

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of **M/s. SCAN STEELS LIMITED** (formerly Clarus Infrastructure Realities Limited) will be held on Tuesday, the 30th December, 2014 at 10.00 A.M. at the registered office of the Company at 104/105, E-Square, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai - 400057 to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

To appoint M/s. SRB & Associates, Chartered Accountants (Firm's Registration No. 310009E), Bhubaneswar, as Statutory Auditors of the Company in place of retiring Auditors M/s. Motilal & Associates., Chartered Accountants (Firm's Registration No. 106584W), Mumbai, to hold office from the conclusion of this meeting until the conclusion of the 26th Annual General Meeting and to fix their remuneration.

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and Rules framed there under, as amended from time to time, M/s. SRB & Associates, Chartered Accountants (Firm's Registration No. 310009E), have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby appointed as Statutory Auditors of the Company to hold office for the five consecutive year from the conclusion of this Annual General Meeting until the conclusion of 26th Annual General Meeting (subject to ratification of their appointment at every Annual General Meeting), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company or committee thereof and the Auditors."

SPECIAL BUSINESS:-

3. **Appointment of Mr. Rajesh Gadodia as Director of the Company**

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

“RESOLVED THAT Mr. Rajesh Gadodia (DIN: 00574465), who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the companies act, 2013 from a member of the Company proposing his candidature for the office of the director of the company, liable to retire by rotation, be and is hereby appointed as a director of the company.”

4. Appointment of Mr. Rajesh Gadodia as Managing Director of the Company.

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

“**RESOLVED THAT** pursuant to Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 (“**Act**”) and the Rules made there under, as amended from time to time, read with Schedule V to the Act, the Company hereby approves the appointment and terms of remuneration of Mr. . **Rajesh Gadodia** (DIN: 00574465), Managing Director of the Company for the period of five years with effect from 24th October, 2014 to 23rd October, 2019, liable to retire by rotation, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner so as to not exceed the limits specified in Schedule V to the Act, as may be agreed to between the Board of Directors and Mr. **Rajesh Gadodia**.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

5. Appointment of Mr. Nimish Gadodia as the Director of the Company

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

“**RESOLVED THAT** Mr. Nimish Gadodia (DIN: 01258815), who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the companies act, 2013 from a member of the Company proposing his candidature for the office of the director of the company, liable to retire by rotation, be and is hereby appointed as a director of the company.”

6. **Appointment of Mr. Ramendra Pratap Singh as Director of the Company**

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

“RESOLVED THAT Mr. Ramendra Pratap Singh (DIN: 03411893), who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the companies act, 2013 from a member of the Company proposing his candidature for the office of the director of the company, liable to retire by rotation, be and is hereby appointed as a director of the company.”

7. **Appointment of Mr. Ankur Madaan as Director of the Company**

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

“RESOLVED THAT Mr. Ankur Madaan (DIN: 07002199), who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the companies act, 2013 from a member of the Company proposing his candidature for the office of the director of the company, be and is hereby appointed as a director of the company.”

8. **Appointment of Mr. Ankur Madaan as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“**Act**”) and the Rules made there under read with Schedule IV to the Act, as amended from time to time, Mr. Ankur Madaan (DIN: 07002199), a Non-Executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointment as independent director of the company to hold office for five consecutive years for a term up to the conclusion of the 26th AGM of the company and who shall not be liable to retirement by rotation.

9. Appointment of Mr. Vinay Goyal as Director of the Company

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

“RESOLVED THAT Mr. Vinay Goyal (DIN: 07002206), who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the companies act, 2013 from a member of the Company proposing his candidature for the office of the director of the company, be and is hereby appointed as a director of the company.”

10. Appointment of Mr. Vinay Goyal as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“**Act**”) and the Rules made there under read with Schedule IV to the Act, as amended from time to time, Mr. Vinay Goyal (DIN: 07002206), a Non-Executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointment as independent director of the company to hold office for five consecutive years for a term up to the conclusion of the 26th AGM of the company and who shall not be liable to retirement by rotation.

11. To sell or Lease of the Undertakings.

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

“RESOLVED THAT pursuant to the provisions of Section 180 (1)(a) and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), consent of the Company be and is hereby accorded to Board of Directors (hereinafter called “the Board” which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to mortgage and/or charge any of its movable and / or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the

Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a mortgage/and or charge, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favour of any bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for amount not exceeding Rs. 1000.00 Crore (Rupees One Thousand Crore only) at any point of time.

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created by the company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto."

12. To Borrow Money and Temporary Loans

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

RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 and other enabling provisions, if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing any sum or sums of moneys for and on behalf of the Company, from time to time from any one or more persons, firms, bodies corporate, bankers, financial institutions, or from others by way of advances, deposits, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties, whether movable or immovable or stock-in process and debts, advances notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves which have not been set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed shall not exceed Rs. 1000.00 Crores (Rupees One Thousand Crores) at any point of time on account of the principal.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto.”

