



225-C, ACHARYA JAGDISH CHANDRA BOSE ROAD, KOLKATA-7000 020
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Notice of Extraordinary General Meeting

NOTICE is hereby given that an Extraordinary General Meeting of the Members of MSTC Limited (the “Company”) will be held on Wednesday, the 26th December, 2018 at 11:00 A.M. at its Registered Office at 225-C, A.J.C. Bose Road, Kolkata-700020, to transact the following business:-

SPECIAL BUSINESS:

Item No. 1: To alter the capital clause VI of the Memorandum of Association

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

“RESOLVED THAT pursuant to the approval of the Central Government vide its letter bearing No. F.No. 3(1)/2010-MF (Part) dated November 15, 2018 and provisions of Sections 61 and 13 and other applicable provisions, if any, of the Companies Act, 2013, read with (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of MSTC Limited the authorized share capital of the Company be increased from Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crore) equity shares of the face value of Rs. 10 (Rupees Ten) each to Rs. 1,50,00,00,000 (Rupees One Hundred Fifty Crores) divided into 15,00,00,000 (Fifteen Crores) equity shares of the face value of Rs. 10 (Rupees Ten) each by creation of additional capital of Rs. 1,00,00,00,000 (Rupees One Hundred Crore) divided into 10,00,00,000 (Ten Crores) equity shares of the face value of Rs. 10 (Rupees Ten) each ranking pari-passu with the existing equity shares of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 13, 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules framed *thereunder, the Memorandum of Associations of the Company is be and is hereby altered by substituting the existing Clause VI thereof with the following new Clause VI as under:*

“VI. The Authorised Share Capital of the Company is Rs. 1,50,00,00,000 (Rupees One hundred fifty crores only) divided into 15,00,00,000 (fifteen crores) equity shares of Rs.10/- (Rupees Ten) each with power to increase and reduce the capital and divide the shares in the capital for the time being into several classes and attach thereto respectively such preference, deferred or special rights, privileges or conditions as may be determined by the and in accordance with regulations of the Company and to vary, modify or abrogate any rights, privileges and conditions in such manner as may for the time being be provided by the regulations of the Company.”

“FURTHER RESOLVED THAT the Chairman and Managing Director of the Company or any one of the Directors of the Company or the Company Secretary of the Company be and are hereby authorised to do all such things, acts, deeds and matters as may be considered necessary, usual, proper or expedient to give effect to the above resolution, including but not limited to incorporation of amendment / suggestion / observation made by the Registrar of Companies, West Bengal at Kolkata, to the extent applicable, without being required to seek any further consent or approval of the Members of the Company 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.”

Item No. 2: To alter the capital clause 2(i) of the Article of Association

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

“RESOLVED THAT pursuant to the provisions of Sections 61 and 14 and other applicable provisions, if any, of the Companies Act, 2013, read with (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of MSTC Limited and pursuant to the approval of the Government vide its letter bearing No. F.No. 3(1)/2010-MF (Part) dated November 15, 2018, **the Articles of Associations of the Company is be and is hereby altered by substituting the existing Clause 2(i) thereof with the following new Clause 2(i) as under:**

“(i)The Authorised Share Capital of the Company Shall be of such amount as may be mentioned in the Capital Clause (Presently Clause VI) of the Memorandum of Association of the Company from time to time.”.”

“FURTHER RESOLVED THAT any director or the Company Secretary be and is hereby severally authorised to do all such things, acts deeds and matter as may be considered necessary usual, proper and expedient to give effect to the above resolution.”

