

## NOTICE

**NOTICE** is hereby given that **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Members of **STEELCO GUJARAT LIMITED** will be held on Friday, 29<sup>th</sup> September, 2017 at 02:30 p.m. at its Registered Office at Plot No. 2, GIDC Estate, Palej – 392 220, Dist. Bharuch, Gujarat to transact the following business:

### ORDINARY BUSINESS :

1. To consider & adopt Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2017 together with Report of Board and the Auditors thereon, and
2. To appoint a Director in place of Shri Vimal Chandaria, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Mitesh H Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. Walker Chandok & Co LLP, Chartered Accountants (Firm Registration No. 001076N) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

### SPECIAL BUSINESS:

5. **TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI AMISH H MEHTA AS A DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Shri Amish H. Mehta, (DIN: 07068022), who has been appointed by the Board of Directors as an Additional Director of the Company effective 24<sup>th</sup> May, 2017 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“**Act**”) and the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation, pursuant to provisions of sections 149,152 and 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].”

6. **TO CONSIDER AND APPROVE REAPPOINTMENT & FIXATION OF REMUNERATION OF COST AUDITOR FOR THE FINANCIAL YEAR ENDING 31<sup>ST</sup> MARCH, 2018**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit & Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 and other applicable provisions, if any, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the reappointment of M/s. A. G. Tulsian & Co., Cost Accountants in practice, be and is hereby approved to conduct the audit of cost accounting records of the company for the financial year 2017-18 on a remuneration (plus applicable service tax and out of pocket expenses) as set out in statement annexed to the notice convening this meeting.

**“RESOLVED FURTHER THAT** any Director of the Company and /or the Company Secretary be and are hereby severally authorized to do all the acts and deeds necessary and expedient for the purpose.”

7. **TO CONSIDER AND APPROVE REAPPOINTMENT OF SHRI MITESH H SHAH AS A MANAGING DIRECTOR OF THE COMPANY FOR A PERIOD OF 3 YEARS W.E.F. 14TH NOVEMBER, 2017 TO 13TH NOVEMBER, 2020.**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and also subject to the approval of the banks and/or the Central Government, if required, the consent of the Company be and is hereby accorded to the reappointment of Shri Mitesh H Shah (DIN : 07013137) as a Managing Director of the Company for a period of three years from November 14, 2017 to November 13, 2020 on the major terms and conditions of appointment including remuneration payable as set out in the explanatory statement with liberty to Board of Directors to alter and/or to vary the terms and conditions of the re-appointment, including the terms of remuneration, as may be agreed to, between the Board of Directors and Shri Mitesh H Shah.”

**“RESOLVED FURTHER THAT** in case of absence of profit or in adequate profit in any financial year, during the currency of the tenure of Shri Mitesh H Shah as Managing Director of the Company, the aforesaid remuneration by way of salary, perquisites, bonus, etc., shall be treated as Minimum Remuneration.”

**By order of the Board,  
For Steelco Gujarat Limited**

**Place : Mumbai  
Date : 30<sup>th</sup> August, 2017  
CIN : L27110GJ1989PLC011748**

**Achal Thakkar  
Company Secretary**

### NOTES :

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE IN HIS STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Members desiring to seek any information pertaining to Annual Accounts and operations of the Company are requested to write their questions/queries to the Company Secretary of the Company so as to reach at least seven days before the date of the Annual General Meeting to enable the Company to keep the information available to the best extent possible.

Members are requested to intimate changes, if any, in their registered addresses to the Share Transfer Agent for shares held in physical format to their respective Depository Participant(s) for shares held in electronic form, quoting their Registered Folio Number / DP ID No. as the case may be in all the correspondence.

The Register of Members and Share Transfer Books of the Company will remain closed from 23/09/2017 to 29/09/2017 (both days inclusive).

Members are requested to bring their copy of the Annual Report and the Attendance Slips at the Annual General Meeting.

Equity Shares of the Company are listed at BSE Ltd., P. J. Tower, Dalal Street, Mumbai.