13. Appointment of Cost Auditor.

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

“RESOLVED THAT pursuant to section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, subject to necessary approvals, if any, the Cost Auditors M/s. Ray, Nayak & Associates, Partner CMA. Chaitanya Kumar Ray, Cost Accountants having office at MIG-26, Manorama Estate, Rasulgarh, Bhubaneswar - 751010 (Odisha) appointed by the board of directors of the company, to conduct the audit of the cost records of the company for the financial year ending 31st March, 2015 be paid the remuneration of Rs. 35,000/- plus travel and other out of pocket expenses incurred for the purpose of cost audit.

RESOLVED FURTHER THAT the board of directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect of this resolution.”

14. Acceptance of Deposits

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

“RESOLVED THAT pursuant to the provisions of Section 73 and Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to invite/accept/renew/receive money by way of unsecured/secured deposits, or in any other form, from public and/or members of the Company, in any form or manner, through circular, advertisement or through any other permissible mode, up to permissible limits prescribed under applicable provisions of law and on such terms and conditions

as the Board of Directors of the Company in its sole discretion deem fit and necessary.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and/or any Committee of the Board be and is hereby authorized to do all such acts, deeds, things and matters as the Board of Directors and/or any Committee of the Board may in its absolute discretion consider necessary, proper, expedient, desirable or appropriate for such invitation / acceptance / renewal / receipt as aforesaid.”

15. Increase In Authorised Share Capital

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

“**RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, the Authorized Share Capital of the Company be increased from Rs. 58,00,00,000 (Rupees Fifty Eight Crore only) divided into 5,80,00,000 (Five Crore Eighty Lacs) equity shares of Rs. 10/- each (Rupee Ten only) each to Rs. 70,00,00,000/- (Rupees Seventy Crores only) divided into 7,00,00,000 (Seven Crore) equity shares of Rs. 10/- (Rupee Ten only) each, ranking pari passu with the existing equity shares of the company, with power to the Board of Directors (“**Board**”) to issue new shares upon such terms and conditions and with such rights and privileges attached thereto as the Board shall determine.

RESOLVED FURTHER THAT, the existing Clause V of the Memorandum of Association of the Company, relating to share capital be and is altered by deleting the same and substituting in its place, the following new clause “V” as under:

- V. The Authorised Share Capital of the Company is Rs. 70,00,00,000/- (Rupees Seventy Crores only) divided into 7,00,00,000 (Seven Crore) equity shares of Rs. 10/- (Rupee Ten only) each, with power to the Board of Directors (Board) to increase, modify or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions and restrictions as may be determined under the provision of the Companies Act, 2013 or any other applicable Act(s), Rule(s) and Regulation(s) etc. “

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company.”

16. Preferential Allotment of Equity Shares

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

“**RESOLVED THAT** the approval of members by way of special resolution, in terms of the Section 42 and For the purposes of clause (c) of sub-section (1) of section 62 and all other applicable provisions, if, any, of the Companies Act 2013 (the Act) (including any statutory modification(s) or re-enactment there, for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the Company’s shares are listed, and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirement) Regulation 2009 as may be applicable on preferential issue of Equity Shares and other applicable regulations / guidelines of SEBI, if any and subject to such consents and approvals of SEBI, Stock Exchange, Central Listing Authority, Government of India or such other bodies or authorities as may be required by the law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals for that purpose the Board of Directors of the Company be and is hereby authorised to take offer, issue and allot up to 2,21,66,667 (Two Crore Twenty One Lacs Sixty Six Thousand Six Hundred Sixty Seven Only) Equity Shares of Rs.10/- (Rs Ten only) each for cash at Rs.30/- (Each) aggregating Rs. 66,50,00,010/- (Rupees Sixty Six Crore Fifty Lacs and Ten Only) on preferential basis to the General Investors and promoters.

RESOLVED FURTHER THAT the “Relevant Date” in relation to the issue of shares in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation 2009 would be 29th November, 2014 being the date 30 days prior to the date of passing of this resolution at the Annual General Meeting to be held on 30th December, 2014.

RESOLVED FURTHER THAT the issue of Shares, if any, as above shall be subject to the following terms and conditions:

- a. The shareholders shall on the date of allotment of Shares, pay the full allotment money i.e. Rs. 30/- per share;
- b. Since the shares will be allotted to the General Investors the Lock-in -period will be 1-years from the date of Trading Approval.
- c. Since the shares will be allotted to the Promoters the Lock-in -period will be 3 -years from the date of Trading Approval.

RESOLVED FURTHER THAT the Board be and is hereby authorized in its entire discretion to decide to proceed with the issue of the Shares, to finalize the list of allottee (s), including the size and relative components of the same, and for the purpose of giving effect to this issue or allotment of Shares, the Board or committee thereof as may be constituted by the Board if any be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required and entering into arrangements for listing of the equity shares representing the same in any Indian Stock Exchanges with power on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of Equity Shares and in complying with any Regulations, as may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Officer(s) of the Company to give effect to this resolution.”

RESOLVED FURTHER THAT a copy of the Certificate from the Auditors dated 29th November, 2014 as placed before the meeting for the Compliance of ICDR Regulation 2009, that the preferential issue of 2,21,66,667 Equity Shares of Rs. 10/- Each Issued at a price of Rs. 30/- (**Rupees Thirty Only**) per share [including a premium of Rs. 20/- (Rupees Twenty Only)] to the general Investors and the promoters is in Compliance with the Chapter VII of SEBI ICDR (Issue of Capital and Disclosure Requirement) Regulation, 2009.

