



Scan Steels Limited
28th Annual General Meeting
September 30, 2021
10.30 A.M IST to 11.30 A.M. IST

Please note that the transcript has been edited for the purpose of clarity and accuracy.

CORPORATE PARTICIPANTS

Praveen Patro

Executive Director (Chairman of the Meeting)

Ankur Madaan

Whole - Time Director

Punit Kedia

Independent Director

Shravan Kumar Agrawal

Independent Director

Debjani Sahu

Independent Women Director

Prabir Kumar Das

President & Company Secretary

Gobinda Chandra Nayak

Chief Financial Officer

Khyati Desai

Asst. Company Secretary

Other consultants, Scrutinizer, Auditors and

Shareholders

Moderator: Yes, sir you can go ahead.

Welcome Address by Mr. Prabir Das, President & Company Secretary.

Prabir Kumar Das:

Ladies & Gentlemen, good Morning.

I, myself Prabir Kumar Das, President & Company secretary of Scan Steels Ltd, I am an astute observer of the journey so far of this company. I am overwhelmed about my association with Scan Steels for such a long period of time.

I am very pleased to welcome you all to the 28TH Annual General Meeting of Scan Steels Ltd. through this Video Conference.

At the outset of the proceedings of this AGM, I would like to thank you all for participating in this meeting through VC. Hope, all of you are safe & in good health and wish you all to stay happy in this challenging times. Due to lockdown and social distancing norms consequent to COVID-19 Pandemic, we have planned to hold this Annual General Meeting through video conference.

We are grateful that our stakeholders are understanding the current scenario and we are hoping to welcome you all in person next year. I intend to take this opportunity to reflect on the past year, but also to touch on the time ahead for Scan Steels Ltd as a company.

Before I look back on 2020 in more detail and look in to the future, I would like to speak briefly about Covid-19 and how we are handling the situation at company level. It is clear that the virus is placing considerable strain on society. People are worried, countless are falling ill and, tragically, many are dying.

Govt of India has learnt how to survive and sustain the growth of economy in ensuing pandemic period. We lost everything, the lives and the livelihoods in last financial year. Our reaction and response to pandemic were proved wrong in the first wave, we put the country under lockdown as a result we dipped into the abyss of our economy. At the start of the second wave, we consciously kept strategic sector open to fuel the economy. The big decision was to keep the infrastructure sector to move on. Lots of company in our stature, who lost the opportunity to seize growth because of poor planning and lack of working capital. But our management always works and thinks far ahead of competitors. We strategized how to get the leverage in the market by increasing our products sales as well as by enhancing our bottom line.

It's a remarkable year for SCAN STEELS as we recorded unprecedented growth and this year become a year of epoch making in the history of Scan Steels Ltd.

With Our customer relationships that endure over decades, Products portfolio and a strong market presence, Scan Steels Ltd created steadfast business in times of uncertainty. Scan Steels Ltd is an assertive loyal partner to its channel partners around its product marketing areas & also protects the interest of its stakeholders. I am therefore convinced that Scan Steels Ltd will continue to create long-term and sustainable value for society and shareholders alike.

Our business as well ethical compliances & focus on stakeholder participation in our growth trajectory will be our Major Plank to drive this company further.

I am thankful to all the shareholders /stakeholder and to our management to keep up the great aspiration of Scan Steels as a Market leader in a steadfast way.

Prabir Kumar Das: Hi Moderator, how many members are there in counting?

Moderator: Sir there are 30 participants logged in.

Prabir Kumar Das:

As We have the requisite quorum present through video conference to conduct the proceedings of this meeting. I would like to welcome Mr. Praveen Patro Chairman of the Meeting to address you all and call this Meeting to order.

