

**NOTICE OF POSTAL BALLOT**  
(Pursuant to Section 110 of the Companies Act 2013)

Notice is hereby given that pursuant to Section 110 of the Companies Act 2013 and other applicable provisions of the Companies Act, 2013, (the Act) if any, read together with the Companies (Management and Administration) Rules, 2014, including any statutory modifications or re-enactment thereof for the time being in force, that the Resolutions set out below are proposed to be passed by way of Postal Ballot /E-voting. An Explanatory Statement pertaining to the said resolutions setting out the material facts concerning each item and the reasons thereof is annexed to the notice, along with a Postal Ballot Form (the Form) for your consideration.

2. According to provisions of Section 186 of Companies Act, 2013, where the aggregate of loans and investments so far made, the amounts for which guarantee or security so far provided to or in all other bodies corporate, along with investment, loan, guarantee or security proposed to be made or given by the Board, exceeds 60% of Companies paid-up share capital, free reserves, and securities premium or 100% of its free reserves and securities premium, whichever is more, requires previous authorization of shareholders by a Special Resolution passed in a General Meeting. The company has so far made various investments in subsidiary/ associates/ joint ventures and the non-current investments position of the company as on 31st March 2015 stood at Rs. 445.65 crores. The company has also extended Corporate Guarantees worth Rs.1430 crores (approx) as on 30th June 2015 against the overall approved limit of Rs.1471.70 crores for the borrowings of Neelachal Ispat Nigam Ltd (NINL) and erstwhile KMCL (now merged with NINL). Apart from this the company also so far extended Rs.750 crores as working capital loan to NINL and an additional one time credit facility of Rs. 130 crores to NINL for repayment of debts. Considering that the limit prescribed within the powers of the Board of the company has already been exceeded, MMTC Limited (the Company) is seeking the consent of its members through postal ballot for transacting the following business:
  - a) Extending Short Term credit facility to M/s. Neelachal Ispat Nigam Limited (NINL) in the form of working capital assistance/ trade finance/ debt repayment obligation for its day-to-day operational activities upto Rs.750 crores and an additional amount of Rs.50 crores for meeting any exigencies arising towards procurement of essential raw-materials, etc. with the approval of CMD, MMTC on the specific recommendation of Director (Marketing) and Director (Finance) at any point of time including such short term loan so far extended to NINL. This will be in addition to the one time facility of Rs.130 crores already extended by MMTC to NINL towards repayment of term loan till alternate funding from FIs/Banks is arranged by M/s NINL.
  - b) Issuance/re-issuance of Corporate Guarantees to various Banks/ Financial Institutions and also to Corporates/Promoters for securing the borrowings of M/s. Neelachal Ispat Nigam Limited (NINL) within the already approved overall limit of Rs.1471.70 crores at any point of time.
3. The proposed Special Resolutions along with Explanatory Statement pursuant to Section 102 of Companies Act 2013 stating all material facts and the reasons for the proposals are appended below and a postal ballot form is enclosed for your consideration. The Board of Directors has appointed Shri Pramod P Agarwal, FCS, C-5/64, DDA Flats, East of Kailash, New Delhi- 110065, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
4. Please read carefully the instructions printed in the postal ballot form and return the form duly completed in all respects in the enclosed self addressed pre-paid postage envelope so as to reach the Scrutinizer on or before the close of working hours on **5<sup>th</sup> September, 2015**. The Ballot forms received after the said date will be treated as not received.
5. The scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of voting by postal ballot will be announced on **9<sup>th</sup> September 2015** on Notice Board at registered office / website of the company.

## **SPECIAL RESOLUTIONS:**

### **1. To consider and if thought fit, pass the following resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013, consent of the company be and is hereby accorded for extension of Short Term Credit Facility to M/s. Neelachal Ispat Nigam Ltd (NINL) in the form of Working Capital assistance/ Trade Finance/ Debt repayment obligation for its day to day operational activities up to Rs.750 crores and an additional amount of Rs.50 crores for meeting any exigencies arising towards procurement of essential raw-materials, etc at any point of time including such short term loan so far extended to NINL. This will be in addition to the one time facility of Rs.130 crores already extended by MMTC to NINL towards repayment of term loan till alternate funding from FIs/Banks is arranged by M/s NINL.

RESOLVED FURTHER that the Board of Directors be and are hereby authorized to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto for giving effects to this Resolution."