RESOLVED FURTHER THAT a copy of the Certificate of the Auditors dated 29th November, 2014 in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation 2009 as placed before the meeting for pricing of the Equity Shares to be allotted to the proposed allottees. So calculation from the relevant date was 29th November, 2014 and the Board considered & hereby decided to allot the shares of face value of Rs.10/- each at Rs.30/- Each.

RESOLVED FURTHER THAT the Equity Shares so issued shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari-passu with the existing equity shares of the Company and that the equity shares so allotted during the financial year shall be entitled to dividend, if any, declared including other corporate benefits, if any, for the financial year in which the allotment has been made and subsequent years.

RESOLVED FURTHER THAT the Company do apply for listing of the new equity shares as may be issued with the Bombay Stock Exchange Limited Mumbai.

RESOLVED FURTHER THAT the Company do make an application to the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) for admission of the above said Equity shares to be allotted on preferential basis.

REGISTERED OFFICE:-

BOARD

104-105, E- Square, Subhash Road,

LIMITED

Opp. Havmor Ice Cream,,

Vile Parle (E), Mumbai - 400057

CIN: L27209MH1994PLC076015

Web Site: www.scansteels.com

Officer)

Email - id: secretarial@scansteels.com

BY ORDER OF THE

FOR SCAN STEELS

Sd/-

Prabir Kumar Das

(Company Secretary & Compliance

Place: Mumbai

Date:- 29th November, 2014

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote *on poll* on his behalf and the proxy need not be a member of the company. *A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company.*
2. Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the meeting. *A blank proxy form is enclosed with this report.*
3. An explanatory statement pursuant to section 102 of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
4. Members are requested to notify any change of address:
 - a. To their depository participants (DP) in respect of shares held in dematerialized form, and
 - b. To Registrar and Share Transfer Agent of the Company- **Adroit Corporate Services Pvt Ltd**, whose office is located at 19, Jafabhoy Indl. Estate, 1st Floor, Makwane Road, Marol Naka, Andheri E, Mumbai, Maharashtra, 400059, in respect of shares in physical form, to notify their change of address/ residential status/ email-id, bank details etc., if any, under their signatures and quoting respective folio number.
5. Members are requested to kindly mention their Folio Number / Client ID and DP ID Number (in case of demat shares) in all their correspondence with the Companies Register in order to reply to their queries promptly, for easy identification of attendance at the meeting.
6. Members are requested to bring your copies of the Annual Report/ the Notice of the meeting along with the Attendance Slip with them duly filled in and hand over the same at the entrance of the Meeting Hall.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 25th Day of December, 2014 to 30th Day of December, 2014 (both day inclusive).

8. Members desirous of obtaining any information concerning Accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
9. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with our Registrar & Share Transfer Agent M/s Adroit Corporate Services Private Limited, Jafferbhoy Industrial Estate, Makwana Lane, Andheri(E), Mumbai – 400059.
10. Electronic copy of the Annual Report for the financial year ended 31.03.2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report is being sent in the permitted mode.
11. Electronic copy of the Notice of the 21st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 21st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members may also note that the Notice of the 21st Annual General Meeting and the Annual Report for the financial year ended on 31.03.2014 will also be available on the Company’s website www.scansteels.com for their download. The physical

copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post as per the cost. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@scansteels.com

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of copy of PAN card to the Company/ Depository Participants as the case may be. Members holding shares in physical form should submit their PAN details to the Company/RTA.
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
15. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board resolution authorizing their representative to attend the Meeting.

16. VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of the Clause – 35B of the Listing Agreement read with Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 21st Annual Report of the company and the business may be transacted through e-voting. The company has engaged the services of Central Depository Services Limited (CDSL) as the authorized agency to provide the e-voting facility.

The instructions for shareholders voting electronically are as under:

M/s. A. K. ANAND & CO a firm of Practicing Chartered Accountant having registration Number **002390N** situated at V star Plaza, B wings 601, Chandavarkar Lane, Borivali West, Mumbai is appointed as scrutinizer to conduct E-voting.

STEPS FOR E-VOTING

- (i) The voting period begins on 22nd December, 2014 (10.00 a.m.) and ends on 24th December, 2014 (06.00 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 (record date) of 28th November, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the image verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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</p> <p>(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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If 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 (v).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant **SCAN STEELS LIMITED** on which you choose to vote.

(xii) 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.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
 - 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 they have to create 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.
 - 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.
- (xix) 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.

17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except

Saturdays, up to and including the date of the Annual General Meeting of the Company.

18. Notice of Annual General Meeting will be sent to those shareholders/beneficial owners whose name will appear in the register of members/list of beneficiaries received from the depositories as on 29th day of November, 2014.
19. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the Registered office address or e-mail their grievances/queries to the Company Secretary at the following e-mail address: secretarial@scansteels.com
20. Extension of Annual General Meeting
Company has decided in its Board Meeting Held on 30/08/2014 to make an application to the Registrar of Companies for extension of time for holding the 21st Annual General Meeting on or before December 31, 2014 i.e extension for a period of 3 months" from 1st October 2014 to 31st December 2014 on the grounds that scheme of merger/amalgamation is pending and ROC Mumbai on Application made by company dated 12/09/2014 requesting for Extension of AGM had approved for Extension of AGM for the Year ended March 31, 2014, Up to December 30, 2014 vide there Approval Letter Dated 23/09/2014.