Praveen Patro

Good morning, everyone, Myself, Praveen Patro, Executive Director of your company, I welcome all the members to the 28th Annual General Meeting. Mr. Rajesh Gadodia Chairman of the company is unable to attend the meeting, hence as per the mutual consent of all the Directors present. I will take the chair for the Meeting. This meeting is being held through video conference in accordance with the circular issued by the Ministry of Corporate Affairs and SEBI. For safety reasons, each of us is in a different location, I'm attending the annual general meeting from our office at Bhubaneswar, Odisha. Before we start the main proceedings of the Meeting, I have immense pleasure in welcoming my vibrant management team who are present in this virtual meeting through video conferencing from different locations in India. I would now request Management Team on the video Conference to introduce themselves.

I would now like to request Moderator to unmute our Management Team as I call their Names one by one.

Moderator: yes sir, go ahead.

Praveen Patro

Mr. Ankur Madaan

Ankur Madaan

Good morning, everyone. I am Ankur Madaan. I am the Whole-Time Director of Scan Steels Limited, I am attending this Meeting from our office in Rajgangpur, Odisha.

Praveen Patro

Mr. Punit Kedia

Punit Kedia

This is Punit, attending the AGM of Scan Steels from our office in Rajgangpur, Odisha. I am an Independent Director and Chair of the Nomination and Remuneration committee. Thank you

Praveen Patro

Mr. Shravan Kumar Agrawal

Shravan Kumar Agrawal

I'm Shravan Kumar Agrawal, attending the AGM of Scan Steels from our office in Bhubaneswar. I am an Independent Director and Chair of the Audit and Stakeholder Relationship and CSR committee. Thank you

Praveen Patro

Mrs. Debjani Sahu

Debjani Sahu

Hello, good Morning, everyone. I am Debjani Sahu, Independent Director of scan steels, attending the 28th AGM from our office at Bhubaneswar, Odisha. I hope everyone is safe and fine

Praveen Patro

Prabir Kumar Das

Prabir Kumar Das

Again, Good morning to all. I am the President and company secretary of your company. I'm attending the annual general meeting from our office at Bhubaneswar, Odisha.



Praveen Patro

Mr. Gobinda Chandra Nayak

Gobinda Chandra Nayak

Good morning, everyone. I am Gobinda Nayak, CFO, attending from our office at Bhubaneswar, Odisha.

Praveen Patro

Ms. Khyati Desai

Moderator: Ms. Khyati we are unable to hear you

Praveen Patro: Maybe there is some network issue.

Apart from them, we also have Statutory auditors, Bibek Mohanty, Secretarial Auditor, Amerandra Mohapatra, Scrutinizer, Abhijeet Jain who have also joined this meeting from their respective locations.

Thank you all, the Directors, Consultants to join us in our 28th AGM.

Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. Company had received Authorizations from 11 Bodies Corporate holding in aggregate 10221997 Equity shares constituting 19.53% of the paid-up equity share capital of the Company. The quorum being present, I call this meeting to order.

I now request Prabir Kumar Das, President & Company Secretary, to provide general instructions to the members regarding participation in this meeting.

Prabir Kumar Das

Now, with the permission of Chairman I would like to inform you all regarding the participation in this meeting,

Members may note that this Annual General Meeting is being held through video conference in accordance with the Companies Act 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. Facility for joining this meeting through video conference or other audio-visual means is made available for the members on a first-come-first-served basis. The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements, and all other documents referred to in the notice and explanatory statement, annual report are available for the inspection electronically by the members during the AGM. Members seeking to inspect such documents can send in their requests to secretarial@scansteels.com. As the AGM is being held through video conference, the facility for appointment of proxies by the members was not applicable and hence the proxy register for inspection is not available.

All members who have joined this meeting are by default placed on the mute mode by moderator to avoid any disturbance arising from the background noise and ensure smooth and seamless conduct of this meeting. The Company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once the Chairman opens the floor for questions and answers. Also, we had requested Members who do not wish to register as speakers but has some questions or Queries regarding any agenda items or working of the company to Send in their Queries via email to the company well in advance of the Meeting date in order to address them in the Meeting if not replied via email., hence even those questions if any will be taken during the Question and Answers sessions. It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM.

