



Monnet Ispat & Energy Limited

Corp. Office : Monnet House, 11, Masjid Moth, Greater Kailash-II, New Delhi-110048 (INDIA)

Regd. Office : Monnet Marg, Mandir Hasaud, Raipur-492101 [Chhattisgarh]

POSTAL BALLOT NOTICE

(Pursuant to Section 192A of the Companies Act, 1956)

Sub. : Passing of Resolution by Postal Ballot

Dear Member(s)

NOTICE is hereby given that pursuant to the provisions of Section 192A of the Companies Act, 1956 [hereinafter referred to as "the Act"] read with the Companies [Passing of the Resolution by Postal Ballot] Rules, 2011, the Company hereby seeks your approval for the purpose of passing the resolutions mentioned below. The Company is offering e-Voting facility also to all the Shareholders of the Company.

The Explanatory Statement pertaining to the said resolutions setting out all material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form ["the Form"] for your consideration. The Company has, in compliance with Rule 6(b) of the Rules, appointed Mr. Sanjay Grover, Practicing Company Secretary, as the Scrutinizer for conducting the entire Postal Ballot process in a fair and transparent manner.

The date of Declaration of Result of the Postal Ballot shall be deemed to be the date of the General Meeting and the date of passing of the proposed Resolutions.

You are, therefore, requested to carefully read the instructions printed on the Postal Ballot Form and return the Form duly completed in the attached self-addressed, postage pre-paid envelop so as to reach the Scrutinizer on or before the close of working hours on Wednesday, 26th March, 2014. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny. The result of the Postal Ballot will be announced by any of the persons authorized by the Board/Committee of the Board or by the Company Secretary of the Company on Friday, March 28, 2014 at 10:30 A.M. at the Registered Office of the Company and the Resolution shall be taken as passed effectively on the date of announcement of results. The result of the Postal Ballot will also be posted on the website of the Company besides communication to Stock Exchanges where the shares of the Company are listed.

SPECIAL BUSINESS

1. Increase in the Aggregate Investment limit by FIIs in the paid up capital of the Company

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution through Postal Ballot**: -

"RESOLVED that in accordance with the provisions of the Foreign Exchange Management Act, 1999, the Foreign Exchange Management [Transfer or Issue of Security by a Person resident outside India] Regulations, 2000, as amended read with Schedule 2 thereof regarding purchase/sale of shares/convertible debentures of an Indian Company by a registered Foreign Institutional Investors (FIIs) under Portfolio Investment Scheme ["PIS"] and other applicable provisions, if any, of Foreign Exchange Management Act, 1999, the applicable provisions of the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 [including any amendment to or re-enactment thereof], the provisions of Memorandum and Articles of Association of the Company, and the provisions of any other applicable law/s, and subject to the approval of the Government of India, Reserve Bank of India ["RBI"], Securities and Exchange Board of India ["SEBI"], Foreign

Investment Promotion Board ("FIPB") or any other regulatory authority/institutions, as may be necessary, and subject also to the consents, permissions and sanctions of such other appropriate authorities, institutions or bodies, whether in India or abroad, as may be necessary, and also subject to such policies, notifications, clarifications, regulatory framework of the government as may be in force from time to time; consent, authority and approval of the Company be and is hereby accorded for raising the aggregate ceiling of investments in securities by Foreign institutional Investors (FIIs) from existing 40% to 49% of the paid up equity share capital of the company subject to the condition that the holding of any single FII or each SEBI approved sub-account of an FII or the concerned FII group does not exceed 10% of the paid up equity share capital of the company or such limits as are or may be prescribed, from time to time, under applicable laws, rules and regulations.

"RESOLVED FURTHER that for the purpose of giving effect to the above, the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee formed or to be formed to which the Board may or may have delegated all or any of its powers) be and is hereby authorized to take all such actions/steps as may be necessary, desirable or expedient, including, if required, to accept such conditions and modifications, stipulated by any relevant authorities, as the Board may consider necessary, and to resolve and settle all questions and difficulties that may arise, and, to do all acts, deeds, matters and things which are incidental and consequential, as the Board may at its absolute discretion deem necessary or desirable for such purposes and, to execute such documents or writings as the Board may consider necessary or proper or incidental to give effect to this resolution without being required to seek any further consent or approval of the Members or otherwise and the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

2. Increase in the Borrowing Powers of the Company

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution through Postal Ballot**: -