Physical Voting by Ballot Form

1. In case of those members, who do not have access to e-voting facility, they can use the Ballot form sent herewith and convey their assent / dissent to each one of the items of business to be transacted at the ensuing AGM.
2. A Member desiring to exercise vote by physical ballot form may complete this Ballot form and send it to the Scrutinizer M/s. A. K. ANAND & CO a firm of Practicing Chartered Accountant at their address V star Plaza, B wings 601, Chandavarkar Lane, Borivali West, Mumbai , on or before 24th December, 2014 (11.00 a.m.)
3. The Scrutinizer's decision on the validity of Ballot form will be final.
4. If a shareholder has opted for Physical Ballot Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical Ballot form and e-voting, then vote cast through e-voting shall be considered, and vote cast through Ballot form subject to the form being found to be valid shall be treated as invalid.

5. The Scrutinizer shall make a Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman.
6. The Results declared along with Scrutinizer's Report shall be available at the registered office of the Company and on the website of CDSL within two (2) days of the passing of the resolutions at the AGM of the Company and communicated to Stock Exchanges where the shares are listed.

REGISTERED OFFICE:-

BOARD

104-105, E- Square, Subhash Road,

LIMITED

Opp. Havmor Ice Cream,

Vile Parle (E), Mumbai - 400057

CIN: L27209MH1994PLC076015

Web Site: www.scansteels.com

Officer)

Email - id: secretarial@scansteels.com

BY ORDER OF THE

FOR SCAN STEELS

Sd/-

Prabir Kumar Das

(Company Secretary & Compliance

Place: Mumbai

Date: - 29th November, 2014

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

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as “the Act”) the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 2 to 16 of the accompanying Notice dated 29th November, 2014.

ITEM NO. 2

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

The Retiring auditors M/s. Motilal & Associates., Chartered Accountants (Firm's Registration No. 106584W), Mumbai, retire at the ensuing Annual General Meeting and have expressed their unwillingness to be reappointed for a further term due to their pre-occupation of work.

The company has received necessary consent and certificates under Section 139 of the Companies Act, 2013 from M/s. SRB & Associates, Chartered Accountant (Firm's Registration No. 310009E) of Bhubaneswar for the appointment as statutory auditors of the company to audit the accounts of the company for the five consecutive financial years i.e. up to 2018-19 subject to ratification by members at every AGM. to the effect that their appointment, if made, shall be in accordance with the conditions specified therein and they satisfies the Criteria as prescribed in Section 141 of the Companies Act, 2013.

In view of the above, M/s. SRB & Associates, being eligible for appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 14th November, 2014, proposed the appointment of M/s. SRB & Associates as the statutory auditors of the Company to hold office for the five consecutive year from the conclusion of this Annual General Meeting until the conclusion of 26th Annual General Meeting (subject to ratification of their appointment at every Annual General Meeting), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company or committee thereof and the Auditors.”

The Board commends the Resolution at Item No. 2 for approval by the Members.

None of the Directors or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 2 of the Notice.

ITEM NO. 3 & 4

Mr. Rajesh Gadodia *DIN: 00574465* aged about 42 years is a Mechanical Engineer and has more over 18 years of industrial and business experience, primarily in the steel sector with hands on experience of setting up green field projects. He is primarily involved in business development activities of the company and manages the distribution network of the company in the coastal, northern and southern region of Odisha and southern India operation. In finance he had the exposure in Treasury, Accounting, MIS, Forex Risk Management, Taxation, IT and all other related areas with exposure in India and overseas. He is responsible for transforming Scan Steel into a leading player in the steel industry.

Mr. Rajesh Gadodia was appointed as an Additional Director of the Company pursuant to the Section 260 of the Companies Act, 1956 on 14th March, 2014 and hold office as director only up to the date of ensuing AGM, but is eligible for appointment The Company has received a notice from a member in terms of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Rajesh Gadodia as a Director of the Company.

The Board considers it desirable that the Company should avail itself of the services of Mr. Rajesh Gadodia as Director and accordingly commends the Resolution at Item No. 3 for approval by the Members.

The Board of Directors has also appointed Mr. Rajesh Gadodia as the Managing Director of the Company for a period of 5 years with effect from 24th October 2014, subject to the approval of the shareholders. With effect from 24th October, 2014, he is designated as Managing Director, of the Company.

On the recommendation of the Remuneration Committee, the Board, at its meeting held on 24/10/2014 approved the terms and conditions of Mr. Rajesh Gadodia's appointment, subject to the approval of the shareholders.

