



Essar Steel India Limited

40th Annual Report
2015-16

BOARD OF DIRECTORS

Shri Prashant Ruia	<i>Director</i>
Shri Jatinder Mehra	<i>Director</i>
Shri V. G. Raghavan	<i>Independent Director</i>
Shri Arvind Pande	<i>Independent Director</i>
Shri Parveen Kumar Malhotra	<i>Additional Director (w.e.f 16-09-2016)</i>
Shri Sunit V Joshi	<i>Nominee Director (SBI) (w.e.f 22-11-2016)</i>
Shri Hiranmoy Biswas	<i>Nominee Director (IDBI Bank)</i>
Smt Gayathri Sukumar	<i>Director</i>
Shri Dilip C. Oommen	<i>Managing Director & CEO</i>
Shri Mahadev Iyer	<i>Director (Finance) & CFO</i>
Shri Rajiv Kumar Bhatnagar	<i>Additional Director & Director (Projects) (w.e.f 22-11-2016)</i>
Shri Firdose Vandrevale	<i>Executive Vice Chairman (upto 01-02-2016)</i>
Shri Rana Som	<i>Director (upto 31-03-2016)</i>
Shri S Santhanakrishnan	<i>Nominee Director (SBI) (upto 06-07-2016)</i>

COMPANY SECRETARY

Shri Pankaj S Chourasia

REGISTERED OFFICE

27th KM, Surat Hazira Road,
Hazira, Dist. Surat,
Pin - 394270, Gujarat.
Tel. : 0261-668 2400
Fax : 0261-668 5731
email : estlinvestors@essar.com
CIN : U27100GJ1976FLC013787

CORPORATE OFFICE

Essar House,
11 Keshavrao Khadye Marg,
Mahalaxmi, Mumbai - 400 034.
Tel. : 022-66601100
Fax : 022-23532695

CONTENTS

Notice	02
Board's Report	15
Auditors' Report	47
Balance Sheet	54
Profit & Loss Account	55
Cash Flow Statement	56
Notes to Financial Statements	58
Consolidated Financial Statements	107
Proxy Form	167

BANKERS

Allahabad Bank
Axis Bank Ltd.
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
Corporation Bank
Export Import Bank of India
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
Indian Overseas Bank
Punjab National Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Mysore
State Bank of Patiala
Syndicate Bank
The Jammu & Kashmir Bank Ltd.
The Lakshmi Vilas Bank Ltd.
UCO Bank
Union Bank of India

AUDITORS

M. M. Chaturvedi & Co.,
Chartered Accountants,
24, Atlanta,
Nariman Point,
Mumbai - 400 021.

REGISTRAR & SHARE TRANSFER AGENTS

Data Software Research Company Pvt. Ltd.
Unit : Essar Steel India Limited
19, Pycrofts Garden Road, Off Haddows Road,
Nungambakkam, Chennai - 600 006.
Tel. : (044) 2821 3738, 2821 4487
Fax : (044) 2821 4636
E-mail : essar.steel@dsr-cid.in

Visit us at our website

<http://www.essarsteel.com>

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fortieth Annual General Meeting of the Members of Essar Steel India Limited will be held at Utsav Community Hall, Nandniketan Township, Hazira, Dist.: Surat, Gujarat, Pin-394270 on Wednesday, December 21, 2016, at 2:00 p.m. to transact, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of the Board of Directors and the Auditors thereon;
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of the Auditors thereon;
2. To appoint a Director in the place of Shri J Mehra (DIN 00042789) who retires by rotation and being eligible, offers himself for reappointment;
3. To appoint a Director in the place of Smt. Gayathri Sukumar (DIN 07115908) who retires by rotation and being eligible, offers herself for reappointment;
4. To ratify the appointment of M/s. M.M. Chaturvedi & Co., Chartered Accountants, Mumbai having Firm Registration No.112941W, as Statutory Auditors of the Company and to fix their remuneration and, if thought fit pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139(1), 142 and other applicable provisions of the Companies Act, 2013, ("Act") and the Rules framed thereunder, as amended from time to time and pursuant to the resolution passed by the Members at the Annual General Meeting held on November 27, 2014, and pursuant to recommendation of Audit Committee, the appointment of M/s. M. M. Chaturvedi & Co., Chartered Accountants, Mumbai (Audit Firm Registration No. 112941W) as the Statutory Auditors of the Company to hold office till the conclusion of Annual General Meeting to be held in the year 2018, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017, as may be determined by Audit Committee in consultation with the Auditors."