Item No. 3: To issue Bonus Shares

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

“RESOLVED THAT pursuant to the provisions of Section 63 of the Companies Act, 2013 and other applicable provisions, if any, including rules notified thereunder and Companies (Prospectus and Allotment of Securities) Rules, 2014, as may be amended from time to time, (including any statutory modifications or re-enactment thereof for the time being in force), and pursuant to the approval of the Government vide its letter F. No. 3(1)/2010-MF (Part) dated November 15, 2018, the Articles of Association, and subject to the dematerialization of the equity shares held by the promoters, directors, key managerial personnel of the Company as per the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018, as amended, the consent of the members be and is hereby accorded to issue fully paid up Bonus Shares in the ratio of 1:1 i.e. holder of each share shall be issued 1 fully paid equity shares each, aggregating to further issue of 3,52,00,000 (Three Crore Fifty Two Lakhs) equity shares of Rs. 10/- each amounting to Rs. 35,20,00,000 (Rupees Thirty Five Crore Twenty Lakhs) by capitalizing the general reserves to the extent of Rs. 35,20,00,000 (Rupees Thirty Five Crore Twenty Lakhs) for distribution among the holders of existing fully paid equity shareholders of the Company, whose names will be appearing in the Register of Members/Beneficial Owners Position of the Company on the Record Date determined by the Board of the Company, provided the equity shares held by the concerned shareholders of the Company is in demat form as per the requirement of the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018.

“RESOLVED FURTHER THAT the bonus shares of face value of Rs. 10 (Rupees Ten) each to be allotted and issued as bonus shares shall be subject to the terms of Memorandum of Association and Articles of Association of the Company and Companies (Prospectus and

Allotment of Securities) Third Amendment Rules, 2018, as amended and shall rank pari-passu in all respects with and carry the same rights as the existing fully paid equity shares of the Company and shall be entitled to participate in full in any dividend(s) to be declared after the bonus shares are allotted.

“RESOLVED FURTHER THAT no letter of allotment shall be issued to the allottees of the bonus shares and the bonus shares will be credited to the demat account of the allottees, who are holding the existing equity shares in demat form as per the requirement of the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018.

“RESOLVED FURTHER THAT, pursuant to the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 and the rules and regulations as may be applicable, the bonus shares should be issued and allotted only to such eligible equity shareholders whose entire holding in the Company are in demat form and other shareholders who are still holding equity shares in physical form, their bonus shares would be held in abeyance in a suspense account and may be issued and allotted only upon such beneficiaries thereof having operative demat accounts of their respective holding in the Company.

“RESOLVED FURTHER THAT till such time the shareholders of the Company who are holding the shares in physical form they will not be entitled to any rights on their respective portion of the bonus shares including dividend.”

“RESOLVED FURTHER THAT the Company will not record transfer of any securities by person who are holding shares in physical form.”

“RESOLVED FURTHER THAT the allotment of the bonus shares to the extent that they relate to non-resident members of the Company, shall be subject to the approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999, as amended, as may be deemed necessary.

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Chairman and Managing Director of the Company be and is hereby authorized make public announcement and to do all such acts, deeds, matters and things whatsoever, including settling any question, doubt or difficulties that may arise with regard to or in relation to the issue or allotment of the bonus shares and to accept on behalf of the Company, any conditions, modifications, alterations, changes, variations in this regard as prescribed by the statutory authority(ies) which he think fit and proper.”

Item No. 4: Alteration in Clause III (Objects) of the Memorandum of Association

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

“RESOLVED THAT subject to the approval of the President of India acting through the Ministry of Steel, Government of India and pursuant to the provisions of Sections 4 and 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and in order to align it with the requirement of the provisions of the Companies Act, 2013, all the Clauses contained in Clause III(C) (Other Objects) shall be incorporated in Clause III(B) (Objects incidental or auxiliary to the attainment of the Main Objects) and the existing Clause III (C) (Other Objects), as contained in the Memorandum of Association of the Company, be and are hereby deleted.

“RESOLVED FURTHER THAT the Chairman and Managing Director or any one of the Directors of the Company and the Company Secretary of the Company be and are hereby authorised to do all such things, acts, deeds and matters as may be considered necessary, usual, proper or expedient to give effect to the above resolution, including but not limited to the incorporation of amendment / suggestion / observation made by the Registrar of Companies, West Bengal at Kolkata, to the extent applicable, without being required to seek any further consent or approval of the members of the Company or otherwise to the end.”