"RESOLVED that in supersession to the resolution passed by the shareholders in the 22nd Annual General Meeting of the Company held on 29th September, 2012, the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorized, in accordance with Section 180 (1) (c) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, to borrow any sum or sums of money (including non-fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed upto a sum of Rs. 10,000 crores (Rupees Ten Thousand crores) over and above the aggregate of the then paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

3. Creation of Security for the Loans / Credit Facility by Mortgage / Creation of Charge

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution through Postal Ballot**: -

"RESOLVED that in supersession to the resolution passed through postal ballot process by the shareholders in the 22nd Annual General Meeting of the Company held on 29th September, 2012, the consent of the Company be and is hereby granted in terms of Section 180 [1] [a] and all other applicable provisions of the Companies Act, 2013, [including any statutory modification or re-enactment thereof, for the time being in force], to the Board of Directors [hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute or may have constituted for this purpose and has granted or may grant to exercise all or any of its powers that the Board is authorized to exercise] to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking[s] of the Company, in favour of the Lender[s], Agent[s] and Trustee[s]/Trustee[s], for securing the borrowings availed/to be availed by the Company and/or any of the Company's holding / subsidiary / affiliate / associate company, by way of loan[s] [in foreign currency and/or rupee currency] and Securities [comprising fully/partly Convertible Debentures and/or Non-Convertible Debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments], issued/to be issued by the Company, from time to time, upto the same limits that is being/may be approved by the shareholders from time to time under Section 180 [1] [c] of the Companies Act, 2013, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent[s]/Trustees, premium [if any] on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement[s]/Heads of Agreement[s], Debenture Trust Deed[s] or any other document, entered into/to be entered into between the Company and the Lender[s]/Agent[s] and Trustee[s] / Trustee[s], in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender[s]/ Agent[s]and Trustee[s] /Trustee[s]."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board and/or its duly constituted Committee be and are hereby authorized to finalize, settle and execute such documents/ deeds/writings/papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

4. Loans / guarantees / security / investments under Section 372A of the Companies Act, 1956

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution through Postal Ballot**: -

"RESOLVED that the consent of the Company be and is hereby granted in terms of Section 372A and all other applicable provisions of the Companies Act, 1956, [which consent shall be construed as consent under Section 186 of the Companies Act, 2013 whenever made applicable and shall be deemed to include any statutory modification or re-enactment thereof, for the time being in force],



to the Board of Directors of the Company [hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute or may have constituted for this purpose and has granted or may grant to exercise all or any of its powers that the Board is authorized to exercise] to [a] give any loan to any body corporate[s] / person [s]; [b] give any guarantee or provide security in connection with a loan to any body-corporate[s] / person [s]; and [c] acquire by way of subscription, purchase or otherwise, securities of any body-corporate[s] [i] upto an aggregate amount not exceeding Rs. 3,000 Crores outstanding at any time; or [ii] 60% of the aggregate of the paid-up share capital and free reserves and securities premium account; or [iii] 100% of its free reserves and securities premium account, whichever is higher, on such terms and conditions, as the Board may think fit."

"RESOLVED FURTHER THAT the Board or a duly constituted Committee thereof be and is hereby authorized to decide and finalize the terms and conditions of the above, limit upto which such investments in securities / loans / guarantees, that may be given or made, as may be determined by the Board or the Committee thereof, within the aforesaid limits including with the power to transfer/ dispose of the investments so made, from time to time, and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary and/or expedient for implementing and giving effect to this resolution ."

**By Order of the Board of Directors
MONNET ISPAT & ENERGY LIMITED**

Date : 14th February, 2014
Place: New Delhi

Sd/-
(M.P. KHARBANDA)
COMPANY SECRETARY

Registered Office :

Monnet Marg, Mandir Hasaud,
Raipur-492101 Chhattisgarh

Corporate Office :

Monnet House, 11 , Masjid Moth,
Greater Kailash Part-II,
New Delhi-110048

NOTES

1. The relative Explanatory Statement pursuant to Section 102 [1] giving reasons for the proposed Special Resolutions pursuant to FEMA Act and Regulations thereunder, Section 180 and Section 186 of the Companies Act, 1956 and Section 372A of the Companies Act, 1956 setting out all material facts is enclosed.
2. Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies [Passing of the Resolution by Postal Ballot] Rules, 2011, the assent or dissent of the members in respect of the Special Resolutions contained in this notice dated 14th February, 2014 is being determined through postal ballot
3. Shri Sanjay Grover, Company Secretary in whole-time practice, aged 54 years, has been appointed as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner and in accordance with the said rules. He will submit his report to the Chairman of the Company on or before 27th March, 2014.