The Company had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice. Members who have not cast their votes yet electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by CDSL.

Members are requested to refer to the Instructions provided in the notice for Voting and a seamless participation through video conference. In case members face any difficulty, they may reach out on the helpline numbers.

Thank you.

I now request Mr. Praveen Patro, Chairman, to continue with the proceedings of the meeting.

Chairman's Speech

Praveen Patro:

Thank you Prabir

The company has made all feasible efforts under the current circumstances to enable the members to participate in the meeting through video conferencing facility and vote electronically. I again thank all the members, colleagues on the Board, auditors and the management team for joining this meeting over video conference. I hope all of you are safe and are in good health.

Dear shareholders,

It gives me immense pleasure to welcome you all to the 28th Annual General Meeting of Scan Steels Limited. It is a pleasure to connect with all of you again, although this time we meet virtually. On behalf of the Board of Directors of Scan Steels Limited, I want to thank you for taking the time out to join us today. Your support and confidence in us, even in uncertain times like these, drive us to look for more ways to do more, and create greater value.

I would have very much liked to meet and address you in person, but as you know, we are holding this meeting over a virtual platform due to the unprecedented health crisis triggered by the COVID-19 pandemic that not only posed significant threat to human life, but also affected livelihood. I would like to thank you for sparing the time to join us today from wherever you are, and for your continued faith in Scan Steels Limited and its management. I hope you and your family members are remaining healthy and staying safe.

The ensuing pandemic in the world has taken everybody hostage. We are living and doing business with new normal, we don't know, how much time, we will be under the hostage drama. During the first wave of covid 19, business was transfixed. But strategic move by govt of India to balance life and livelihood, gives impetus for business sector to recover from the lost ground slowly. The COVID-19 pandemic is extraordinary and unprecedented. It has impacted the world and every country, business and individual. These are not easy times for any of us, and our clients are dealing with several challenges as well. For instance, retailers have been hit hard in the non-grocery, apparel, lifestyle and fashion sections. Travel and hospitality have greatly slumped. Bankers will have to deal with deferred loan payments, the insurance sector is compelled to charge lower premiums in some categories, and manufacturers must manage both demand and supply hurdles as they repair their broken supply chains. Media and entertainment are impacted because of reduced outdoor activities and shrinking ad spends.

As you know, the Fiscal year 2021 started off with lots of hope and aspiration for market consolidation, but again pandemic come with Monster disposition to engulf. The back bone of Indian economy is infrastructure sector, which contribute huge to the national GDP directly and indirectly, the infra sector was in full swing during the second wave, this was an opportunity in the crisis and our leadership team have visualized the opportunity and capitalized with aggressive strategy to regain the glory.

SCAN STEELS LIMITED has created history by going beyond it all records of its annual of business since its inception. Sales volume, revenue generation, Manufacturing excellence, bottom line enhancement and community development have marked with exception result this year.

I must acknowledge the understanding and support of our numerous customers; on whose trust we continue to evolve and grow.

I would also like to convey my appreciation to the employees of Scan Steels Limited as well as its dealers, business associates and vendors and their families for their laudable efforts in pursuing business continuity and their ongoing and relentless efforts towards restoring growth trajectory in our organisation. With courage and conviction, and diligence and determination, they continue to contribute, placing the Company's interests above their own. Their commitment and sacrifices will definitely be recorded in the history of our glorious Company.

FY2020-21 financial results, the turnover Rs. 736.45 crore during this financial year against the revenue of Rs. 30.74 crores. And the turnover of the first quarter of 2021-22 is Rs. 239.17 crore against the revenue of Rs. 21.79 crores. This has been a wonderful year beyond our expectations.

Apart from big cities in odisha, our presence is strong in rural packets too and **Shrishtii** brand is always a household name in eastern India.