### **2. To consider and if thought fit, pass the following resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013, consent of the company be and is hereby accorded for issuance/ re-issuance of Corporate Guarantees to various Banks/ Financial Institutions and also to Corporates/ Promoters for securing the borrowings of M/s. Neelachal Ispat Nigam Limited (NINL) within the overall limit of Rs.1471.70 crores at any point of time.

RESOLVED FURTHER that the Board of Directors be and are hereby authorized to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto for giving effects to this Resolution."

BY ORDER OF BOARD OF DIRECTORS  
sd/-  
(M.G.Gupta)  
Director (Finance)

Place : New Delhi

Date : 22nd July 2015

### **Notes:**

1. The results of the Postal Ballot shall be declared on **09<sup>th</sup> September 2015** on Notice Board at registered office/ website of the company i.e. [www.mmtclimited.gov.in](http://www.mmtclimited.gov.in).
2. Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot form and return the same duly completed on the attached self addressed Business reply envelope and unsigned Postal Ballot will be rejected. Postage will be borne and paid by the Company. However, Postal Ballot Form(s), if sent by courier or by registered post at the expense of the member(s) will also be accepted. The Postal Ballot Form may also be deposited personally at the address given thereon. The voting rights of the members shall be reckoned on **31<sup>st</sup> July 2015**, which is the cut-off date. Duly completed postal ballot forms should reach the Scrutinizer not later than the close of working hours on **5<sup>th</sup> September 2015**. **The e-voting module shall be disabled for voting thereafter.**
3. Only a shareholder entitled to vote on the cut-off date i.e. **31<sup>st</sup> July 2015** is entitled to exercise his vote through postal ballot and a shareholder having no voting rights on the cut-off date i.e. **31<sup>st</sup> July 2015** should treat this notice as intimation only.
4. In compliance with the provisions of Section 102 of the Act read with Rule 22 of the Companies (Management and administration) Rules, 2014, the Company has also extended 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 instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on **6<sup>th</sup> August 2015 at 9.30 a.m.** and ends on **5<sup>th</sup> September 2015 at 5.30 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **31<sup>st</sup> July 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on 'Shareholders' tab.
- (iv) Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:
- (viii) After entering these details appropriately, click on "SUBMIT" tab.

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Bank/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the bank records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the bank records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or bank please enter the member ID / Folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant to MMTCLtd on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option

"YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xviii) Note for Non -Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to voteon.
    - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
5. Members who have registered their e-mail ids for receipt of documents in electronic mode are being sent Notice of Postal Ballot by e-mail and others are sent by post along with ballot form. Members have options to vote either through e-voting or through Postal Ballot Form.
  6. Kindly note that the members can opt only one mode of voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However in case Members cast their vote by Physical Ballot and e-voting, then voting done through valid Physical ballot shall prevail and voting done by E-voting will be treated as invalid.
  7. Shri Pramod P Agarwal, FCS, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  8. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholder on the cut-off date i.e. **31<sup>st</sup> July 2015**.
  9. The results of the Postal Ballot shall be declared by Chairman on **9<sup>th</sup> September 2015** at the registered office of the Company. The Resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman, if the results of the Postal Ballot indicate that the majority of the members had assented to the Resolutions. The Results of the Postal Ballot will be declared on the website of the Company.
  - 10 All relevant documents referred in the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days between **11.00 hrs to 13.00 hrs** up to the date of declaration of the results of Postal Ballot.

## ANNEXURE TO NOTICE

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

#### **For Item No.1**

MMTC has set up Neelachal Ispat Nigam Limited (NINL) – an integrated Iron & Steel Plant of 1.1 million ton per annum capacity, 0.8 million tonnes coke ovens and by-product unit with captive power plant jointly with Government of Orissa. The phase-I of the project with facilities like blast furnace, coke oven battery, sinter plant, power plant etc. was set up to produce Pig Iron at a total expenditure amounting to Rs. 1910 crores. The commercial production of Phase-I was commenced in February 2002. At present out of the total equity capital of NINL amounting to Rs. 581.29 crores, MMTC is holding equity shares (Face Value) amounting to Rs. 289.34 crores (49.78 %). The total equity investments in NINL so far amounting to Rs.379.685 Crores, comprising of 28,93,42,744 Equity Shares of Rs.10 each fully paid up.