Equity Shares of the Company are dematerialized with NSDL and CDSL.

All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's registered office at Plot No. 2, GIDC Estate, Palej – 392 220, Dist. Bharuch, Gujarat on all working days of the Company between 3:00 p.m. to 5:00 p.m. up to the date of Annual General Meeting.

Explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of item no. 5 to 7 is annexed hereto.

#### **E-Voting:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to exercise their right to vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue ('remote e-voting') will be provided to the members by Central Depository Services (India) Limited (CDSL).

The Company is providing facility for voting by electronic means and the business may be transacted through such electronic voting. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The e-voting period begins on 26/09/2017 (9:00 a.m.) and ends on 28/09/2017 (5:00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22/09/2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 28/09/2017 (5.00 p.m.).

Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holds shares as on 22/09/2017, may obtain the login ID and password by following instructions given at notice which is uploaded at [www.evotingindia.com](http://www.evotingindia.com) or sending request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **PROCEDURE FOR E-VOTING**

**A.** The 'Step by Step' procedure and instructions for casting your vote electronically are as under:

- i. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii. Next click on "Shareholders" tab to cast your votes.
- iii. Now Enter your User ID.  
For CDSL: 16 digits beneficiary ID.  
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
Members 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](http://www.evotingindia.com) and voted on an earlier 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:

<b>For members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	Enter your 10 digits 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 sequence number which is printed on address label/ sticker affixed on back page of the Annual Report.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	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 reach directly to 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 resolutions of any other Company on which they are eligible to vote, provided that such 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 resolutions contained in this Notice.
- x. Click on the EVSN 170904001 for the Company (Steelco Gujarat 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 Resolutions.
- 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 print of the votes cast by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the 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. Note for Non - Individual Shareholders and Custodians.

- o Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - o A scanned copy of Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - o 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 on.
  - o The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - o A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - o 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xviii. Shareholder can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Shri Devesh A. Pathak, Practicing Company Secretary (Membership No. FCS 4559), Vadodara has been appointed as Scrutinizer for conducting the e-voting process in a fair and transparent manner.

The Scrutinizer shall, after conclusion of the voting at General meeting, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Consolidated Scrutinizer's Report of the votes cast in favor or against, not later than three days of the conclusion of the meeting, if any, forthwith to the Chairman of the Company or a person authorized by him.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.steelcoindia.com](http://www.steelcoindia.com) and on the website of CDSL [www.evoting.cdsl.com](http://www.evoting.cdsl.com) immediately after result is declared and shall be communicated to the stock exchanges, where the shares of the Company are listed.

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013, TO THE ACCOMPANYING NOTICE DATED 30<sup>TH</sup> AUGUST, 2017.

#### Item No. 5

#### **TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI AMISH H. MEHTA AS A DIRECTOR OF THE COMPANY**

Shri Amish H. Mehta, has been appointed by the Board of Directors as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and pursuant to applicable articles of the Articles of Association of the Company. Shri Amish H. Mehta, will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, along with the requisite deposit of ₹ 1,00,000, proposing his candidature for the office of Director. Shri Amish H. Mehta, once appointed, will be liable to retire by rotation.

The Company has received from Shri Amish H. Mehta (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act. The profile and specific areas of expertise of Shri Amish H. Mehta are provided in the Corporate Governance Report.

Your Directors recommend and seek your approval to the resolution, as appearing in item no.5 of the accompanying notice, by way of Ordinary Resolution.

Except Shri Amish H. Mehta and Shri Vimal Chandaria, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

#### Item No. 6

#### **TO CONSIDER AND APPROVE REAPPOINTMENT & FIXATION OF REMUNERATION OF COST AUDITOR FOR THE FINANCIAL YEAR ENDING 31<sup>ST</sup> MARCH, 2018**

The Board, on the recommendation of the Audit Committee, has approved the reappointment, M/s A. G. Tulsian & Co., Cost Accountants in practice, Ahmedabad (Membership No. 19812) as Cost Auditors of the company, to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2018 at a remuneration of ₹ 1,60,000 plus Service Tax and out of pocket expenses, if any.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the shareholders of the Company.

