



Essar Steel India Limited

41st Annual Report 2016 -17

BOARD OF DIRECTORS

Shri Prashant Ruia	<i>Director</i>
Shri Jatinder Mehra	<i>Director (upto 20-06-2017)</i>
Shri V. G. Raghavan	<i>Independent Director</i>
Shri Arvind Pande	<i>Independent Director</i>
Shri Parveen Kumar Malhotra	<i>Director</i>
Shri Sunit V Joshi	<i>Nominee Director (SBI)</i>
Shri Hiranmoy Biswas	<i>Nominee Director (IDBI Bank) (upto 27-11-2016)</i>
Smt Gayathri Sukumar	<i>Director (upto 21-08-2017)</i>
Shri Dilip C. Oommen	<i>Managing Director & Dy. CEO</i>
Shri Mahadev Iyer	<i>Director (Finance) & CFO (upto 30-06-2017)</i>
Shri Rajiv Kumar Bhatnagar	<i>Director (Projects)</i>
Shri Aloke Sengupta	<i>Nominee Director (IDBI Bank) (28-11-2016 to 27-07-2017)</i>

CHIEF FINANCIAL OFFICER

Shri Suresh Jain (w.e.f. 01-07-2017)

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

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.
Punjab National Bank
State Bank of India
Syndicate Bank
The Jammu & Kashmir Bank Ltd.
The Lakshmi Vilas Bank Ltd.
UCO Bank
Union Bank of India

AUDITORS

M/s. 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>

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty First Annual General Meeting of the Members of Essar Steel India Limited (CIN: U27100GJ1976FLC013787), a company under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016, will be held at Utsav Community Hall, Nandniketan Township, Hazira, Dist.: Surat, Gujarat, Pin - 394270 on Wednesday, December 27, 2017, at 2:00 pm to transact, the following business:

BACKGROUND:

The members are hereby informed that pursuant to the order dated August 02, 2017 of the Hon'ble National Company Law Tribunal - Ahmedabad Bench, at Ahmedabad ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code") and the related rules and regulations issued thereunder with effect from August 02, 2017 (CIRP Commencement Date). Mr. Satish Kumar Gupta was appointed as Interim Resolution Professional in terms of the NCLT Order and subsequently he was appointed as Resolution Professional by the Committee of Creditors in its meeting held on September 01, 2017 as per the provisions of the Code ("Resolution Professional").

Members are further informed that pursuant to Section 17 of the Code, during the continuation of CIR Process the powers of the Board of Directors of the Company ("Board of Directors") stand suspended effective from the CIRP Commencement Date and the powers of the Board of Directors and the management of affairs of the Company being vested in the Resolution Professional, viz., Mr. Satish Kumar Gupta. In view thereof, this Meeting is being called and convened by the Resolution Professional.

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2017, 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, 2017, together with the Report of the Auditors thereon;
2. To appoint a Director in the place of Shri P S Ruia (DIN 01187548) who retires by rotation and being eligible, offers himself for re-appointment;
(His re-appointment on the Board is being part of compliance with section 152(6) of the Companies Act, 2013. However, the Board shall continue to remain suspended during the continuance of CIR Process.)
3. To appoint a Director in the place of Shri Parveen Kumar Malhotra (DIN 03494232) who retires by rotation and being eligible, offers himself for re-appointment;
(His re-appointment on the Board is being part of compliance with section 152(6) of the Companies Act, 2013. However, the Board shall continue to remain suspended during the continuance of CIR Process.)
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 at the existing remuneration payable to them for the financial year ending March 31, 2018, as was paid to the Auditors in 2017."

SPECIAL BUSINESS:

5. To re-appoint Shri Dilip Oommen (DIN: 02285794) as Managing Director & Dy. 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 & Dy. CEO of the Company for a period of three years with effect from July 01, 2017, to June 30, 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 ₹10 Lakh to ₹20 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 Company.
- ii. Allowances, Performance Bonus and Reimbursements not exceeding ₹40 Lakh per month, subject to overall remuneration not exceeding ₹500 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."

(His re-appointment shall not affect the suspension of the Board and the Board shall continue to remain suspended during the continuance of CIR process. His re-appointment is subject to the provisions of the Insolvency & Bankruptcy Code, 2016.)

6. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2018.

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

"RESOLVED THAT pursuant to the provisions of Section 148(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, 2017, till March 31, 2018, in terms of the Companies Act, 2013 and Rules framed thereunder, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors 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 Resolution Professional
For Essar Steel India Limited**

Place : Mumbai
Date: November 25, 2017
Registered Office
Essar House,
27 km, Surat Hazira Road,
Dist. Surat
Gujarat-394270
Website: www.essarsteel.com
Email: pankajc1@essarsteel.co.in
Tel no. 0261-6682400, 022-66601100
Fax no. 0261-6685731

Pankaj S Chourasia
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE FORTY FIRST 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 18, 2017 to December 26, 2017 (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 P S Ruia, Shri Parveen Kumar Malhotra and Shri Dilip Oommen are interested in the Ordinary/Special Resolutions set out at Item Nos. from 2, 3 and 5 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.

