

EASTCOAST STEEL LIMITED

CIN : L27109PY1982PLC000199

Registered Office : Cuddalore Road, Pillayarkuppam Post, Bahour Commune, Pondicherry- 607402

Tel. : 022-40750100. / Fax : 022-22044801

E-mail : esl@eastcoaststeel.com / Website : www.eastcoaststeel.com

NOTICE OF THE POSTAL BALLOT

PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

To
The Members of
Eastcoast Steel Limited

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013 (the “**Act**”) read with the Companies (Management and Administration) Rules, 2014 (the “**Rules**”), that the Resolutions appended are proposed to be passed by way of Postal Ballot.

The Explanatory Statement pertaining to the business setting out material facts and reasons thereby is annexed to this Notice. The draft of proposed Special Resolution(s) and the Explanatory Statement is being sent to you along with a Postal Ballot Form for your consideration.

The Board of the Company has appointed Mr. Ashish C. Bhatt, proprietor of M/s. Ashish Bhatt & Associates, Company Secretary in Practice (Membership No. FCS-4650), as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form and return the same duly completed, in the enclosed Self - Addressed Business Reply Envelope so as to reach the Scrutinizer not later than the close of working hours i.e. 17:00 hours on August 30, 2017. Upon completion of the scrutiny of the Postal Ballot Forms, the Scrutinizer will submit his report to the Chairman of the Company or any person authorised by him. The detailed procedure is enumerated in the Instructions to the Postal Ballot Form.

I. LIMITS OF BORROWINGS U/S 180(1)(c) OF THE COMPANIES ACT, 2013

To consider and if thought fit, with or without modification(s), the following resolution as “**Special Resolution**”:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1) (c) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and in supersession of all earlier Resolutions passed in this regard under the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company and / or any Committee thereof to borrow at its discretion, either from the Company's Bank or any other Indian or Foreign Bank(s), Financial Institution(s) and / or any other Lending Institutions or body Corporate or persons from time to time such sum(s) of money(s) and the sum(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers / FIs in the ordinary course of business) with or without security on such terms and conditions as they may think fit shall exceed the aggregate of the paid-up capital and free reserves of the Company that is to say, reserves not set apart for any specific purpose provided that the total amount together with the money(s) already borrowed by the Board of Directors but shall not exceed the sum of Rs 100 Crores (Rupees One Hundred Crores only) at any time.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or any Committee or person(s) authorized by the Board be and is/are hereby authorised to finalise, settle and execute such documents/ deeds/ writings/ papers/ agreements and to do all acts, deeds, matters and things, as may be required and /or expedient.”

II. PROVIDING SECURITY U/S 180(1)(a) OF THE COMPANIES ACT, 2013 IN CONNECTION WITH THE BORROWINGS OF THE COMPANY

To consider and if thought fit, with or without modification(s), the following resolution as “**Special Resolution**”:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and subject to other approvals, if applicable or required under any statute(s) / rule(s)/ regulation(s) or any law for the time being in force or required from any other concerned authorities and in supersession of all earlier Resolutions passed in this regard under the Companies Act, 1956, the Board of Directors of the Company and / or any Committee thereof be and are hereby authorised and to create such mortgages/ charges/ hypothecation and / or other encumbrances, in addition to the existing mortgages, charges, hypothecation and other encumbrances, if any created by the Company on all or any part of the immovable and / or movable properties, current and / or fixed assets, tangible or intangible assets, book debts and / or claims of the Company where so ever situated, both present and future, such charge to rank either pari-passu with or second, subsequent, subservient and subordinate to all mortgages, charges, hypothecation and other encumbrances created / to be created by the Company as the Board may deem fit, together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of Indian or Foreign Financial Institutions, Banks and other Lending Institution, and / or to such other persons, if any, from whom the Company has / or proposed / proposes to borrow money / sums of moneys by way of term loans, cash credits, overdrafts, discounting of bills, inter corporate deposits, commercial papers or such other financial instruments permitted to be used by the appropriate authorities from time to time together with interest, cost, charges and other incidental expenses in terms of agreement(s) entered / to be entered into by the Board of Directors/ any Committee thereof of the Company within the overall borrowing limits not exceeding the sum of Rs 100 Crores (Rupees One Hundred Crores only) at any time.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or any Committee of the Board or person(s) authorized by the Board be and is/are hereby authorised to finalise, settle and execute such documents/ deeds/ writings/ papers/ agreements and to do all acts, deeds, matters and things, as may be required and /or expedient.”