SPECIAL BUSINESS:

5. To appoint Shri Parveen Kumar Malhotra (DIN 03494232) as Director:
To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**.
"RESOLVED THAT Shri Parveen Kumar Malhotra, (holding DIN 03494232), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 16th September, 2016, in terms of Section 161(1) of the Companies Act, 2013 ("the Act") read with Article 95 of the Articles of Association of the Company 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, and in respect of whom the Company has received a Notice in writing from a

Member under Section 160 (1) of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To appoint Shri Rajiv Kumar Bhatnagar (DIN 07018252) as Director:

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT Shri Rajiv Kumar Bhatnagar, (holding DIN 07018252), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22nd November, 2016, in terms of Section 161(1) of the Companies Act, 2013 ("the Act") read with Article 95 of the Articles of Association of the Company 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, and in respect of whom the Company has received a Notice in writing from a Member under Section 160 (1) of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To appoint Shri Rajiv Kumar Bhatnagar (DIN 07018252) as Whole Time Director designated as Director Projects:

To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**.

"RESOLVED THAT in accordance with the provisions of Sections 149, 152, 196, 197 and 203 read with Schedule V (as may be or amended from time to time) and all other applicable provisions if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to approval of the Central Government, if required, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Rajiv Kumar Bhatnagar (DIN 07018252) as Whole Time Director designated as Director Projects of the Company for a period of three years with effect from 22nd November, 2016 to 21st November, 2019, liable to retire by rotation, on terms and conditions (including remuneration payable in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as set out below, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall deemed to include any Committee of the Board constituted to exercise its powers including the powers conferred by this resolution) to determine, alter and vary the terms and conditions of the said re-appointment and/or remuneration.

- (a) Salary:

Basic Salary in the scale of ₹ 5 Lakh to ₹ 8 Lakh per month, as may be determined by the Board of Directors or Remuneration Committee or such other authority as may be delegated by the Board of Directors from time to time.

- (b) Perquisites:

- i. Provident Fund, Superannuation, Gratuity, Leave Travel Concession, Reimbursement of Medical Expenses – As per rules of the Company.

- ii. Allowances, Performance Bonus and Reimbursements not exceeding ₹ 20 Lakh per month, subject to overall remuneration not exceeding ₹ 200 lakh per annum.

"RESOLVED FURTHER THAT even in the absence of or inadequacy of profits in any Financial Year, subject to the provisions of Schedule V of the Companies Act, 2013 and such other approvals as may be required, Shri Rajiv Kumar Bhatnagar, be paid the same remuneration as mentioned above as minimum remuneration for the entire tenure or such period as may be approved by the Shareholders of the Company and/or Central Government, if required."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution."

8. To re-appoint Shri V G Raghavan (DIN 00008683) as an Independent Director:

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, 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) Shri V. G. Raghavan (DIN: 00008683) who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and who is eligible for re-appointment, and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company for a term of 5 (five) years with effect from November 27, 2016, to November 26, 2021."

9. To re-appoint Shri Arvind Pande (DIN 00007067) as an Independent Director:

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, 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) Shri Arvind Pande (DIN: 00007067), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company for a term of 5 (five) years with effect from November 27, 2016 to November 26, 2021."

10. To re-appoint Shri Dilip Oommen (DIN: 02285794) as Managing Director & CEO of the Company:

To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**.

"RESOLVED THAT in accordance with the provisions of Sections 149, 152, 196, 197 and 203 read with Schedule V (as may be or amended from time to time) and all other applicable provisions if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to approval of the Central Government, if required, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Dilip Oommen as Managing Director & CEO of the Company for a period of three years with effect from July 07, 2017 to July 06, 2020, liable to retire by rotation, on terms and conditions (including remuneration payable in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as set out below, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall deemed to include any Committee of the Board constituted to exercise its powers including the powers conferred by this resolution) to determine, alter and vary the terms and conditions of the said re-appointment and/or remuneration.

- (a) Salary:

Basic Salary in the scale of ₹ 5 Lakh to ₹ 8 Lakh per month, as may be determined by the Board of Directors or Remuneration Committee or such other authority as may be delegated by the Board of Directors from time to time.

- (b) Perquisites:

- Provident Fund, Superannuation, Gratuity, Leave Travel Concession, Reimbursement of Medical Expenses – As per rules of Company.
- Allowances, Performance Bonus and Reimbursements not exceeding ₹ 20 Lakh per month, subject to overall remuneration not exceeding ₹ 350 lakh per annum.