Accordingly, the consent of the members is sought for passing an ordinary resolution as set out at item no. 6 of the notice for ratification of the remuneration payable to the cost auditors for the financial year ending on 31st March, 2018.

Your Directors recommend and seek your approval to the resolution as set out in item no. 6 of the accompanying notice by way of Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives shall be deemed to be concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of the notice.

#### Item No. 7

#### **TO CONSIDER AND APPROVE REAPPOINTMENT OF SHRI MITESH H. SHAH AS A MANAGING DIRECTOR OF THE COMPANY FOR A PERIOD OF 3 YEARS W.E.F. 14TH NOVEMBER, 2017 TO 13TH NOVEMBER, 2020.**

Shri Mitesh H. Shah has been appointed as a Managing Director w.e.f. 14<sup>th</sup> November, 2017 and has been associated with the Company since almost 3 years. He is an Engineer from Metallurgy and has experience of over 27 years in the steel industry. He has expertise in production, quality, planning, marketing, sales, finance, procurement and general management of the Company. Keeping in view the dedicated services, expertise and his wise counsel, his performance and achievements of objectives, it has been recommended by the Nomination and Remuneration Committee and approved by the Board the re-appointment of Shri Mitesh H. Shah (DIN: 07013137) as a Managing Director of the Company from 14<sup>th</sup> November, 2017 to 13<sup>th</sup> November, 2020, i.e. for a further period of three (3) years.

The following are the major terms and conditions of re-appointment of Shri Mitesh H. Shah:

I. **Shri Mitesh H. Shah shall have the power of general conduct and management of the business and affairs of the Company subject to the superintendence, control and direction of the Board.**

II. **REMUNERATION:**

**BASIC SALARY:**

₹ 7,80,000 per month, including dearness allowance in the pay scale of ₹ 7,80,000 - ₹ 9,30,000 with annual increment of ₹ 75,000 per month.

III. **PERQUISITIES AND ALLOWANCES**

**PART - A**

- i. Rent free furnished accommodation including maintenance charges.
- ii. Gas, electricity and water, municipal and property taxes etc., at actuals.
- iii. Re-imbursment of Business Expenditures maximum up to ₹ 60,000 per month.
- iv. Books and Periodical expenses up to a maximum of ₹ 25,000 per month.
- v. Full Medical insurance for self, Spouse and Children at a sum assured of ₹ 6,00,000 each.
- vi. Use of Chauffeur driven cars and telephone at residence.
- vii. Medical expenses incurred for self and all dependent family members subject to a ceiling of ₹ 1,250 per month.
- viii. Leave Travel Concession once in a year for self and all dependent family members, maximum up to ₹ 37,900 per month.
- ix. Hospitalization reimbursement in accordance with the scheme and rules of the Company.
- x. Washing, Food Coupon and Children Education Allowance aggregating to ₹ 6,000 per month.
- xi. Uniform Expenses up to a maximum of ₹ 25,000 per month.
- xii. Club fees (maximum of one club)
- xiii. Soft furnishing upto 15 days average basic salary.

**PART B**

- i. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and part thereof.
- iii. Encashment of leave at the end of the tenure as per Company Rules.

**PART C**

- Special one-time Bonus of ₹ 10,60,000 as a special case towards performance achievement payable in November, 2017.
- Annual Bonus linked to performance, not exceeding ₹ 26,50,000 Lakhs. The performance shall be as per the criteria to be recommended by Nomination & Remuneration Committee and approved by the Board of Directors.

The Criteria for the Annual Bonus linked to performance to be finalized by the Board of Directors.

**MINIMUM REMUNERATION**

Notwithstanding anything to the contrary herein contained, wherein in any financial year, during the currency of the tenure of Shri Mitesh H. Shah as Managing Director of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites, bonus, etc., as specified above, within the provisions of the Companies Act, 2013 subject to the approval of the bank and / or the central Govt., if required.