Apart from adjusting to the new normal and coping with intermittent lockdowns, our focus continues to be on maintaining market leadership in our chosen geographical areas of business. Prudent capital allocation, efficient cash management and a tight cost structure shall be our top priorities in coming times

It is important for us to preserve our identity and leadership as a trusted by our value chain partners both in B2B and B2C sales segments and to pursue profitable growth with distinctly different and appropriate strategies that the businesses call for.

The post-pandemic world will be unavoidably different. It has raised issues like geo-political volatility, accelerated technology disruption and greater action to mitigate climate risks, among other important global trends. The pandemic has accelerated many of these shifts, while underscoring the pace at which we need to act to remain ahead of the curve. As the Indian economy recovers from the pandemic, ongoing reform measures and forward-looking policies such as 'Atmanirbhar Bharat' have the potential to boost the growth trajectory. The steel industry is also entering a phase which will see better spreads enabled by robust demand and geo-political factors. The strategic Planning of your Company in recent years has given it the structural and financial strength to capture the opportunities that arise going forward, while ensuring its resilience in the face of uncertainty and a dynamic operating environment As we continue to position ourselves to capitalise on the opportunities of the coming decade, we will strive to be better in the transition to a greener economy – aiming to create a virtuous cycle of growth and returns for our shareholders.

On behalf of my colleagues on Board, I wish to express our sincere thanks to the Banking fraternity, and all the stakeholders who stood by us during testing times.

I deeply appreciate all our work force for their resilience and continued support and trust. I also take this opportunity to thank my Board colleagues for their valuable guidance.

Finally, on behalf of the Board of Directors and the entire workforce of your company, I would like to thank our shareholders for your enduring support and patronage. I would like to share with you that your company is moving ahead with intense focus on targets and deliverables and I am confident that with hard work and commitment of entire Scan Steels Limited team and your unwavering support, your company will reach new horizons in the periods to come.

I would now request Mr. Gobinda Chandra Nayak our CFO to deliver the financial performance of the company.

Thank You.

Gobinda Chandra Nayak:
thank you, Chairman sir.

Dear shareholders,

At the outset, I welcome everybody to this 28th AGM. We have been putting all-out effort to keep our flag flying with objectivity as Scan Steels Ltd is poised to be a leading regional player in long product.

The world economic orders have been disarrayed owing to the ensuing pandemic. Manufacturing sector hits its abyss in all time. The spending potentials had come down drastically over this period. Domestic consumption denied the growth trajectory. The only hope came when government of India kept the infrastructure on moving wheel by giving lots of impetus. The recent monetization pipeline policy is one of the flagship initiatives, which can boost infrastructure like anything's in such context company like us will be benefitted and we can enhance our bottom line. It's our strategic funding management and financing management, we have defeated inflation

and market stress by minimization of our cost of production so far. We are sure Scan Steels Ltd will continue to grow even if any recession hit our country as we have all robust financial strategic architects' are at place.

We have stroked the right balance between our debtor and creditors, with the support from both, all of you will be amazed that our credit worthiness has increased. Scan Steels Limited got its financial leverage in product leadership because of our well-articulated backward and forward integration.

We are trying to keep our financial discipline in both supply and sales fronts, our stake holders should not face any problems what so ever in settling their accounts. We management believes to share the profit with its stakeholders as deem fit.

I am sure every year we will bring growth and happiness for Scan Steels Limited.

I sincerely appreciate the opportunity to speak to you today. Thank you. Over to Chairman sir.

Praveen Patro:

Thank you. Gobinda.

The Notice of the 28th Annual General Meeting and the Annual Report, containing Audited Financial Statements for the year ended March 31, 2021 and Board's and Auditors' Reports, have been sent by electronic mode to those Members whose e-mail addresses are registered with the Company or Depositories. These documents have also been made available on the Company's website. Now I request Mr. Prabir Kumar Das – President and Company Secretary to read the auditor's report. he will read the auditor's report more specifically first and last part of the report. Also, he will then read out the items agenda wise as mentioned in notice of 28th AGM and provide e-voting instructions and other required details to the members. He will also, lead the question answer session and call out the names of members who have registered themselves as speakers one-by-one. Over to Prabir Das.