"RESOLVED FURTHER THAT even in the absence of or inadequacy of profits in any Financial Year, subject to the provisions of Schedule V of the Companies Act, 2013, and such other approvals as may be required, Shri Dilip Oommen, be paid the same remuneration as mentioned above as minimum remuneration for the entire tenure or such period as may be approved by the Shareholders of the Company and/or Central Government, if required."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution."

11. To re-appoint Shri Mahadev Iyer (DIN: 01871295) as Whole Time Director designated as Director Finance & CFO:

To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**.

"RESOLVED THAT in accordance with the provisions of Sections 149, 152, 196, 197 and 203 read with Schedule V (as may be or amended from time to time) and all other applicable provisions if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to approval of the Central Government, if required, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Mahadev Iyer, (holding DIN 01871295) as Whole Time Director designated as Director Finance and Chief Financial Officer of the Company for a period of three years with effect from 16th November, 2016, to 15th November, 2019 liable to retire by rotation, on terms and conditions (including remuneration payable in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as set out below, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers including the powers conferred by this resolution) to determine, alter and vary the terms and conditions of the said re-appointment and/or remuneration.

(a) Salary:

Basic Salary in the scale of ₹ 5 Lakh to ₹ 8 Lakh per month, as may be determined by the Board of Directors or Remuneration Committee or such other authority as may be delegated by the Board of Directors from time to time.

(b) Perquisites:

- i. Provident Fund, Superannuation, Gratuity, Leave Travel Concession, Reimbursement of Medical Expenses – As per rules of the Company.
- ii. Allowances, Performance Bonus and Reimbursements not exceeding ₹ 20 Lakh per month, subject to overall remuneration not exceeding ₹ 300 lakh per annum.

"RESOLVED FURTHER THAT even in the absence of or inadequacy of profits in any Financial Year, subject to the provisions of Schedule V of the Companies Act, 2013 and such other approvals as may be required, Shri Mahadev Iyer, be paid the same remuneration as mentioned above as minimum remuneration for the entire tenure or such period as may be approved by the Shareholders of the Company and/or Central Government, if required."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution."

12. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2017.

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(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or amendments thereof, for the time being in force), the remuneration of ₹4,00,000 (Rupees Four Lakh only) plus applicable Service Tax thereon and reimbursement of out of pocket expenses,

if any, payable to M/s Manubhai & Associates, Cost Accountants (Firm Registration M-2502), as recommended by the Audit Committee and approved by the Board of Directors of the Company for conducting Audit of the Cost Accounting Records of the Company for the financial year from April 01, 2016 till March 31, 2017 or extended financial year as may be decided by the Board, in terms of the Companies Act, 2013 and Rules framed thereunder, be and is hereby ratified.

"RESOLVED FURTHER THAT the Board of Directors and/or Director (Finance) and CFO of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board of Directors
For Essar Steel India Limited**

Place : Mumbai
Date: November 22, 2016

Pankaj S Chourasia
Company Secretary

Registered Office

Essar House,
27 km, Surat Hazira Road,
Dist. Surat
Gujarat – 394270
Website: www.essarsteel.com
Email: pankajc1@essar.com
Tel no. 0261-6682400, 022-66601100
Fax no. 0261 - 6685731

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE FORTIETH ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

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. The holder of proxy shall prove his identity at the time of attending the Meeting.

The Register of the Members and Share Transfer Books of the Company will remain closed from December 12, 2016 to December 20, 2016 (both days inclusive).

2. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.