4. Members are requested to carefully read the instructions printed on the Postal Ballot Form before casting their vote and return the Ballot Form, duly completed in all respect and signed, in the enclosed self-addressed stamped Business Reply Letter to the Scrutinizer. However, envelopes containing Postal Ballots, if deposited in person or sent by courier or by Registered Post at the expense of the registered Member will also be accepted. The envelopes may also be deposited personally at the address given thereon. However the envelopes containing the **Postal Ballot should reach the Company not later than the close of working hours on 26th day, March, 2014.** If the ballots are received thereafter they shall be deemed to be not received
5. The Board of Directors has appointed Shri J.P. Lath, Director and Shri M.P. Kharbanda, Company Secretary as the persons responsible for the entire postal ballot process.
6. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. upto March 28, 2014.
7. The Notice is being sent to all the Members whose names would appear in the Register of Members/ Record of Depositories at the close on 14th day of February, 2014. Accordingly, the reckoning of voting rights shall be based on the beneficiary position **at the close of 14th February, 2014.**
8. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Ballot Form. Members have option to vote either through e-Voting or through Postal Ballot Form. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the link www.evoting.nsdl.com or seek duplicate Postal Ballot Form from M/s MCS Ltd. F-65, Okhla Industrial Area, Phase-I, New Delhi-110020. Fill in the details and send the same to the Scrutinizer.
9. In compliance with the provisions of Section 192A of the Companies Act, 1956 read with Companies [Passing of the Resolution by Postal Ballot] Rules, 2011, the Company also offers e-Voting facility to the shareholders. For this purpose, the Company will be making necessary arrangement with National Securities Depository Limited [NSDL] for facilitating e-Voting and is pleased to offer **e-Voting facility** as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. e-Voting is optional. **The e-Voting will commence w.e.f. 25th day of February, 2014.** Please see the instructions below for details.

(a) In case of Members receiving e-mail from NSDL:

- (i) Open e-mail and open PDF file viz; MIEL 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.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on "Shareholder" - "Login"
- (iv) Put user ID and password as initial password noted in step (i) above. 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 Monnet Ispat & Energy 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) 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: monnetscrutinizer@gmail.com or isc_miel@monnetgroup.com with a copy marked to <https://www.evoting.nsdl.com>.

(b) In case of shareholders other than in (a) above

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

EVEN	USER ID	PASSWORD/ PIN
(e-VOTING EVENT NUMBER)		

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (x) as mentioned in (a) 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 <https://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.
 - (e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication[s].
10. The scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny of the Postal Ballots. The results of the Postal Ballot will be declared by the Chairman, or in his absence by any other person, so authorized by the Chairman announced on March 28, 2014 at 10.30 a.m. at the Registered Office of the Company at Monnet Marg, Mandir Hasaud, Raipur-492101 Chhattisgarh [India]. The result shall also be announced to the Stock Exchanges where shares of the Company are listed and intimated through a Press Release in newspapers. The result will also be put on the Company's website www.monnetgroup.com The Resolutions, if approved, will be taken as passed effectively on the date of declaration of result.
11. Kindly note that the Shareholders can opt only one mode of voting, i.e., either by Physical Ballot or e-Voting. If shareholders are opting for e-Voting, then do not vote by Physical Ballot or vice versa. However, in case Shareholders cast their vote by Physical Ballot and e-Voting both, then voting done through valid Physical Ballot shall prevail and voting done by e-Voting will be treated as invalid.
12. The date of declaration of result shall be deemed to be the date of passing of the said Resolutions.

EXPLANATORY STATEMENT (Pursuant to Section 102 (1) of the Companies Act, 2013 annexed to and forming an integral part of the Notice of Postal Ballot)

Item No. 1

The Company had passed the requisite Board Resolutions and the Special Resolution for increasing the investment limit of FII's under Portfolio Investment Scheme (PIS) to maximum permissible limit of 40 % and the increased limit was notified by Reserve Bank of India vide its Press Release dated 30-1-2008. The RBI now allows the Companies to raise the upper ceiling of investment by FII's in PIS to sectoral cap/statutory ceiling. The present aggregate holding of FII's is around 40% and FII's cannot make further investment in the equity shares of the Company. Therefore, in order to enable the FII's to invest in the equity of the Company and remain within the aggregate limit as is approved by the shareholders from time to time by way of special resolution, as required by Reserve Bank of India, it is required that this limit be increased further and it is proposed that in modification of earlier limit of 40% approved by the shareholders and notified by the Reserve Bank of India on 30-1-2008, the upper combined ceiling of FII's be increased from 40% to 49% of the paid-up capital.

