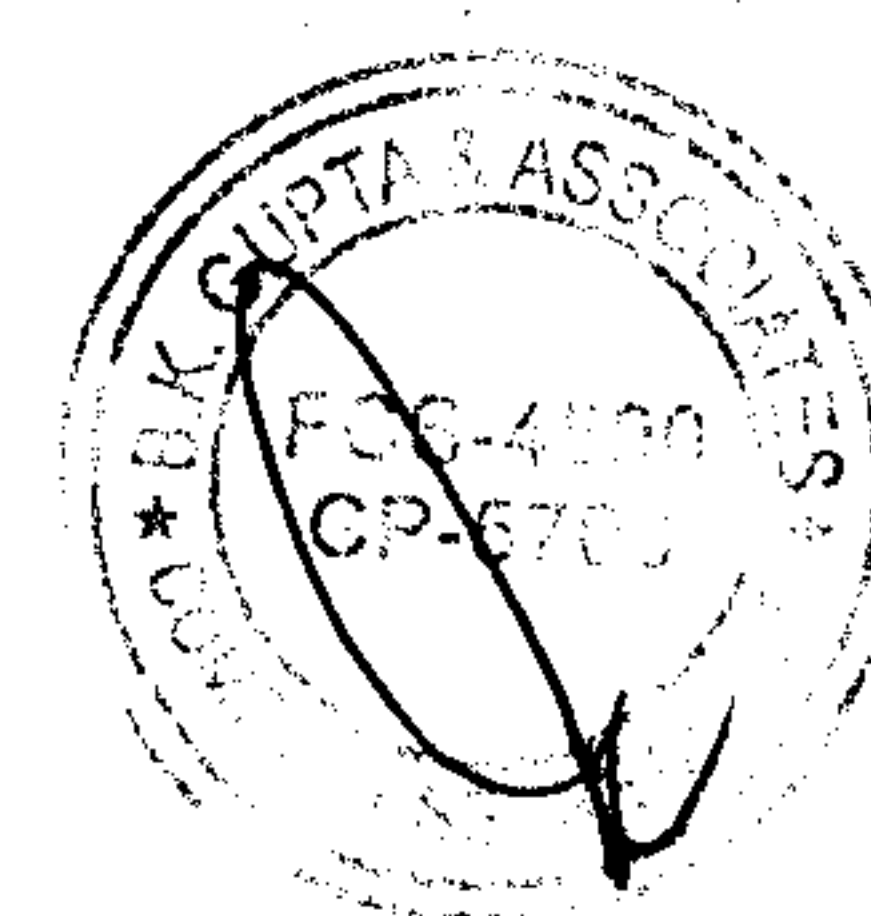
Total Votes Polled and Results

Particulars	Number of Ballots	Number of Shares (Votes)	Percentage(%) (Votes)
Total Folios Voted through e-voting and post	332	1,40,11,902	100.00
No. of Folios voted FOR	311	1,40,07,871	99.97
No. of Folios voted AGAINST	21	4,026	0.03

RESULT FOR RESOLUTION NO. 2

As the number of votes cast in respect of Special Resolution mentioned in the Notice of Postal Ballot was more than the three fourth of votes cast against it, I report that the Special Resolution under Section 180(1)(a) of the Companies Act, 2013 as set out in the Notice of Postal Ballot has been passed by the shareholders as Special Resolution .

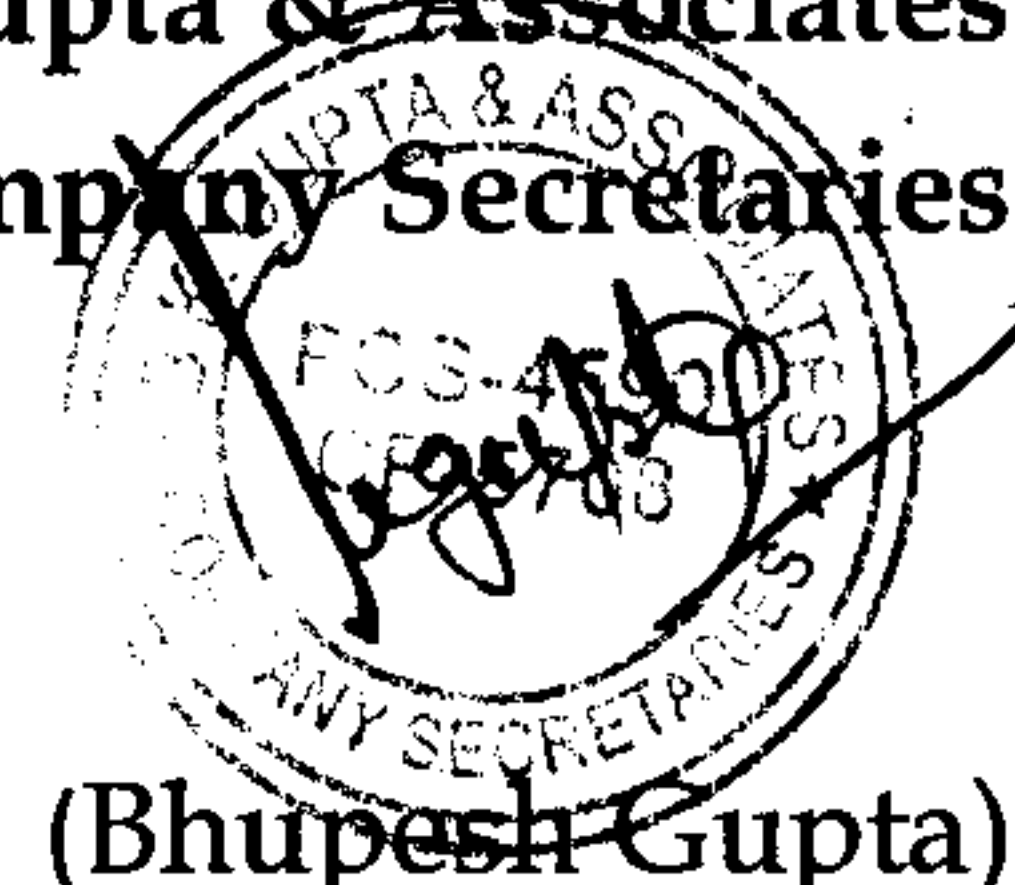
All relevant records of Electronic Voting and Ballot Papers received from the members remain in our safe custody until the Chairman considers, approves and signs the minutes and same shall be handed over thereafter to the Chairman/Company Secretary for safe keeping.



Thanking You,

Yours Faithfully

For B.K. Gupta & Associates
Company Secretaries



(Bhupesh Gupta)

Partner

Membership No. FCS 4590

C. P. No.: 5708

Scrutinizer

Place: Ludhiana

Dated: 11.09.2014

We the undersigned witness that the votes were unblocked from the e-voting website of Central Depository Services (India) Limited (www.evotingindia.com) and also votes polled through ballot were opened and processed in our presence at 5.30 PM on September 10th September, 2014 at the office of Scrutinizer.

(Amit Sharma)

Street No. 03, H. No 6280

G.A.D Nagar, Samrala Chowk

Ludhiana

(Onkar Singh)

C-Block, House No. 523

Isher Nagar

Ludhiana