3. This Notice is also being sent with Annual report along with attendance slip, proxy form and route map of the venue of the Meeting.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting. Information and instructions including details of User ID and password relating to e-voting are provided in the Notice under Note No 17.
6. Shri J Mehra, Smt. Gayathri Sukumar, Shri Parveen Kumar Malhotra, Shri Rajiv Kumar Bhatnagar, Shri V G Raghavan, Shri Arvind Pande, Shri Dilip Oommen and Shri Mahadev Iyer are interested in the Ordinary/Special Resolutions set out at Item Nos. from 2 & 3 and 5 to 11 respectively, of the Notice with regard to their appointment / re-appointment. The relatives of such interested directors may be deemed to be interested in the said Resolutions to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary / Special Resolutions set out under remaining items of the Notice.
7. Members / Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of their Annual Report.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
9. Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days (i.e., except Saturdays, Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
10. **The Company's Registrars & Transfer Agents for its share registry (both, physical as well as electronic) is Data Software Research Company Private Limited ("DSRC") having its office at 19, Pycrofts Garden Road, Off Haddows Road, Nungambakkam, Chennai - 600006.**
11. Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to advise any change in their address or bank mandates to the Company / DSRC.
12. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2007-08, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government.
13. Members holding shares in physical mode are advised to make nomination in respect of their shareholding in the Company. Members holding shares in electronic mode may contact their respective DPs for availing the nomination facility.
14. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to DSRC, for consolidation into a single folio.
15. **Members who have not registered/updated their e-mail addresses with DSRC, if shares are held in physical mode or with their DPs, if shares are held in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc., electronically.**
16. Non-Resident Indian members are requested to inform DSRC / respective DPs, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
17. **Voting through electronic means**
 - i) In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide to the Members a facility to exercise their right to vote on resolutions proposed to be considered at the 40th Annual General Meeting (AGM) by electronic means through e-Voting Services. The facility of casting votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by M/s Central Depository Services (India) Limited (CDSL).
 - ii) The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting, who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper/Electronically.
 - iii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to cast their vote again.
 - iv) The voting period begins on 17th December, 2016 and ends on 20th December, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 16th December, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - v) The shareholders should log on to the e-voting website www.evotingindia.com.
 - vi) Click on Shareholders.
 - vii) 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.

- viii) Next enter the Image Verification as displayed and Click on Login.
- ix) 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.
- x) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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. 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> 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 (iv).

- xi) After entering these details appropriately, click on "SUBMIT" tab.
- xii) 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 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 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.
- xiii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiv) Click on the EVSN for ESSAR STEEL INDIA LIMITED on which you choose to vote.
- xv) 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.
- xvi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xvii) 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.

- xviii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xx) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xxi) 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.
- xxii) 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 on.
 - The list of accounts linked in the login 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.
- xxiii) 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.
- xxiv) You can also update your mobile number and email ID in the user profile details of the Folio which may be used for sending future communication(s).
- xxv) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16th December, 2016.
- xxvi) Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 16th December, 2016, (also follow the same process of login mentioned above) may obtain the login ID and password by sending a request at helpdesk.evoting@cdsl.com or to the Issuer at essar.steel@dsr-cid.co.in.

However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, then you can reset your password by using 'Forgot User Details/ Password option available on www.evoting.india.com or contact CDSL at its toll free no.:1800-200-5533.

xxvii) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

xxviii) A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper/electronically.

xxix) Shri Dinesh Deora, Practicing Company Secretary, has been appointed as Scrutinizer to scrutinize the voting and remote e-voting process in a fair & transparent manner.

xxx) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which the voting is to be held, allow voting with the assistance of scrutinizer, by use of 'Ballot Paper/Electronically' for all those Members who are present at the AGM but have not cast their votes by availing the "remote e-voting" facility

xxxi) The Scrutinizer shall, after the conclusion of voting at the general meeting, first count the votes cast at the meeting

and there after unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall submit, not later than three days of the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him / her in writing, who shall counter sign the same and declare the result of the voting forthwith.

xxxii) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company, viz. www.essarsteel.com.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 5

Shri Parveen Kumar Malhotra (DIN: 03494232) was appointed as an Additional Director of the Company vide Board resolution passed on 16th September 2016. Pursuant to the provisions of Section 161, Shri Parveen Kumar Malhotra (DIN: 03494232) holds office up to the date of this Annual General Meeting of the Company. The Company has received a notice under Section 160 of the Act along with requisite deposit, proposing appointment of Shri Parveen Kumar Malhotra (DIN: 03494232) as Director of the Company.

Details of Director as required to be provided pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central Government are provided herein below:

Name of the Director	Shri Parveen Kumar Malhotra (DIN: 03494232)
Age	61 years
Qualification	Shri P. K. Malhotra is a Science graduate from Punjabi University and Certified Associate of Indian Institute of Bankers. Masters in Financial Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai.
Experience (including expertise in specific functional area)/Brief Resume	Shri Malhotra joined State Bank of India in 1978 as Probationary Officer and retired as Dy. Managing Director, heading Stress Asset Management Group in August 2015. During the course of his engagement with the India's largest Bank & PSU SBI, he carried out multifarious assignments in positions of high responsibility around the country and abroad. He honed his skills in International Finance and Operations as Head of Syndication in Bahrain and then as CEO of State Bank's operations in Singapore. His core competencies include Project Finance, funding of Large Corporates and resolution of Stressed Industrial Assets. Shri Malhotra has been part of policy making committees in SBI as also Reserve Bank of India. He has represented State Bank in quite a few infrastructure related groups/task forces constituted by Government of India and other bodies. He has also served on Boards of Investment and Manufacturing Companies in the past.
Terms and Conditions of Re-appointment	He is non-executive Director of the Company liable to retire by rotation.
Remuneration last drawn	Nil
Remuneration proposed to be paid	Nil
Date of first appointment on the Board	16 th September 2016
Shareholding in the Company	Nil
Relationship with other Directors/Key Managerial Personnel	Not Applicable
Number of meetings of the Board attended during the financial year	Not applicable for financial year ended 31 st March 2016.
Directorships of other Boards	Nil
Membership/ Chairmanship of Committees of other Boards	Nil