IV. **TERMINATION**

The aforesaid appointment may be terminated by either party giving at least three (3) months' notice in writing in that behalf or notice pay (considering Basic Salary and all allowances) in lieu thereof at the end of which period; termination of the contract shall take effect.

Your Directors seek your approval by way of Special Resolution as set out in item No. 7 of the accompanying Notice. Additional information as required under Schedule V to the Companies Act, 2013.

Except Shri Mitesh H. Shah, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

**ADDITIONAL INFORMATION REQUIRES AS PER AMENDED SCHEDULE V TO THE COMPANIES ACT, 2013 RELATING TO ITEMS NO. 7 OF THE NOTICE OF TWENTY SEVENTH ANNUAL GENERAL MEETING**

I. **GENERAL INFORMATION**

1. **Nature of Industry:**

The Company is engaged in the manufacturing of Cold Rolled Steel Galvanized Steel and Colour Coated Steel. The Company's products are classified under steel industry.

2. **Commencement of Commercial Production:**

The Company's plant is already in operation, since 1994.

3. **Financial Performance :**

( ₹ In Lakhs)

Particulars	Financial Year	
	2016-17	2015-16
Effective Capital	56.30	3,216.33
Total Income	53,499.97	50,849.01
Profit (Before Tax)	(3,074.21)	98.63

4. **Export Performance & Net Foreign Exchange Outgoing:**

( ₹ In Lakhs)

Particulars	Financial Year	
	2016-17	2015-16
Net Foreign Exchange outgo	23,216.48	18,448.86
Net Foreign Exchange Earned	32,492.69	26,453.41

5. The Company has neither made any foreign investment nor has any foreign collaboration.

## II. INFORMATION ABOUT THE APPOINTEE DIRECTOR:

### 1. Background Details of the Managerial Personnel:

Shri Mitesh H. Shah, is an Engineering Graduate in Metallurgy having over 27 years of vast experience in the field of Steel. Previously, he was associated with Essar Steel Group as a CEO and since almost 3 years, he has been associated with Steelco Gujarat Limited as a Managing Director.

### 2. Past Remuneration:

(` In Lakhs)

Particulars	2016-17	2015-16	2014-15
Salary	79.02	70.02	25.42
Retiral Benefits	21.34	18.91	10.93
Other Benefits & Allowances	55.34	40.25	6.86

### 3. Recognition or awards:

Under his leadership, Steelco Gujarat Limited has been awarded as under:

- Silver Safety Award 2015 from Greentech Foundation for outstanding achievements in Safety Management.
- Gold Safety Award 2016 from Greentech Foundation for outstanding achievements in Safety Management.
- Second Highest Exporter Award from Adani Hazira port in 'Container' category in 2016.
- Highest Importer & Exporter Award from Adani Hazira port in 2017.

### 4. Job Profile and his suitability:

Shri Mitesh H. Shah is an Engineering Graduate in Metallurgy having over 27 years of vast experience in the field of Steel at various senior positions including CEO & Managing Director. He has started his career with Graduate Engineer Trainee in Essar Steel Ltd in 1991 and with his technical expertise, knowledge and leadership qualities, spearhead various operational functions like Steel Melting Plant, Cold Rollig Complex, Heading Operation Strategy Group in Essar Steel and also as CEO and Managing Director.

His passion is to take challenges for transformation in manufacturing with not only by technology upgradation but changing mind set of team for organization growth, employee engagement activity & taking leadership assignment with commitment to turn around an Organisation.

After his successful achievement in Essar Steel, Pune and Hazira, he was given an additional responsibility of PT Essar Steel Ltd. Indonesia as a President & again in very short span it was turn around.

In 2014, he moved to Steelco Gujarat Limited as a Managing Director with again his passion to take new challenges. Significant improvement has started in Productivity with positive profitability, development in HSE culture and working culture of the Company.

In short, he is an enterprising leader & planner with a successful record of contributions in driving Manufacturing Excellence, Business Operations, New Set-ups, Improving Productivity and enhancing revenue growth, targeting top management assignments with an organisation of high repute.