The Board recommends the Special Resolution for shareholders' approval.

None of the Directors, Key Managerial Personnel and relatives thereof are in any way concerned or interested in the resolution.

Item No. 2

The existing borrowing powers of the Board of Directors of your Company u/s 293 (1) (d) of the erstwhile Companies Act, 1956 are Rs. 7500 crores as approved by the shareholders in the 22nd Annual General Meeting of the Company held on 29th September, 2012. The Company may require / be in need of incremental funding in future for any matters which in any case would be approved by the Board of Directors at that time. It is therefore, considered necessary to increase the borrowing powers of the Board of Directors to Rs. 10000 crores over and above the paid-up capital and free reserves under the new Section 180 (1) (c) of the Companies Act, 2013.

The Board recommends the Special Resolution for shareholders' approval.

None of the Directors, Key Managerial Personnel and relatives thereof are in any way concerned or interested in the resolution.

Item No. 3

A Company requires the authorization under Section 180 (1) (a) of the Companies Act, 2013 also through postal ballot as prescribed under Section 192A and Rule 4 (f) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, from the Shareholders by way of Special Resolution for creating security by way of mortgage and / or charge on the immovable and movable assets of the Company for securing the Term Loans, credit facilities from Banks/Institutions. For the reasons already mentioned in detail in the Explanatory Statement for Item No. 2 above, it is desirable that the Company has in place the requisite approval of the shareholders under the aforesaid section to create mortgage and/or charge on Company's entire immovable and movable assets on first/second charge basis upto the same limit as may be approved by the shareholders under Item No. 2 above under Section 180 (1) (c) or any increase/change therein from time to time.

Hence, the same is being forwarded to the shareholders in the prescribed manner for their assent or dissent, as the case may be. It is therefore, proposed that the Company may be given the requisite authorization.

The Board recommends the Special Resolution for shareholders' approval.

None of the Directors, Key Managerial Personnel and relatives thereof are in any way concerned or interested in the resolution.

Item No. 4

The Board of Directors of a Company has been permitted to make loans, give guarantees, provide securities to and make investments in the securities of other bodies corporate to the extent of 60% of its paid-up capital and free reserves and securities premium account or 100% of its free reserves and securities premium account whichever is higher, in terms of Section 372A of the Companies Act, 1956 [the Act], from time to time, for business purposes.

Where the aggregate of loans and investments made, guarantees given and securities provided exceed the aforesaid limits, prior approval of the Members by way of Special Resolution is required. Further, Section 192A and Rule 4 [g] of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, require the said resolution to be passed through postal ballot process.

It may be noted that, in terms of Section 372A of the Act, any inter-corporate loan given / investment made / guarantee given / security provided to wholly owned subsidiaries are exempt while reckoning the overall limit permissible, as per the said provisions of the Act. However, in terms of Section 186 [yet to be notified] of the Companies Act, 2013 such exemption has been withdrawn and the same shall be included for arriving at the aggregate permissible limit and hence any loan given / investment made / guarantee given / security provided have to be included for the purpose of arriving at the aforesaid overall limit. Therefore, as an abundant precaution, it is considered desirable to have the consent of the Members in place so that the Company remains compliant with the provisions of new Section 186 as and when the same is promulgated and it is proposed that the shareholders may fix the limit at [i] Rs. 3,000 Crores or [ii] 60% of the aggregate of the paid-up share capital and free reserves and securities premium account or [iii] 100% of its free reserves and securities premium account, whichever is higher.

The Board recommends the Special Resolution for shareholders' approval.

None of the Directors, Key Managerial Personnel and relatives thereof are in any way concerned or interested in the resolution.

By Order of the Board of Directors
MONNET ISPAT & ENERGY LIMITED

Sd/-

(M.P. KHARBANDA)
COMPANY SECRETARY

Date : 14th February, 2014
Place : New Delhi

Registered Office :

Monnet Marg, Mandir Hasaud,
Raipur-492101 Chhattisgarh

Corporate Office :

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New Delhi-110048