The Nomination and Remuneration Committee and Board recommends the resolution for appointment of Shri Parveen Kumar Malhotra as a Director of the Company as set out at Item no.5 of the Notice for your approval.

Except for Shri Parveen Kumar Malhotra, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, financially or otherwise, concerned or interested in the aforesaid Resolution.

Item No.6 & 7

The Board of Directors at its meeting held on November 22, 2016, Shri Rajiv Kumar Bhatnagar (DIN: 07018252) was appointed as Additional Director and as Whole-time Director designated as Director Projects of the Company for a period of three years with effect from 22nd November, 2016 to 21st November, 2019.

Pursuant to the provisions of Section 161, Shri Rajiv Kumar Bhatnagar (DIN: 07018252) holds office up to the date of this Annual General Meeting of the Company. The Company has received a notice under Section 160 of the Act along with requisite deposit, proposing appointment of Shri Rajiv Kumar Bhatnagar (DIN: 07018252) as Director of the Company.

Details of Director as required to be provided pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central Government are provided herein below:

Name of the Director	Shri Rajiv Kumar Bhatnagar
Age	58 years
Qualification	Shri Rajiv Kumar Bhatnagar is a B. Tech in Metallurgical Engineering from IIT Kanpur. Subsequently he completed his post graduate degree in Industrial engineering from IIIE, Mumbai. Later in the career he completed International Executive Programme (a condensed MBA) from INSEAD, France.
Experience (including expertise in specific functional area)/Brief Resume	<p>With 37 years of industry experience, Shri Bhatnagar joined Essar Steel as a Head-Technology in August 2010 and took up the role of CEO of Hazira facility since July 2011 and served in this position for 4 years.</p> <p>He rose to the position of Director, Hazira complex and presently working as Executive Director at Essar Steel.</p> <p>Prior to Essar steel he served Arcelor Mittal steel company for a total period of 9 years and in 3 different locations, namely, Romania, Macedonia and Ukraine. His role and designations were as follows:</p> <p>Romania; GM Rolling Mills and strategy;</p> <p>Macedonia; CEO;</p> <p>Ukraine; Director (Tech Admn, projects and strategy);</p> <p>Prior to that, Shri Bhatnagar served in Steel Authority of India Ltd for 22 years starting from a Junior Manager in its Plate Mill of Bhilai steel plant to Asst general manager in the rail and structural Mill, handled key assignments in various areas of production.</p> <p>While in SAIL he was placed in a high value HR role as a tutor of specially designed management modules for 3 years and in addition played a key role to represent SAIL in various national and international competitions and presentations.</p> <p>He is Vice Chair of Association of Iron and Steel Technology, India chapter, and is ex-chairman of southern Gujarat council of CII. He is also a fellow of Institution of Engineers (India).</p>
Terms and Conditions of Re-Appointment	<p>(a) Salary:</p> <p>Basic Salary in the scale of ₹ 5 lakhs to ₹ 8 lakhs per month, as may be determined by the Board of Directors or Remuneration Committee or such other authority as may be delegated by the Board of Directors from time to time.</p> <p>(b) Perquisites:</p> <ol style="list-style-type: none"> Provident Fund, Superannuation, Gratuity, Leave Travel Concession, Reimbursement of Medical Expenses – As per rules of Company. Allowances, Performance Bonus and Reimbursements not exceeding ₹ 20 Lakhs per month, subject to overall remuneration not exceeding ₹ 200 lakhs per annum.
Remuneration last drawn	₹156 lakhs per annum.
Remuneration proposed to be paid	As per the terms and conditions within the overall limits of ₹ 200 lakhs per annum.
Date of first appointment on the Board	22 nd November, 2016
Shareholding in the Company	Nil
Relationship with other Directors/Key Managerial Personnel	Not Applicable
Number of meetings of the Board attended during the financial year	Not Applicable
Directorships of other Boards	He holds directorship in 2 other public companies.
Membership/ Chairmanship of Committees of other Boards	Nil