### 5. Remuneration Proposed:

As per the resolution and explanatory statement of this notice.

### 6. Comparative remuneration profile with respect to industry, size of the Company, profit of the position and person (in case of expertise the relevant details would be with respect to the country of his origin)

The remuneration proposed commensurate with the nature, size and constitution of the Company, complexity of operations, industry scenario and the eligibility of the appointee.

### 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Shri Mitesh H. Shah does not have any pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel.

## III. OTHER INFORMATION

### 1. Reasons of Losses:

The overall steel industry is passing through a sluggish phase. Certain reasons for not achieving profit are as under:

- Global pressure due to structural demand slowdown.
- Significant overcapacity in China coupled with the slowdown in its domestic demand has resulted in Chinese Steel producers "dumping" its production in overseas market at uneconomic rates for others to be able to compete and thus has adversely affected the Company's export market with lower margins.
- Lack of adequate working capital assistance from banks adversely affected the Company's operations. With the support of third party financing, it resulted in a higher input cost, ultimately impacting margins of the Company.
- The domestic coated market has moved towards 1220 mm material with rapid growth in the colour coated steel sector and against that, the company was not able to participate in this high growth, high margin market, due to width concern.
- Discontinuance of Open Access Power by GETCO, resulting in considerably high power cost.

The above factors have adversely impacted price realization and margins of the Company and consequently, the overall profitability and its impact on the working capital.

### 2. Steps taken for improvement:

- The Company is implementing various long-term measures to improve its cash flow and revival of the operations of the Company. The Company is exploring multiple options of financial restructuring and is in discussions with strategic investor to infuse long-term required finance for its critical capex plan and also for revival of its operations. The Company is also in discussion with lenders on its detailed Debt Resolution Plan envisaging proposed critical capex on colour coating line and Alu Zinc lines. On positive outcome of efforts in above direction, the Company and its management is hopeful to make optimum utilization of its resources, renegotiate its contracts and complete

the on-going projects to generate future cash flows, meet its financial obligations towards lenders and creditors. The Company believes that these measures will not only generate cash flows for revival but will also result in future orders and consequently sustainable cash flows. The promoters also continue to be committed to providing the required operational support to Company in the foreseeable future;

- Strategies & markets with upcoming economy with colour coated products under capex;
- Starting of Open Access power, which has already started resulting into significant saving in power cost, which is one of the major cost of the Company;
- Various steps being taken by the Government of India will help to grow steel industry as a whole;
- The value-add capex of Colour Coating Line (CCL) has already started from June 2017 and is in operations with capacity of around 80%;
- The proposed value-add capex of Aluminum Zinc (AZ) Line will enable the company to enhance the Company's viability in the market with wider market, both domestic & export, better margin and branding of the Company;
- Diversifying the product basket and market;
- Forward Integration by implementation of capex adding value added products resulting in higher realization per ton of production; and
- With various products, the Company will be in a position to explore and penetrate new markets including domestic markets, which will enable sustained growth.

### 3. Expected increase in productivity and profits in measurable terms

After the capex plan, the capacities of the Company are / will be as under:

Installed capacities	Current	Post Capex
Pickling Unit	300,000 MTPA	300,000 MTPA
Cold Rolling Mill	184,000 MTPA	184,000 MTPA
Galvanizing Line	60,000 MTPA	36,000 MTPA
<b>Colour Coating Line*</b>		<b>60,000 MTPA</b>
<b>Alu-Zinc Line</b>		<b>150,000 MTPA</b>

\* *Colour Coating Line already installed and commercial production commenced from 1<sup>st</sup> June, 2017 and the capacity is expected at 60,000 MTPA till 2019 and post that, it will be 84,000 MTPA.*

- Currently Existing Coverage of the company's galvanizing facilities cater to the export market where the demand is for thinner gauges and widths less than 1000 mm. New coating line will enable SGL to diversify into the domestic coated market where the demand is for thicker gauges and 1220 mm width. Currently SGL exports 70% of its production. After the expansion, SGL expects that 70% of its sales will be in the domestic market. Domestic market demand for AZ product is growing rapidly and is sold at a premium over GI product. Ultimately, this will gradually, improve the margins and overall profitability of the Company.
- Market for Colour Coated Products (Colour Coating Line and Alu-Zinc Line) is expected to grow at 23%-25% & 30% CAGR respectively, which will be the growth story for the Company in volume and in margin.