Item No. 5: To adopt new set of the Articles of Association

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

“RESOLVED FURTHER THAT pursuant to the approval of the President of India acting through Ministry of Steel, Government of India and pursuant to the provisions of Sections 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for

the time being in force) and in order to align it with the requirement of the Provision of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Bye laws of the stock exchanges where the equity shares of the Company are proposed to be listed, the new set of Articles of Association of the Company be and is hereby adopted in the manner and to the extent as hereunder:

- (i) The existing regulations, as contained in the Articles of Association of the Company, be and are hereby deleted; and
- (ii) The new set of Articles of Association of the Company, as placed before the Meeting be and are hereby approved and adopted as the new set of Articles of Association of the Company and shall substitute in its entirety the existing Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** the Chairman and Managing Director or any one of the Directors of the Company and the Company Secretary of the Company be and are hereby authorised to do all such things, acts, deeds and matters as may be considered necessary, usual, proper or expedient to give effect to the above resolutions, including but not limited to incorporation of amendment / suggestion / observation made by the Registrar of Companies, West Bengal at Kolkata, to the extent applicable, without being required to seek any further consent or approval of the Members of the Company 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.”

By Order of the Board of Directors

FOR MSTC Limited

Sd/-

(Ajay Kumar Rai)

Company Secretary

Notes:

1. **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.**
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EGM IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. The proxy form MGT-11, has been attached to this notice.
5. The instrument appointing the proxy, in order to be valid and effective must be deposited at the Registered Office of the Company duly filled, stamped and signed, not less than 48 (Forty-Eight) hours before the scheduled time of commencement of the EGM.
6. Corporate Members intending to send their authorized representative(s) pursuant to section 113 of the Companies Act, 2013 to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting. A person authorised by resolution under Section 113(1) of the Companies Act, 2013, shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the body corporate which he/she represents.
7. Where there are members registered jointly in respect of any share, any one of such persons may vote at the EGM either personally or by proxy in respect of such share as if he was solely entitled thereto; and if more than one of such members be present at any meeting either personally or by proxy, that one of the said members so present whose name stands first in the Register of Members in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purposes of

Articles of Association of the Company, be deemed to be members registered jointly in respect thereof.

8. Members/Proxies are advised to bring the enclosed Attendance Slip duly filled in for attending the meeting.
9. [The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which the Directors are interested and are maintained under Section 189 of the Companies Act, 2013 will be made available for inspection by the members at the EGM venue during the continuance of the meeting.
10. The Register of Members and Share Transfer Books of the Company will remain closed from 16th December, 2018 to 26thDecember,2018(both days inclusive) for the purpose of Extra Ordinary General Meeting and declaration of Issue of Bonus.
11. The record date for determining the eligibility of the members to receive the said bonus shares will be 14thDecember, 2018. Bonus Shares allotted to the existing those shareholders as per record date who are holding their shares in the Demat Account mode only and who are not holding in Demat Account will be entitled to shares once they will hold the shares of the Company in demat account, until such time such bonus shares will be issued and allotted and kept in abeyance.
12. The Route Map of the venue of this Extraordinary General Meeting is placed below this Notice.

Registered Office:

225-C, Acharya Jagadish Bose Road,

Kolkata - 700020

Dated: 30.11.2018

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

Item No. 1: To alter the capital clause VI of the Memorandum of Association

The Board of Directors in its board Meeting held on July 27,2018 [approved the issuance and allotment of the issue of bonus shares and the Ministry of Steel, Government of India has accorded its consent for the issuance and allotment of bonus shares vide their letter no. F.No. 3(1)/2010-MF(Part) dated November 15, 2018 subject to the approval of the members, the recommendation has been made for the issuance and allotment of bonus shares worth Rs. 35,20,00,000 (Rupees Thirty Five Crore Twenty Lakhs) in the ratio of 1:1 i.e. one equity shares of face value of Rs.10/- (Rupees Ten) each for every one equity shares of face value of Rs.10/- (Rupees Ten) each held by the members of the Company. The current Authorised Share Capital of the Company is Rs.50,00,00,000 (Rupees Fifty Crore) and paid up capital is Rs. 35,20,00,000 (Rupees Thirty Five Crore Twenty Lakhs).

The present authorized capital (Rs. 50,00,00,000(Rupees Fifty Crores)) of the Company is insufficient for further issue of bonus shares by the Company. Therefore, it became necessary for the Company to increase the authorized share capital of the Company.