The work of phase-II having facilities like Steel melting shop, basic oxygen furnace, continuous casting plant, Ladle heating furnace, Billet Caster and Auxiliary facilities like Oxygen plant have since been commissioned in 2013 at a total expenditure amounting to Rs.1640 Crores and is under stabilisation.

In order to meet any exigencies arising towards procurement of raw materials, etc, an additional amount of Rs.50 Crores is required to be made available to M/s Neelachal Ispat Nigam Ltd (NINL) in addition to Short Term Credit Facility to the extent of Rs. 750 Crores already sanctioned by the shareholders as Working Capital assistance/ trade finance/ debt repayment obligation for its day to day operational activities. This facility is apart from a one time facility to NINL towards repayment of term loan to the extent of Rs 130 Crores till alternate funding from the Financial Institutions/Banks is arranged by NINL.

As stated in the Notice pursuant to the provisions of Section 186 of Companies Act, the proposed additional infusion of working capital in the form of credit facilities to the JV Company needs to be approved by the shareholders by passing a special resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way are concerned or interested financially or otherwise, in the Special Resolutions set out in Item No.1 of the Notice except in the capacity of Nominee Directors of MMTC on the Board of NINL. The board recommends the Special Resolutions set out in Item No.1 of the Notice for approval by the Shareholders.

#### **For Item No.2**

MMTC has set up Neelachal Ispat Nigam Limited (NINL) – an integrated Iron & Steel Plant of 1.1 million ton per annum capacity, 0.8 million tonnes coke ovens and by-product unit with captive power plant jointly with Government of Orissa. The phase-I of the project with facilities like blast furnace, coke oven battery, sinter plant, power plant etc. was set up to produce Pig Iron at a total expenditure amounting to Rs. 1910 crores. The commercial production of Phase-I was commenced in February 2002. At present out of the total equity capital of NINL amounting to Rs. 581.29 crores, MMTC is holding equity shares (Face Value) amounting to Rs. 289.34 crores (49.78 %). The total equity investments in NINL so far amounting to Rs.379.685 Crores, comprising of 28,93,42,744 Equity Shares of Rs.10 each fully paid up.

The work of phase-II having facilities like Steel melting shop, basic oxygen furnace, continuous casting plant, Ladle heating furnace, Billet Caster and Auxiliary facilities like Oxygen plant have since been commissioned in 2013 at a total expenditure amounting to Rs.1640 Crores and is under stabilisation.

Due to depressed market sentiments, exposure of banks and FIs for Steel Sector has increased and therefore financing and lending is becoming difficult. JV Company NINL is exploring the possibility of availing a Corporate Loan/ Term Loan from other Corporate/ Promoters in order to address to the problem of cash flow mismatch. With great difficulty, the other promoters of the JV Company are also being persuaded to give Corporate Loan against the Corporate Guarantee to be issued by MMTC. However, the existing approval of the shareholders of MMTC entails the company to give Corporate Guarantees to the Banks/ Financial Institutions only. MMTC has so far given Corporate Guarantees for the borrowings of NINL and the liability in this regard as on 30th June 2015 is as under.

(Rs. Crores)

Sl. No.	FIs/ Banks	Amount
<b>(A) COMMERCIAL BANKS</b>		
1.	UBI	200.00
2.	Indian Bank	60.62
3.	SBI	379.37
4.	Allahabad Bank	200.00
5.	IndusInd Bank	90.00
6.	IFCI	100.00
	<b>SUB -TOTAL (A)</b>	<b>1029.99</b>
<b>(B) CGs ISSUED FOR SECURING BONDS ISSUE OF NINL</b>		
1.	Indian Bank, Trustee	200.00
2.	SBICAP, Trustee	200.00
	<b>SUB -TOTAL (B)</b>	<b>400.00</b>
	<b>TOTAL (A+B)</b>	<b>1429.99</b>

Pursuant to the provisions of Section 186 of Companies Act, approval of Shareholders is therefore sought for Issuance/Re-Issuance of Corporate Guarantees by MMTC to Corporates/ Promoters apart from extension of Corporate Guarantees to Banks and Financial Institutions within the overall sanctioned limit of Rs.1471.70 Crores at any point of time.