Prabir Kumar Das:

Thank you.

As the Notice and Directors Report is already circulated to all the members, I take the Notice convening the meeting and Directors Report as read.

Pursuant to the provisions of the Companies Act, 2013, it is also not required to read Auditors' Report. With the permission of the Chairman and shareholders, I take it as read. And still would like to take time to read the auditor report first and last paragraph of the report.

Opinion: We have audited the financial statements of Scan Steels Limited the Company, which comprise the Balance Sheet as at 31st March 2021 and the Statement of profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31 2021 and profit and loss, changes in equity and its cash flows for the year ended on that date.

Opinion: In our opinion the Company has in all material respects have an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Members are informed that auditor report on the Standalone financial statement of the company for the year 31st March 2021 do not contain any qualifications, observation or comments on financial transaction or matters which have any adverse effect on the functioning of the Company, requiring to be read out at the meeting as per the provisions of the Companies Act, 2013

Before we proceed with the agenda items, I am pleased to bring to your notice that, as required under the Companies Act, 2013, the Company had provided you all the shareholder as on the cut-off date that is 23rd September 2021, the facility to cast your vote electronically, on all resolutions set forth in the Notice. Members who have not cast their vote electronically and who are participating in this meeting will have an opportunity to cast their votes through the e-voting system provided by CDSL. Members may please note that there will be no voting by show of hands. Also, Since, the AGM is being held through the video conference and audio-visual means and the resolution mentioned in the notice convening this AGM have already been put to vote for the remote e-voting, there will be no proposing and seconding of the resolution.

The remote e-voting portal remained open for remote e-voting from Monday 27th September 2021 at 9:00 AM to Wednesday, 29th September 2021 at 5:00 PM. And has been disabled by CDSL for voting thereafter. Facility for voting during the AGM, through e-voting system is now already open for members who are participating in this meeting, and who have not cast their votes by remote e-voting prior to the meeting may cast their votes during the meeting through the e-voting system. Members can cast their votes while at the same time watch the proceedings of the meeting. I would like to request the member who have already cast their votes by remote e-voting not to cast their votes again as their vote will be treated as invalid. Voting will be closed in 15 minutes after the close of all the business.

I would also, like to inform the members that our Board of Directors had appointed Mr. Abhijeet Jain, practicing Company Secretary as the scrutinizer to scrutinize the voting process on all the resolutions proposed in a fair and transparent manner as stipulated under the Companies (Management & Administration) Rules, 2014, outcome of the meeting will be cumulative count of the valid votes cast electronically prior to the meeting and the e-voting during the meeting. Consolidated item wise result of the e-voting and the report of the scrutinizer will be placed by the company on the website www.scansteels.com and on the website of CDSL, www.evotingindia.com within 48 hours of the conclusion of the AGM and will be communicated to the stock exchange that is BSE. The resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

Now I would like to take you through the Agenda Items for our Ordinary and Special Business that requires Member's approval. and request the shareholders who are present at the AGM through the VC, OAVM facility and have not casted their votes on the resolutions through the remote e-voting and are otherwise not barred from doing so, can now vote through e-voting system available during the AGM on the said Agenda Items.

Ordinary business.

First, Adoption of Financial Statements

The Financial Statements of the Company for the financial year ended March 31, 2021 including the reports of Board of Directors and Auditors have already been provided to the members.

Second, to appoint a director in place of Mr. Rajesh Gadodia (DIN: 00574465), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business.

Third Appointment of Mr. Shравan Kumar Agrawal (DIN 09139761) as an Independent Director

The text of the resolutions along with explanatory statement is provided in the Notice circulated to the members.

Fourth Approval of Related Party Transaction with the Shrishti Trading Corporation Pvt. Ltd.