The main terms and conditions relating to the appointment of Mr. Rajesh Gadodia as the Managing Director, (**MD**) are as follows:

(1) **Period:** From 24th October, 2014 to 23 October , 2019

(2) Nature of Duties:

The MD shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or joint venture companies and/or subsidiaries. This includes performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or joint venture companies and/or subsidiaries or any other executive body or any committee of such a company for which he may be allowed to receive remuneration as may be determined by the Board of such associated companies and/or joint venture companies and/or subsidiaries, subject to compliance with the applicable provisions of the prevailing laws and regulations.

(3) A) Remuneration:

In the Board Meeting held on 29th November, 2014, it was proposed to pay salary of Rs. 24,00,000/- per annum. The salary payable to Mr. Rajesh Gadodia is in consonance & comparable with industry norms and in accordance with the provisions of the Companies Act, 2013 read with Schedule V and other applicable provisions of the Companies Act, 2013.

B) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of MD, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary, benefits and perquisites and allowances, bonus/performance linked incentive as approved by the Board and to the extent permitted under the Act.

(4) (i) The MD shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

(ii) The terms and conditions of his appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule V to the Act, or any amendments made

hereinafter in this regard in such manner as may be agreed to between the Board and him, subject to such approvals as may be required.

(iii) The employment of the MD may be terminated by the Company without notice or payment in lieu of notice:

(a) If the MD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or joint venture company or associated company to which he is required by the Agreement to render services; or

(b) In the event of any serious repeated or continuing breach (after prior warning) or non-observance by him of any of the stipulations contained in the agreement to be executed between the Company and him; or

(c) In the event the Board expresses its loss of confidence in him.

(iv) Upon the termination by whatever means of the MD's employment:

(a) He shall immediately cease to hold offices held by him in any subsidiary or Joint Venture Company or associated company and other entities without claim for compensation for loss of office.

(b) He shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or joint venture companies or associated companies.

(v) If and when the agreement expires or is terminated for any reason whatsoever, Mr. Rajesh Gadodia will cease to be the MD and also cease to be a Director. If at any time he ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the MD and the agreement shall forthwith terminate. If at any time, he ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and MD of the Company.

This may be treated as the abstract of the terms and conditions of payment of remuneration to Mr. Rajesh Gadodia u/s 190 read with section 189 of the companies Act, 2013.

Except Mr. Rajesh Gadodia himself and Nimish Gadodia his brother, none of the Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Item Nos. 3 & 4 of the Notice.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the approval of the Members is sought for the appointment and terms of remuneration of Mr. Rajesh Gadodia as MD as set out above.

ITEM NO. 5

Mr. Nimish Gadodia (*DIN 01258815*) aged about 36 years is an MBA from IIMS, Pune and has more than 13 years of industrial and business experience in steel sector. He is involved in administration, production, & purchase. In marketing he is exposed to Brand management / Channel and direct sales. "SHRISHTII TMT" is a removed name in the eastern part of India due to quality product produced by the Company.

Mr. Nimish Gadodia was appointed as an Additional Director and Designated as Executive Director of the Company pursuant to the Section 260 of the Companies Act, 1956 effective from 14th March, 2014 and hold office as director only up to the date of ensuing AGM. The Company has received a notice from a member in terms of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Nimish Gadodia as a Director of the Company.

Except Mr. Nimish Gadodia himself and Mr. Rajesh Gadodia his brother, none of the Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Item Nos. 5 of the Notice.

ITEM NO. 6

Mr. Ramendra Pratap Singh (*DIN 03411893*) aged about 45 years is a commerce graduate and has a wide experience in the field of administration and industrial relations.

Mr. Ramendra Pratap Singh was appointed as an Additional Director and Designated as Executive Director of the Company pursuant to the Section 161(1) of the Companies Act, 2013, effective from 24/10/2014 and hold office as director only upto the date of ensuing AGM. The Company has received a notice from a member in terms of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ramendra Pratap Singh as a Director of the Company.

Except Mr. Ramendra Pratap Singh, none of the Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Item Nos. 6 of the Notice.

ITEM NO. 7 & 8

Mr. Ankur Madaan (*DIN 07002199*) who was appointed on 24/10/2014 As Additional Director and Designated As Non Executive Director of the Company is considered as an Independent Director under Clause 49 of the Listing Agreement. Mr. Ankur Madaan is a commerce graduate and having more than 3 years experience in the steels and cement sector business.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Ankur Madaan has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Ankur Madaan as an Independent Director was placed before the Remuneration Committee, which commends his appointment as an Independent Director to hold office for five consecutive years for a term up to the conclusion of the 26th Annual General Meeting.

In the opinion of the Board, Mr. Ankur Madaan fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Ankur Madaan as Independent Director is now being placed before the Members in general meeting for their approval.

The notice received from the member proposing the candidature of Mr. Ankur Madaan and the terms and conditions of appointment of Independent Directors shall be open for inspection by the Members during business in between 11.00 a.m. to 05.00 p.m. on all working days (except Saturday) at the Registered Office of the company up to the date of the meeting.