Accordingly, the Board of directors pursuant to Sections 13 and 61 of the Companies Act, 2013,has recommended the proposal to increase the authorized share capital of the Company from Rs. 50,00,00,000 (Rupees Fifty Crores) to Rs. 1,50,00,00,000 (Rupees One Hundred Fifty Crores). The resolution seeks approval of members by amending the said Clause VI of the Memorandum of Association.

None of the Directors, Key Managerial Personnel or their respective relatives is in any way, concerned or interested in the resolutions except to the extent of holding shares by Directors on behalf of the President of India, acting through Ministry of Steel.

The Board recommends the resolution set forth in Item no.1for the approval of the members.

Item No. 2: To alter the capital clause 2(i) of the Article of Association

The Board of Directors in its board Meeting held on July 27 2018 approved the issuance of the issue of bonus shares and the President of India, acting through the Ministry of Steel, Government of India has accorded its consent for the issuance vide its letter no. F.No. 3(1)/2010-MF(Part) dated November 15, 2018 subject to the approval of members, recommended the issuance of bonus shares worth Rs. 35,20,00,000 (Rupees Thirty Five Crore Twenty Lakhs) in the ratio of 1:1 i.e. one equity shares of Rs.10/- (Rupees Ten) each for every one equity shares of Rs.10/- (Rupees Ten) each held by the members. The current Authorised Share Capital of the Company is Rs. 50,00,00,00 (Rupees Fifty Crores) and paid up capital is Rs. 35,20,00,000 (Rupees Thirty Five Crore Twenty Lakhs).

The present authorized share capital Rs. 50,00,00,000 (Rupees Fifty Crores)) of the Company is insufficient for further issuance of bonus shares by the Company. Therefore, it became necessary for the Company to increase the Authorized Share Capital of the Company and modification of Article (2)(i) (Share Capital Clause) of Article of Association.

Since, the Share Capital clause of the Company is specifically incorporated, it was felt by the Board of Director to modify the same by making the same in line with the MoA.

None of the Directors, Key Managerial Personnel or their respective relatives is in any way, concerned or interested in the resolutions except to the extent of holding shares by Directors on behalf of the President of India, acting through Ministry of Steel.

The Board recommends the resolution set forth in Item no.2 for the approval of the members.

Item No. 3: To Issue Bonus Shares

The Department of Economic Affairs vides its O.M. dated 27th May, 2016 requires that every CPSE having defined reserves and surplus equal to or more than 10 times of its paid up equity shared capital shall issue bonus shares.

Presently, the paid-up share capital of the Company is Rs. 35,20,00,000 (Rupees Thirty Five Crore Twenty Lakhs) and free reserves is **Rs.564,00,00,000**(Rupees Five Hundred Sixty Four Crores) approx. which is 16 times (approx.) more than the Paid up share capital of the Company.

The Board of Directors at their meeting held on 27nd July, 2018 recommended issue of bonus shares in proportion of 1 (One) share for every 1 (One) equity shares held by the members on a “Record Date” to be fixed by the Board of Directors, by capitalizing a part of the amount standing to the credit of the Reserves.

Pursuant to the provisions of the Articles of Association of the Company and the Companies Act, 2013 and rules made thereunder, the capitalization of reserves and bonus issue thereof, require approval of the members in general meeting.

Accordingly, the resolution seeks approval of the shareholders for capitalizing Rs. 35,20,00,000(Rupees Thirty Five Crores and Twenty Lakhs) out of the amount standing to the credit of the Reserves and issue of bonus shares out of the same on the terms and conditions set out in the resolution. The paid up capital of the Company after bonus issue will be Rs. 70,40,00,000(Rupees Seventy Crore Forty Lakhs).

The Ministry of Steel, Government of India has conveyed approval of the President of India to the issue of bonus shares of Rs.35,20,00,000(Rupees Thirty Five Crore Twenty Lakhs) vide their letter no. F.No. 3(1)/2010-MF(Part) dated November 15,2018.