Fifth Ratification of Cost Auditors' Remuneration.

Question hour,

We now open the floor for any questions,

Now, I invite those members who have registered themselves as speakers in the order of their registration to ask the questions or present their views on working of the company or raise queries on items of business laid out in the Notice of Annual General Meeting. I request Members to restrict their questions to the business of the Annual General Meeting and relating only to the Company and not to any other matter. I also request the shareholders to be brief in their queries and comments and they should restrict their speech to 3 minutes. To avoid repetition, the answers to all the questions raised will be provided towards the end of Question answer session.

I would now like to request Moderator to unmute our speakers and also enable webcam, if they wish to appear on the video as I call their Names one by one.

Moderator : sure sir, go ahead.

Dear Speakers now you are on unmute mode one by one as we began to proceed with the Question answer session. Members are requested mention their name and introduce themselves before raising their question.

the speaker number one. **Bimal Kumar Agrawal,**

Moderator: I cannot see him logged in.

Do you hear me Mr. Agrawal? Please tell us if you have any question.

Speaker number two, **Dnyaneshwar K Bhagwat,** please speak Mr. Bhagwat, if you have any queries regarding AGM or regarding the performance of the company.

Moderator: I cannot see him logged in.

If you have any questions regarding AGM please tell Mr. Dnyaneshwar K Bhagwat if you are logged in.

Speaker number three, **Rohinton Batiwala**

Speaker number four, **Jehangir Batiwala**

Moderator: I cannot see him logged in as well.

Our speakers are either facing any technical problem, or they don't want to speak about any queries regarding working of the company.

Also be informed that Questions or queries received in advance before the AGM were replied via email to Members and other than that we have not received any Questions during the AGM from any Members electronically that needs to be addressed in the Meeting.

So, with this, I conclude the questions answer session. Over to Chairman.

Praveen Patro:
Thank you Prabir.

So, all the items of business as per the Notice of the 28th Annual General Meeting have been taken-up. I now declare the proceedings of the Annual General Meeting as completed, I would like to tender my goodwill and thankfulness for the shareholders, value chain partners and all the employees of Scan Steels Limited. The unstinted approach of all has put us in the right picture throughout the year. I would request Mr. Prabir Kumar Das, President and Company Secretary to conclude the meeting by giving vote of thanks. Over to Prabir.

Prabir Kumar Das:

It's my privilege to have been asked to propose a vote of thanks on this 28th Annual General Meeting of Scan Steels Limited.

My job is the pleasurable one of just saying thanks. Showing gratitude because, we do know that all things in life are a result of some collaborative effort, whether directly or indirectly, intentional or not. The Scan Steels Limited is no exception. Today as we officially put a cap on 28 years of existence in the field of steels. We must first say thanks to the architect and first visionary of the company - Mr. Rajesh Gadodia. We thank him for his vision to build a big empire. This could not have happened without him. Let me also on your behalf express our gratitude to all directors, CFO and others officers, who have been with us from the very beginning. Thanks to all our stakeholders, past and present, who have made this journey to 28 years both adventurous and worthwhile. Our gratitude to the AGM Committee, ably led by Ms. Khyati P Desai, who single handedly drove everyone insane, in her yeoman efforts at getting the Annual Report ready. The team did a fine job. Thank you all for your continuing support of the work at Scan Steels Limited. To the ever-valuable Scan Steels Limited staffs, which really make things, happen around here, I just want to say on behalf of the Board and Management, thank you for your time, talents and passion. Now we are well into our 28th year of existence, and are about to embark on a programme of activities to commemorate this significant milestone. Looking forward to a better year, still better year next and obviously COVID free. Take care of yourselves and be healthy and nice and interesting things are ahead of us, thank you

Moderator: Should we close the call sir?

Prabir Kumar Das: Yes.

Moderator: Okay. Thank you, sir. Have a nice day.

Prabir Kumar Das: Thank you. Thank you, all participants.

Management: Thank you all and the board. Thank you.