Except Mr. Ankur Madaan, being an appointee, none of the director and Key Managerial Personnel of the Company and their relatives id interested and concerned, financials or otherwise, in the Resolution mentioned at Item No. 7 & 8 of the Notice

ITEM NO. 9 & 10

Mr. Vinay Goyal (*DIN 07002206*) who was Appointed on 24/10/2014 As Additional Director and Designated As Non Executive Director of the Company is considered as an Independent Director under Clause 49 of the Listing Agreement. Mr. Vinay Goyal is a commerce graduate and having more than 4 years experience in the corporate sector.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Vinay Goyal has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Vinay Goyal as an Independent Director was placed before the Remuneration Committee, which commends his appointment as an Independent Director to hold office for five consecutive years for a term up to the conclusion of the 26th Annual General Meeting.

In the opinion of the Board, Mr. Vinay Goyal fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr Vinay Goyal as Independent Director is now being placed before the Members in general meeting for their approval.

The notice received from the member proposing the candidature of Mr. Vinay Goyal and the terms and conditions of appointment of Independent Directors shall be open for inspection by the Members during business in between 11.00 a.m. to 01.00 p.m. on all working days (except Saturday) at the Registered Office of the company up to the date of the meeting.

Except Mr. Vinay Goyal, being an appointee, none of the director and Key Managerial Personnel of the Company and their relatives id interested and concerned, financials or otherwise, in the Resolution mentioned at Item No. 9 & 10 of the Notice

ITEM NO. 11

Section 180 (1) (a) of the Companies Act, 2013 provides that the Board of directors / Committee of directors of a Public/Listed Company shall not, except with the consent of the Company in the General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. The Company would be borrowing from time to time for the purpose of its business by way of loans,

Debentures, Bonds, Hypothecation Loans, Term loans and/other financial assistance from various financial/investment institution(s), bank(s), insurance Company(ies), Corporate Body(ies) and other persons / investors apart from working Capital facilities from Banks in the ordinary course of business. This in turn would necessitate further creation of securities by suitable mortgages and/or charges on all or some of the movable and/or immovable properties of the Company, both present and future in favour of the lenders/ trustees. The proposed resolution seeks to empower the Board/Committee of directors to mortgage and/or charge the movable or immovable properties of the Company to secure loans, Debentures, Bonds, Loans financial assistance , credit facilities and such transactions for finance and other credit facilities obtained / to be obtained by the Company from the lenders upto Rs. 1000/- crores (Rupees One Thousand crores)

None of the Directors/ Key Managerial Personnel of the Company or their respective relatives are in any way, concerned or interested in the proposed resolution.

The Board of directors commend passing of the resolution set out in Item No. 11 of the accompanying Notice

ITEM NO. 12

Your Directors are of the view that there will be steady growth in business. The growth in business would require additional funds. Hence, the mobilization of funds by the Company will substantially increase. Therefore it is considered desirable to increase the limit of borrowings to Rs. 1000/- Crores apart from the temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business.

None of the Directors/ Key Managerial Personnel of the Company or their respective relatives are in any way, concerned or interested in the proposed resolution.

The Board of directors commend passing of the resolution set out in Item No. 12 of the accompanying Notice.

ITEM NO. 13.

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice or a firm of cost accountants in practice, as cost auditor on the recommendations of the Audit Committee. The remuneration recommended by Audit

Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

The Board on the recommendation of Audit Committee has approved the appointment and remuneration of M/s. Ray, Nayak & Associates, Partner CMA. Chaitanya Kumar Ray, Cost Accountants having office at MIG-26, Manorama Estate, Rasulgarh, Bhubaneswar – 751010 (Odisha) to conduct the audit of the cost records for the financial years 2014-2015.

In accordance with the provision of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 35,000/- plus travel and other out of pocket expenses incurred for the purpose of cost audit, payable to the cost auditors has to be ratified by the shareholders of the company.

The Resolution at item No.13 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 13.

ITEM NO. 14.

The members are aware that the Company had been accepting deposits from its members, employees and public as permissible under the provision of the Companies Act, 1956 read with the corresponding Companies (Acceptance of Deposit) Rules, 1975, earlier in force.

However, with the commencement of the New Companies Act, 2013, deposits are now governed by the new law and approval of shareholders is required by way of Special Resolution for inviting/accepting/renewing deposits. The members may kindly note that under the provisions of the Companies Act, 2013, any Company inviting/accepting/renewing deposits is also required to obtain Credit Rating. Your Company has received credit rating certificate for its Fixed Deposits program, from CARE and shall be taking deposit insurance as required under the Companies Act, 2013.

The Resolution at item No.14 of the Notice is set out as a Special Resolution for approval of members in terms of Section 73 & 76 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 14.

ITEM NO. 15.

The present Authorised Share Capital of the Company is Rs. 58,00,00,000 (Rupees Fifty Eight Crore only) divided into 5,80,00,000 (Five Crore Eighty Lacs) equity shares of Rs. 10/- each (Rupee Ten only). The Company proposes to issue further securities for the purpose of meeting its funding requirements for normal capital expenditures, new acquisitions, repayment of high cost Loans and general corporate purposes and also to augment its financial position. As such, it is proposed to enhance the Authorised Share Capital of the Company to Rs. 70,00,00,000/- (Seventy Crores) divided into 7,00,00,000 equity shares of Rs. 10/- each and to amend the capital Clause of Memorandum of Association of the Company accordingly.