Further, in accordance with sub-rule (1) and sub rule (2) of the Rule 9A inserted in the Companies (Prospectus and Allotment of Securities) Rules, 2014 with effect from October 2, 2018, an unlisted public company shall “issue the securities only in dematerialised form” and an unlisted public company is also required to ensure that the “entire holding of securities of its promoters, directors, key managerial personnel has been dematerialised” before making an issue of securities. Therefore, the issue of bonus shares shall be made only in dematerialised form, which would require all the equity shareholders of the Company whose names will be appearing in the Register of Members/Beneficial Owners Position of the Company on the Record Date shall have operative dematerialised accounts and such the bonus shares to be issued must be issued only in dematerialised form. Accordingly, in the absence of the remaining shareholders of the Company (besides the promoters, directors and key managerial personnel) do not have operative demat accounts, the bonus shares would still have to be issued in dematerialised form followed by a corporate action with the depositories.

However, such bonus shares so issued would have to be held in abeyance in a suspense account, and may be allotted only upon the beneficiaries thereof having operative demat accounts.

None of the Directors, Key Managerial Personnel or their respective relatives is in any way, concerned or interested in the resolutions except to the extent of holding shares by Directors on behalf of the President of India, acting through Ministry of Steel. The Board recommends the resolution set forth in Item no.2 for the approval of the members.

Accordingly, the Members are requested to consider the special resolutions favorably.

Item No. 4: To alter Clause III (B) (Objects incidental or auxiliary to the attainment of the main objects) and to delete Clause III(C) (Other objects) of Objects clause of the Memorandum of Association

The Board of Directors vide their circular resolution dated [26th November, 2018 approved the alteration of the Clause III(B) (Objects incidental or auxiliary to the attainment of the main objects) and deletion of Clause III(C) (Other Objects) of objects clause of the Memorandum of Association of the Company which were based on the erstwhile Companies Act, 1956, and are no longer in full conformity with the Companies Act, 2013, subject to the approval of the Central Government and members, Accordingly, recommendation has been made for alteration of the Clause III(B) and deleting III(C) of the Memorandum of Association.

Accordingly, the Board of directors pursuant to Sections 13 of the Companies Act, 2013, has recommended the proposal to alter the Memorandum of Association. The resolution seeks approval of members by amending the said Clause III of the Memorandum of Association and same shall be subject to the approval of President of India acting through Ministry of Steel.

None of the Directors, Key Managerial Personnel or their respective relatives is in any way, concerned or interested in the resolutions except to the extent of holding shares by Directors on behalf of the President of India, acting through Ministry of Steel. The Board recommends the resolution set forth in Item no.4 for the approval of the members.

Item No. 5: To adopt a new set of the Articles of Association

For the purpose of the proposed initial public offer of the equity shares of the Company through an offer for sale by the President of India, acting through Ministry of Steel, Government of India (the “Offer”), the Company will be required to complete various legal, statutory and procedural formalities, including filing of the draft red herring prospectus with Securities and Exchange Board of India (“SEBI”) and stock exchanges, updated draft herring prospectus with SEBI, filing the red herring prospectus with SEBI and the Registrar of Companies, West Bengal at Kolkata (“RoC”) and the prospectus with SEBI, the stock exchanges, and the RoC or any other statutory agencies or relevant authorities as may be required and other matters incidental thereto. In relation to the same, we would like to bring into your kind notice that Section 6 of the Companies Act, 2013 (as amended) (“New Act”) wherein it has been *inter-alia* provided that the save as otherwise provided in the New Act, the provisions of the New Act shall override the inconsistent provisions of the Articles of Associations of the Company, which is based on the erstwhile Companies Act, 1956.

The Board of Directors vide circular resolution circulated on 26th November, 2018 accorded their consent pursuant to Sections 14 of the Companies Act, 2013 for the adoption of new set of Articles of Association as per the New Act and subject to the approval of the President of India, acting through the Ministry of Steel, Government of India and subject to the approval of members in the general meeting. Accordingly, the resolution seeks approval of members by adopting the new set of Articles of Association.

None of the Directors, Key Managerial Personnel or their respective relatives is in any way, concerned or interested in the resolutions except to the extent of holding shares by Directors on behalf of the President of India, acting through Ministry of Steel. The Board recommends the resolution set forth in Item no.5 for the approval of the members.