However, any change in the management of the corporate debtor during the Corporate Insolvency Resolution Process will be subject to the approval of the Committee of Creditors in terms of Section 28 of the Insolvency & Bankruptcy Code, 2016.

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. 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.
13. 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.
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 41st 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 December 22, 2017, and ends on December 26, 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date December 15, 2017, 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.
 - a) Click on Shareholders.
 - b) 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.
 - c) Next enter the Image Verification as displayed and Click on Login.
 - d) 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.
 - e) 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).

- f) After entering these details appropriately, click on "SUBMIT" tab.
- g) 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.
- h) For Members holding shares in physical form,

the details can be used only for e-voting on the resolutions contained in this Notice.

- i) Click on the EVSN for ESSAR STEEL INDIA LIMITED on which you choose to vote.
- j) 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.
- k) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- l) 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.
- m) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- n) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- o) 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.
- p) **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.**
- q) **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.
- r) 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.
- s) 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).
- t) 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 December 15, 2017.
- u) 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 of December 15, 2017, (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.evotingindia.com or contact CDSL at its toll free no.: **1800-200-5533**.
- v) 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.
- w) 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.
- x) 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.
- y) 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.
- z) 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.
- aa) 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**

The Board of Directors of the Company at their meeting held on July 10, 2017 has re-appointed Shri Dilip Oommen as Managing Director & Dy. CEO for a period of three years with effect from 1st July, 2017 to 30th June, 2020. However, due to initiate of CIR Process, his re-appointment is subject to the provisions of the Insolvency & Bankruptcy Code, 2016.

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 Dilip Oommen (02285794)
Age	59 years
Qualification	He is a Metallurgical Engineer from the Indian Institute of Technology, Kharagpur.
Experience (including expertise in specific functional area)/Brief Resume	Shri Dilip Oommen joined Essar Steel India in July 2003 and has held the post of Chief Executive Officer, Essar Steel India Operations since March, 2008 and is Director Operations of Essar Steel India Limited since July 2008. Prior to joining Essar Steel India, Shri Oommen was Head of Hadeed Steel Plant from May 1998 to July 2003, initially with responsibility for long products and later for flat products. Prior to taking up his post at Hadeed Steel Plant, Shri. Oommen held the position of Vice President—Steel Making Plant, at Essar Steel India at Hazira from January 1996 to May 1998. He has more than 33 years of experience in the steel industry. In addition to his other responsibilities, Shri. Oommen serves on the board of directors of Essar Steel and Essar Power.
Terms and Conditions of Re- Appointment	<p>(a) Salary:</p> <p>Basic Salary in the scale of ₹10 lacs to ₹20 lacs 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> <p>i. Provident Fund, Superannuation, Gratuity, Leave Travel Concession, Reimbursement of Medical Expenses – As per rules of Company.</p> <p>ii. Allowances, Performance Bonus and Reimbursements not exceeding ₹40 Lakh per month, subject to overall remuneration not exceeding ₹500 lakhs per annum.</p>
Remuneration last drawn	₹ 350 lacs
Remuneration proposed to be paid	As per the terms and conditions within the overall limits of ₹500 lacs p.a.
Date of first appointment on the Board	7 th July, 2008.
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	4 Board Meetings.
Directorships of other Boards	He holds directorship in 4 other public companies.
Membership/ Chairmanship of Committees of other Boards	Nil

A statement containing information required to be provided to the shareholders as per the provision of Schedule V in respect of re-appointment of Shri Dilip Oommen is given below:

I. GENERAL INFORMATION:

- (1) Nature of industry : Manufacturing and processing of Steel, Steel Hot Rolled Coils, Steel Cold Rolled Coils, Steel Plates, Steel Pipes and other steel products.
- (2) Date or expected date of commencement of commercial production: Not applicable, as the Company is an existing Company.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators

(₹ in Crore)

Particulars	IND AS		IGAAP
	FY 2016-17	FY 2015-16	FY 2014-15
Total Income	21,959.72	15,403.09	14,369.35
Total Expenditure (Incl . Finance Cost, Exch. Variance, Depreciation and Tax)	(27,157.30)	(19,760.05)	(13,721.30)
Profit/(Loss) After tax	(5,197.58)	(4,356.96)	648.05
Earnings Per Share	(16.72)	(14.01)	2.26

Note: Please note that above figures for 2016-17 and 2015-16 are in IND AS. While Figures for 2014-15 are in IGAAP hence it is not comparable.

- (5) Foreign investments or collaborators, if any: till date holding companies have made foreign investment of approx. ₹6,800 Crores in the share capital of the company.

Shri Dilip Oommen is not related to the Company, its Directors or any of the managerial personnel. He is independent qualified professional person.

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Shri Dilip Oommen is a Metallurgical Engineer from the Indian Institute of Technology, Kharagpur.

Shri Dilip Oommen joined the Company in July 2003 and has held the post of Chief Executive Officer, Essar Steel India Operations since March 2008 and is Director Operations of the Company since July 2008. Prior to joining Essar he was Head of Hadeed Steel Plant from May 1998 to July 2003 initially with responsibility for long products and later for flat products.