For this purpose, the Company is required to obtain the consent of the shareholder by means of a Special Resolution. Hence shareholder's consent is requested for the above proposal. The Board of Directors recommends passing of the Resolutions as contained at Item No.15 in the notice.

A copy of the Memorandum of Association of the Company along with the proposed amendments is available for inspection by the members at the registered Office of the Company on all working days during the office hours of the Company till the conclusion of the Annual General Meeting.

The Directors / key managerial personnel of the Company or their respective relatives are deemed to be concerned or interested in the Resolutions mentioned at Item No. 15 of the Notice only to the extent of shares held by them, if any, in the Company.

ITEM NO. 16

To meet the Working Capital requirements, your Company intent to raise funds through preferential issue of equity shares. The proceed of the issue will be utilize by the Company to meet its working capital requirement and further expansion of the company. Since your Company is a listed Company, the proposed issue is in accordance with the terms of the provisions of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements), Regulations, 2009, and other applicable provisions, if any.

Your company in compliance with the applicable provisions of the SEBI Regulations, Companies Act, 2013 and other applicable provisions, is proposing to offer and issue not exceeding 2,21,66,667 (Two Crore Twenty One Lacs Sixty Six Thousand Six Hundred Sixty Seven Only) Equity Shares of Rs.10/- (Rs Ten only) each for cash at Rs. 30/- (Each) aggregating Rs. 66,50,00,010/- (Rupees Sixty Six Crore Fifty Lacs and Ten Only)

In terms of Section 42 and 62 of the Companies Act, 2013 read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (including any statutory modification or re-enactment thereof for the time being in force) ("**ICDR Regulations**"), the proposed preferential allotment requires approval of the Company's shareholders by way of a special resolution. The Board, therefore, seeks the consent of the Company's shareholders to the resolution set out in the notice, by way of a special resolution.

Details of the Issue

1. The allotment of the equity shares is subject to the Investors not having sold any equity shares of the Company during the last Six (6) months preceding the relevant date. The Investors have undertaken that they shall not sell any equity shares of the Company during the Six(6) months preceding the relevant date.
2. It may be noted that under the terms of Chapter VII of the ICDR Regulations, it is necessary to disclose the details of the Investors and certain other matters relating to the preferential allotment to the shareholders while seeking their approval. The relevant disclosures are set out below:

(a) Objects of the issue

The proceeds of the preferential issue of the Equity Shares will be used for working capital requirement and future expansion of the company.

(b) I n t e n t i o n o f t h e d i r e c t o r s / p r o m o t e r s / k e y m a n a g e m e n t p e r s o n s o f t h e C o m p a n y t o s u b s c r i b e t o t h e p r e f e r e n t i a l i s s u e

The promoters and the General Investors expressed their intention to subscribe the proposed preferential Issue. The proposed allottees are promoters and the general investors.

(c) Shareholding pattern of the Company before and after the proposed issue:

SR. NO.	CATEGORY OF SHAREHOLDERS	PRE-ISSUE SHAREHOLDING		POST-ISSUE SHAREHOLDING	
		NO. OF SHARES	%	NO. OF SHARES	%
A	PROMOTERS HOLDING				
1	<u>INDIAN:</u>				
	INDIVIDUAL	NIL	NIL	NIL	NIL
	DIRECTORS	6463847	17.10	7263847	12.11
	DIRECTORS RELATIVES	2908062	7.69	3541395	5.91
	BODIES CORPORATE	12550076	33.20	23880076	39.82
	SUB TOTAL (A) (1)	21921985	57.99	34685318	57.84
1	<u>FOREIGN PROMOTERS</u>	0	0	0	0
	SUB TOTAL (A) (2)	0	0	0	0
	SUB TOTAL (A1+A2)	21921985	57.99	34685318	57.84
B	<u>NON PROMOTERS HOLDING:</u>	-	-	-	-
1	<u>INSTITUTIONAL INVESTORS:</u>	0	0	0	0
2	<u>NON INSTITUTION:</u>				
	BODIES CORPORATE	14260044	37.72	23663378	39.46
	INDIVIDUAL				
	IND-HOLD NOMINAL SH. CAPITAL UP TO 1LAKH	658865	1.74	658865	1.10
	IND-HOLD NOMINAL SH. CAPITAL EXCESS OF 1 LAKH	958814	2.54	958814	1.60
	OTHERS (INCLUDING NRIs	592	0.01	592	0.00
	SUB TOTAL (B)	15878315	42.01	25281649	42.16
	GRAND TOTAL	37800300	100.00	59966967	100

This table shows the expected shareholding pattern of the Company upon consummation of the allotment, and assume that holdings of all other shareholders shall remain the same post-issue, as they were on the date on which the pre-issue shareholding pattern was prepared.

Note: 1. The aforesaid post issue capital is based on the assumption that all the proposed allottees shall subscribe and there shall not be any change in the holding of other category investors.

(d) Proposed time within which allotment shall be completed

Within 15 days from the date of passing this resolution or in compliance with any statutory requirement including receipt of the in principle approval from the Stock Exchange whichever is later.