III. TO MAKE LOANS OR INVESTMENTS OR TO PROVIDE GUARANTEES OR PROVIDE SECURITY IN CONNECTION WITH A LOAN MADE U/S 186 OF THE COMPANIES ACT, 2013.

To consider and if thought fit, with or without modification(s), the following resolution as “**Special Resolution**”:

“**RESOLVED THAT** pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with all the relevant Rules made thereunder, as may be amended from time to time, (including and statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Member be and is hereby accorded to the Board of Directors of the Company to:

- (a) give any loan to any person(s) or other body corporate(s);
- (b) give any guarantee or provide security in connection with a loan to any other body-corporate(s) / person (s); and
- (c) acquire by way of subscription, purchase or otherwise, securities of any other body-corporate(s);

exceeding sixty percent of aggregate of its paid up share capital, free reserves and securities premium or one hundred percent of its free reserves and securities premium account, whichever is higher, provided that the total amount of loans or investment made, guarantees given, and securities provided shall not at any time exceed Rs. 100 Crores (Rupees One Hundred Crores Only) over and above the paid up share capital of the Company and its free reserves.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or any Committee or person(s) authorized by the Board be and is/are hereby authorised to finalise, settle and execute such documents/ deeds/ writings/ papers/ agreements and to do all acts, deeds, matters and things, as may be required and /or expedient.”

By order of the Board of Directors

For **Eastcoast Steel Limited**
Sd/-
P.K.R.K. Menon
Company Secretary

Place : Pondicherry
Date : July 25, 2017

NOTES:-

- i. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('Act') setting out the material facts and reasons for the proposed resolution(s) at the Item Nos. I, II & III above, are appended herein below along with Postal Ballot Form for member's consideration.
- ii. The notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited ("NSDL") as on July 25, 2017.
- iii. In compliance with the provisions of Section 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 ('Rules') and the Listing Agreement entered into with the Stock Exchange (s), the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with NSDL for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Form and that the E-voting is optional.
- iv. As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, notice of postal ballot may be served on the Members through electronic means. Members who have registered their e-mail ID'S with the depositories or with the Company are being sent this Notice of Postal Ballot by e-mail and the members who have not registered their email IDs will receive Notice of Postal Ballot along with physical form through courier.

1. GENERAL INFORMATION

- a) There will be one Postal Ballot Form / e-voting for every Client ID No. / Folio No., irrespective of the number of joint holders.
- b) Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot form shall be considered invalid.
- c) Voting rights in the Postal Ballot / e-voting cannot be exercised by a proxy.

2. PROCESS FOR MEMBERS OPTING FOR VOTING BY POSTAL BALLOT

- a) The voting period begins on August 01, 2017 (9.00 A.M.) and ends on August 30, 2017 (5.00 P.M.). During this period, shareholders of the Company, holding shares either in physical or dematerialised form, as on cut-off date July 21, 2017 may cast their vote electronically.
- b) Members desiring to cast their vote by Postal Ballot should complete and sign this Postal Ballot Form and send it to the Scrutinizer, CS. Ashish C. Bhatt, at C/o. Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, in the enclosed postage prepaid self-addressed envelope. Postal Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted.
- c) In case of joint holding, this Postal Ballot Form should be completed and signed by the first named Member and in his absence by the next named Member.
- d) In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant board resolution / appropriate authorization, with the specimen signature(s) of the authorised signatory (ies) duly attested.
- e) The signature of the Member on this Postal Ballot Form should be as per the specimen signature furnished by National Securities Depository Limited (NSDL) or registered with the Company, in respect of shares held in dematerialised form or in physical form, respectively.
- f) Completed Postal Ballot Forms should reach the Scrutinizer on or before August 30, 2017. Postal Ballot Forms received after this date will be considered invalid.

- g) Postal Ballot Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding.

A Member seeking duplicate Postal Ballot Form or having any grievance pertaining to the Postal Ballot process can write to the Company's Registrars- Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, e-mail ID: rnt.helpdesk@linkintime.co.in.

Members are requested not to send any paper (other than the resolution/authority as mentioned under "Process for Members opting for voting by Postal Ballot") along with the Postal Ballot Form in the enclosed self addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.

3. PROCESS FOR MEMBERS OPTING FOR E-VOTING

The company is pleased to offer e-voting facility as an alternate mode of voting for its members to enable them to cast their vote electronically instead of dispatching Postal Ballot Form by post. The instructions for members for voting electronically are as under:

The instructions for Shareholders for e-voting are as under:

(a) In case of Shareholders' receiving e-mail from NSDL

- (i) Open e-mail and open PDF file viz. "remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "Remote e-voting.pdf".