Prior to taking up his post at Hadeed Steel Plant, Shri Oommen held the position of Vice President –Steel Making Plant at Essar Steel India at Hazira from January 1996 to May 1998. He has more than 33 years of experience in the Steel industry. In addition to his other responsibilities, Shri Oommen serves on the Board of Directors of Essar Steel and Essar Power.

Shri Oommen holds various certifications in Management. His impeccable technical acumen and excellent people management skills are widely recognized and validated by the fact that Essar Steel has consistently shown a marked increase of Production, appreciable Cost reduction and quality improvement.

(2) Past remuneration:

Remuneration received by Shri Oommen for the year FY 2015-16 is ₹350 lacs

(3) Recognition or awards :

Not Applicable

(4) Job profile and his suitability:

The qualifications, experience and expertise as mentioned herein before, proves his suitability.

(5) Remuneration proposed:

As per the terms and conditions within the overall limits of ₹500 lakhs p.a.

- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Remuneration paid is commensurate with the size of the Company, profile of his position, experience and expertise and is as per the industry standards for such post.

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

III. OTHER INFORMATION:

- (1) Reasons of loss or inadequate profits:

The Company had faced various extraneous challenges such as disruption of committed natural gas supplies, disruption in supply of raw materials, steep fall in selling price resulted into reduction in net sales realization. The situation was compounded by world –wide glut in steel and dumping in Indian market predominantly by Chinese suppliers at predatory prices, high interest cost and unwinding of OSPIL transaction.

- (2) Steps taken or proposed to be taken for improvement:

The Company has taken rigorous and multifaceted efforts to improve overall operations and functioning of the Company. This includes scaling up production, reduction in overheads, better capacity utilization and optimum use of resources. The Government of India also took several measures such as imposition of higher import duty, safeguard duty and minimum import price etc. These will protect the steel industry from dumping of cheap import of steel.

- (3) Expected increase in productivity and profits in measurable terms:

The Company has made substantial investment in enhancing its steel manufacturing capacity to 10 MTPA and efforts are being made to complete the integration with Odisha facilities. The new facilities have commenced operations and with the completion of integration, substantially contribution in revenue and profitability is expected in the coming years.

IV. DISCLOSURES:

- (1) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors.

Details of remuneration are mentioned in the resolution and explanatory statement.

- (2) Details of fixed component and performance linked incentives along with the performance criteria.

The overall remuneration (inclusive of performance linked incentives), as approved by the board, is up to maximum of ₹500 Lakh per annum or as may be altered from time to time.

- (3) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Not Applicable as no such options are provided.

- (4) Service contracts, notice period, severance fees and other disclosures

The appointment shall be governed as per the shareholders resolution and agreement to be executed on the basis of the

terms as approved by the Board and Shareholders; notice period is three months and there is no provision for severance fees.

The Company has received approval from the Committee of Creditors constituted under Insolvency and Bankruptcy Code, 2016 for payment of remuneration to Shri Dilip Oommen. The Committee of Creditors has given its consent for payment of remuneration of ₹400 lacs per annum w.e.f July 01, 2017 to February 01, 2018. Any payment of remuneration to Shri Dilip Oommen after 01st February, 2018, and/or in excess of ₹ 400 lacs per annum, shall be subject to such approval as may be prescribed under the applicable laws and/or regulations. However, the approval from the Members is sought for reappointment of Shri Dilip Oommen for a period of three years from 01st July, 2017 to 30th June, 2020, at a remuneration not exceeding ₹500 lacs per annum.

It is declared that Shri Dilip Oommen is not having any interest in the capital of the company or its holding company, directly or indirectly or through any other subsidiary structures and does not have any direct or indirect interest or related to the directors or promoters of the Company or its holding company at any time during the last two years before or on the date of appointment and is having required qualification with expert and specialized knowledge in the field of his profession.

This notice along with the explanatory statement should be considered also as an abstract of the terms of the appointment of Shri Dilip Oommen as Managing Director & Dy. CEO of the Company and a memorandum as to nature of concern or interest of the Directors in the said appointment.

The Board recommends the resolution for appointment of Shri Dilip Oommen as Managing Director & Dy. CEO of the Company as set out at Item No.5 of the Notice for your approval.

Except for Shri Dilip Oommen, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the aforesaid Special Resolution.

Item No. 6

Based on the recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on July 10, 2017, have re-appointed M/s Manubhai & Associates, Cost Accountants, as the Cost Auditors of the Company to carry out cost audit pertaining to Steel Business of the Company for the year ending March 31, 2018 at a remuneration of ₹4,00,000/- plus applicable service tax and reimbursement of out of pocket expenses. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the provisions of Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors requires ratification by the shareholders.

Accordingly, approval of the members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

Your Directors recommends passing of an Ordinary Resolution as proposed at Item No.6 of the Notice.

None of the Directors, Key Management Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

**By Order of the Resolution Professional
For Essar Steel India Limited**

Place : Mumbai
Date: November 25, 2017

Pankaj S Chourasia
Company Secretary