(e) Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottee, the percentage of post-preferential issued capital that may be held by the said allottee and change in control, if any, in the issuer consequent to the preferential issue

S.No.	Name & Address of the Proposed Allottee	PAN	Number of Equity Shares to be issued	Pre issue Share holding	%	Post Issue Share holding	%
(A) PROMOTERS AND PROMOTERS GROUP							
1	RAJESH GADODIA	ABRPG2112K	433333	3275531	8.67	3708864	6.18
2	NIMISH GADODIA	AATPG1117D	366667	3188316	8.43	3554983	5.93
3	ARCHANA GADODIA	ACYPG0785C	183333	1253007	3.31	1436340	2.40
4	BINITA GADODIA	AEMPA6023R	450000	1161662	3.07	1611662	2.69
5	BAYANWALA BROTHERS PRIVATE LIMITED	AABCB1287C	11330000	2141384	5.66	13471384	22.46

S.No.	Name & Address of the Proposed Allottee	PAN	Number of Equity Shares to be issued	Pre issue Share holding	%	Post Issue Share holding	%
(B) GENERAL INVESTORS OTHER THAN PROMOTERS							
1	GOPIKAR SUPPLY PRIVATE LIMITED	AABCG1344F	7250000	0	0.00	7250000	12.09
2	ASCON MERCHANDISE PRIVATE LIMITED	AACCA0772E	1146667	0	0.00	1146667	1.91
3	CONSOLIDATED MERCANTILES PRIVATE LIMITED	AACCC2960N	1006667	0	0.00	1006667	1.68

(i) The company obtained consent letter from individual proposed allottees and is in receipt of subscription amount which is to be adjusted against allotment of shares. The Bank Statement, Auditors certificate & individual consent letters are available for inspection by any member of the company during office hours from 2pm to 5 p.m. from Monday to Friday at the registered office of the Company.

(ii) Identity of the proposed allottee (s) and percentage of preferential issue capital that may be held by them:

The Company has obtained copies of the Permanent Account Number (PAN) as well as identity proof and Demat Account Number which are available at the registered office of the Company for inspection of any member during office hours from 2pm to 5 p.m. from Monday to Friday. None of proposed allottees sold any shares during the last six month prior to the relevant date.

(iii) The proposed preferential allotment will not result in a change in the control of the Company.

(f) Relevant Date

The relevant date for the purpose of calculating the price of equity shares to be issued in lieu on the Preferential Basis is the date 30 days prior to the date of General Meeting of the Share Holders.

(g) Pricing of the issue

Since the equity shares of the Company have been listed on a recognized stock exchange for a period more than 26 weeks as on the relevant date, the equity shares shall be allotted at the minimum price determined under Regulation 76(1) of the ICDR Regulations, which shall be not less than the higher of the following:

(a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the 103[twenty six weeks] preceding the relevant date;

Or

(b) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

The recognized stock exchange' referred to above means any of the recognised stock exchanges in which the equity shares of the Company are listed and in which the highest trading volume in respect of the equity shares of the Company has been recorded during the preceding 26 weeks prior to the relevant date.

For the purpose of the above guidelines the Relevant Date was 29th November 2014, i.e. 30 days prior to the Annual general meeting to be held on 30th December, 2014.

(h) Requirement as to re-computation of price and lock-in of specified securities

Since the equity shares of the Company have been listed on the recognized stock exchanges for a period of more than 6 months prior to the relevant date, the Company is not required to re-compute the price of the equity shares and therefore, the Company is not required to submit the undertakings specified under Regulations 73(1)(f) and (g) of the ICDR Regulations.

(i) Auditor's Certificate

A certificate as required under SEBI Regulations, certifying that the proposed issues is in accordance with the said Regulations has been obtained from the Statutory Auditors of the company and shall be placed before the shareholders and is available at the registered office of the Company for inspection of any member during office hours from 2pm to 5 p.m. from Monday to Friday.

(j) Lock-in Period

The Equity shares to be allotted on preferential basis shall be subject to lock- in as per applicable SEBI Regulations in this behalf.

As per regulation 78(6) of the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirement) Regulation 2009, there are existing share holders for the proposed issue, whose pre-preferential share holding are required to put under lock in as per 78(6) of ICDR regulation, 2009.

The issue of the Equity shares will not result in any change in the management or control of the Company. The approval of the Shareholders is sought pursuant to Section 62(1)(C) of the Companies Act, 2013 and in term of the listing agreement with Stock Exchanges to the issue of the above Shares as set out in the resolution.

The Board recommends passing of the resolution set out in Item 16 as a Special Resolution..

The Directors / key managerial personnel of the Company or their respective relatives are deemed to be concerned or interested in the Resolutions mentioned at Item No. 16 of the Notice only to the extent of shares held by them, if any, in the Company.

REGISTERED OFFICE:-
BOARD

104-105, E- Square, Subhash Road,
LIMITED

Opp. Havmor Ice Cream,,

Vile Parle (E), Mumbai - 400057

CIN: L27209MH1994PLC076015

Web Site: www.scansteels.com

Officer)

Email - id: secretarial@scansteels.com

Place: Mumbai

Date:- 29th November, 2014

BY ORDER OF THE

FOR SCAN STEELS

Sd/-

Prabir Kumar Das

(Company Secretary & Compliance