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put your user ID and password & Click - Login.
- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Eastcoast Steel Limited
- (viii) Now you are ready for e-Voting as Cast Vote page opens
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders' receiving Postal Ballot Form by Post:

- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- (d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DP ID + Client ID).
In case Shareholders are holding shares in physical mode, USER-ID is the combination of (EVEN No + Folio No).
- (e) Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT MATERIAL FACTS RELATING TO THE AFORESAID RESOLUTIONS.

Item Nos. I & II

Limits of Borrowings u/s 180(1)(c) of the Companies Act, 2013 and Providing Security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company

The members are hereby informed that in the 26th Annual General Meeting of your Company held on September 29th, 2009, they had authorized the Board of Directors to borrow monies up to Rs. 60 Crores (Rupees Sixty Crores only) under Section 293(1)(d) of the Companies Act, 1956 and had also approved to secure the same by suitable mortgage/ charge on all or any of the moveable and/ or immovable properties, regarded as disposal of the Company's undertakings under Section 293 (1)(a) of the Companies Act, 1956 upto a maximum limit of Rs. 60 Crores (Rupees Sixty Crores only). However, as per the corresponding provisions of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 which were notified on September 12, 2013. Ministry of Corporate Affairs vide General Circular no. 04/2014 dated March 25, 2014, clarified that the Resolution(s) passed u/s 293 of the Companies Act, 1956 prior to September 12, 2013 will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013 for a period of One year from the date of notification of the Section.

Further, the provisions of the Companies Act, 1956 required consent of the members as an ordinary resolution for both borrowing and creation of security; however, the provisions of the Companies Act, 2013 stipulate consent of members by way of a Special Resolution.

Hence, in order to remain compliant with the relevant provisions on borrowings and creation of security under the Companies Act, 2013 consent of the members is hereby requested by way of proposed Special Resolution(s). While doing so, the board is of opinion that the limits of Rs. 60 Crores (Rupees Sixty Crores only) in both the cases, be also enhanced to Rs. 100 Crores (Rupees One Hundred Crores only) in view of the present requirements.

The borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ pledge/ hypothecation on the Company's assets comprising of the movable and/ or immovable, tangible/intangible properties of the Company, present or future, in favour of the lender(s)/agent(s)/trustee(s) from time to time, in such form, manner and ranking as mentioned in the Item No. II. The documents relating to charge and/ or mortgage and/ or pledge and/ or hypothecation in favour of the lender(s)/agent (s)/trustees may contain the provisions to take over substantial assets of the Company in certain events with a power to take over the management of the business and concern of the Company, which may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

Item No. III

To make loans or investments or to provide guarantees /or provide security in connection with a loan made u/s 186 of the Companies Act, 2013.

In terms of Section 186, of the Companies Act, 2013 ("the Act"), a Company can make loans, give guarantees, provide securities to, and make investments in the securities of, any other person or other bodies corporate to the extent of 60% of aggregate of its paid-up capital and free reserves and securities premium or 100% of its free reserves and securities premium whichever is higher.

However, where the aggregate of loans and investments made, guarantees given and securities provided is expected to exceed the aforesaid limits, prior approval of the Members by way of Special Resolution is required. It may be noted that, in terms of Rule 11 of the Companies (Meetings of Board and its Powers) Rules 2014, any inter-corporate loan given / investment made / guarantee given / security provided to wholly owned subsidiaries are exempted from the aforesaid limits.

The Company is constantly reviewing opportunities for reviving the business operations either directly or through its subsidiary(s)/ joint venture / Associate Company(ies) / other bodies Corporate or persons and therefore required to provide financial support by way of loan(s) and / or guarantee(s) and/ or Security(ies) / Investment in securities which may exceed the limit as prescribed under Section 186 of the Companies Act, 2013.

The Board of Directors of the Company has approved these matters in the Board Meeting held on July 25, 2017 and recommends the Resolutions as set out in the accompanying Notice for the approval of members of the Company as Special Resolutions, as required under Companies Act, 2013.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution, except to the extent of their equity holdings in the Company.

By order of the Board of Directors

For **Eastcoast Steel Limited**

Sd/-

P.K.R.K. Menon

Company Secretary

Place : Pondicherry

Date : July 25, 2017