None of the Directors/Key Managerial Personnel of the Company / their relatives are, in any way are concerned or interested financially or otherwise, in the Special Resolutions set out in Item No.2 of the Notice except in the capacity of Nominee Directors of MMTC on the Board of NINL. The board recommends the Special Resolutions set out in Item No.2 of the Notice for approval by the Shareholders.

BY ORDER OF BOARD OF DIRECTORS  
sd/-  
(M.G.Gupta)  
Director (Finance)

Place : New Delhi

Date : 22.7.2015



**MMTC LIMITED**

Registered Office : Core #1, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110 003.

**POSTAL BALLOT FORM**

1. Name(s) of Shareholder(s): (in block letters) : \_\_\_\_\_  
(Including joint holders, if any)
2. Registered address of the Sole / First named Shareholder : \_\_\_\_\_
3. Folio No./ DP ID No./ Client ID No. \* : \_\_\_\_\_  
(\* Applicable to investors holding shares in dematerialized form)
4. Number of shares held : \_\_\_\_\_
5. I/We hereby exercise my/our vote in respect of the Special Resolutions to be passed through Postal Ballot for the business stated in the Notice of the Company by conveying my/our assent or dissent to the said Resolutions by placing the tick (v) mark in the appropriate box below:

Item No.	Description	No. of Shares	I / We assent the Resolution	I / We dissent the Resolution
1	<b>Special Resolution</b> : Short term Credit Facility as Working Capital assistance/ Trade Finance / Debt repayment obligation for its day to day operational activities of NINL up to Rs. 750 Crores, with an additional amount of Rs.50 crores for meeting any exigencies arising towards procurement of essential raw materials, etc. at any point of time including such short term loan so far extended to NINL. This is apart from a one-time facility of Rs 130 Crores for repayment of term loan till alternate funding from the FIs/ Banks is arranged by NINL.			
2	<b>Special Resolution</b> : Issuance/ Re-Issuance of Corporate Guarantees within the overall ceiling of Rs.1471.70 Crores to Corporates/Promoters apart from Banks/Financial Institutions for securing the borrowings of M/s. Neelachal Ispat Nigam Limited (NINL).			

Place:

Date:

(Signature of the Shareholder)

## **INSTRUCTIONS**

1. A shareholder desiring to exercise his vote by Postal Ballot may complete this postal ballot form and **send it to the Scrutinizer** in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if deposited in person or sent by courier at the expense of the shareholder will also be accepted.
2. The self-addressed envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
3. This postal ballot form should be completed and signed by the shareholder. Unsigned postal ballot forms will be rejected.
4. Where the postal ballot form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorisation to vote on the Postal Ballot should accompany the postal ballot form. Where the form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the postal ballot form. A Member may sign the form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the postal ballot form.
5. A shareholder need not use all his/her votes nor he/she needs to cast all his/her votes in the same way.
6. Duly completed postal ballot forms should reach the Scrutinizer not later than the close of working hours on **5<sup>th</sup> September 2015**. Any postal ballot form received after this date will be treated as if the reply from the shareholder has not been received. The e-voting module shall also be disabled by CDSL for voting thereafter.
7. A shareholder may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at item 6 above.
8. In compliance with the provisions of Section 102 of the Act read with Rule 22 of the COMPANIES (Management and administration) Rules, 2014 & read with the Companies (Passing of resolutions by Postal Ballot) Rules, 2011, the Company has also extended 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 instructions for e-voting are detailed in the notice.
9. Members who have registered their e-mail ids for receipt of documents in electronic mode are being sent by e-mail Notice of Postal Ballot along with ballot form and others are sent by post. Members have options to vote either through e-voting or through Postal Ballot Form.
10. Kindly note that the members can opt only one mode of voting i.e. either by Physical Ballot or e- voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However in case Members cast their vote by Physical Ballot and e-voting ,then voting done through valid Physical ballot shall prevail and voting done by E-voting will be treated as invalid.
11. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholder on the cut-off date ***i.e. 31.07.2015***.
12. Shareholders are requested not to send any other paper along with the postal ballot form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
13. The results of the Postal Ballot shall be declared by Chairman on **9<sup>th</sup> September 2015** at the registered office of the Company. The Resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman, if the results of the Postal Ballot indicate that the majority of the members had assented to the Resolutions. The Results of the Postal Ballot will be declared on the website of the Company.
14. All relevant documents referred in the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days between **11.00 hrs to 13.00 hrs** up to the date of declaration of the results of Postal Ballot.