#### IV. DISCLOSURE

Remuneration package of Shri Mitesh H. Shah is set out in the Corporate Governance Report for the information of Shareholders.

**By order of the Board,  
For Steelco Gujarat Limited**

**Place : Mumbai  
Date : 30<sup>th</sup> August, 2017  
CIN : L27110GJ1989PLC011748**

**Achal Thakkar  
Company Secretary**

**STEELCO GUJARAT LIMITED**

**Regd. Office:** Plot No. 2, G.I.D.C. Estate, National Highway No. 8, Palej - 392 220, Dist. Bharuch, Gujarat.  
Tel No 02642-277 479 / 480 / 481, Fax : 277 307 E-mail : sgl@steelcogujarat.com Website : www.steelcogujarat.com  
CIN: L27110GJ1989PLC011748

**PROXY FORM**

Name of the Member(s): .....  
Registered Address: .....  
..... E-mail Id: .....  
Folio No./DP Id & Client Id: .....

I/We, being the member (s) of ..... shares of the Steelco Gujarat Limited, hereby appoint:

- 1. Name : ..... Address : .....  
Email Id : ..... Signature : .....
- 2. Name : ..... Address : .....  
Email Id : ..... Signature : .....
- 3. Name : ..... Address : .....  
Email Id : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 29<sup>th</sup> September, 2017 at 2:30 P.M. and at any adjournment thereof in respect of resolutions are indicated below:

Reso. No.	Description	Optional	
		For	Against
<b>ORDINARY BUSINESS:</b>			
1	To consider & adopt Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2017 together with Report of Board and the Auditors thereon		
2	To appoint a Director in place of Shri Vimal Chandaria, who retires by rotation and being eligible, offers himself for reappointment		
3	To appoint a Director in place of Shri Mitesh H. Shah, who retires by rotation and being eligible, offers himself for reappointment		
4	To appoint M/s. Walker Chandok & Co LLP, Chartered Accountants (Firm Registration No. 001076N) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration		
<b>SPECIAL BUSINESS:</b>			
5	To consider and approve the appointment of Shri Amish H. Mehta as a Director of the Company.		
6	To consider and approve reappointment & fixation of remuneration of Cost Auditor for the financial year ending 31 <sup>st</sup> March, 2018		
7	To consider and approve reappointment of Shri Mitesh H. Shah as a Managing Director of the Company for a period of 3 years w.e.f. 14th November, 2017 to 13th November, 2020		

Signed this on \_\_\_ day of \_\_\_\_\_, 2017

Signature of Shareholder : .....



Note: This Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

**STEELCO GUJARAT LIMITED**

**Regd. Office:** Plot No. 2, G.I.D.C. Estate, National Highway No. 8, Palej - 392 220, Dist. Bharuch, Gujarat.  
Tel No 02642-277 479 / 480 / 481, Fax : 277 307 E-mail : sgl@steelcogujarat.com Website : www.steelcogujarat.com  
CIN: L27110GJ1989PLC011748

**ATTENDANCE SLIP**

Folio No./DP Id - Client Id : \_\_\_\_\_ No. of Shares held : \_\_\_\_\_

I/We hereby record my/our presence at the 27<sup>th</sup> Annual General Meeting of Members of the Company being held at its Registered Office at Plot No. 2, GIDC Estate, Palej – 392 220, Dist. Bharuch, Gujarat, on Friday, 29<sup>th</sup> September, 2017 at 2:30 P.M.

Member's / Proxy's Name (in Block Letters)

Member's / Proxy's Signature

Note : A Member/Proxy attending the meeting must complete this Attendance Slip and hand it over at entrance of meeting hall.

ROUTE MAP TO STEELCO GUJARAT LTD.

