

# RATHI STEEL AND POWER LIMITED

**Regd. Office :** Chauhan Market, Madanpur Khadar, Near Local Shopping Complex  
Pocket D & E, Sarita Vihar, New Delhi - 110076 • Phone : 07503112104, Fax : 011-26991063  
E-mail : info@rathisteelandpower.com, Website : www.rathisteelandpower.com  
**CIN No. : L27109DL1971PLC005905**

**NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING OF RATHI STEEL AND POWER LIMITED** will be held at Industrial Area No. 1, A-3, South of GT Road, Ghaziabad (U.P.)-201009, on Monday, 30<sup>th</sup> March, 2015 at 10.00 a.m. to transact the following special business:

## **SPECIAL BUSINESS:**

### **Item No. - 1**

#### **Increase in the Authorized Share Capital and alteration of the Capital Clause in the Memorandum of Association of the Company:-**

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

“RESOLVED that pursuant to the provisions of Section 13 sub-section (1), read with Section 55, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) Authorized Share Capital of the Company be and is hereby increased from the existing Rs. 650,000,000/- (Rupees Sixty Five crores only) divided into 32,000,000 (Three crores Twenty lakhs) Equity Shares of Rs. 10/- (Rupees ten only) each and 33,000,000 (Three crores Thirty lakhs) Redeemable Cumulative Non Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each to Rs. 900,000,000/- (Rupees Ninety crores only) divided into 32,000,000 (Three crores Twenty lakhs) Equity Shares of Rs. 10/- (Rupees ten only) each and 58,000,000 (Five crores Eighty lakhs) Redeemable Cumulative Non Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each, by creation of additional 25,000,000 (Two crores Fifty lakhs) Redeemable Cumulative Non Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each and that clause 5 of the Memorandum of Association of the Company be and is hereby altered accordingly”.

**V. The Authorized Share Capital of the Company is Rs. 90,00,00,000 (Rupees Ninety Crores only) divided into 32,000,000 (Three crores Twenty lakhs) Equity Shares of Rs. 10/- (Rupees ten only) each aggregating to Rs. 32,00,000,00 (Rupees Thirty Two Crores) and 58,000,000 (Five crores Eighty lakhs) Redeemable Cumulative Non Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 58,00,00,000 (Rupee Fifty Eight Crores) only.**

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee(s) and/or any of the Directors (s)/Person (s) authorised by Board of Directors of the Company to exercise the powers conferred by this resolution to the extent permitted by law) be and are hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for giving effect to this resolution and to settle any questions and difficulties that may arise in this regard.”

### **Item No. - 2**

#### **Issue and Offer of Redeemable Cumulative Non Convertible Preference Shares on a Private Placement basis:-**

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

“RESOLVED THAT in accordance with the provisions of Sections 55, 62 and all other applicable provisions of The Companies Act, 2013 ('Act') read with Rules framed there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into between the Stock Exchange, where the securities of the Company are listed and subject to such approvals and sanctions as may be required and subject to such conditions/modifications as may be prescribed while grantingsuch approvals/sanctions, approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board') to offer, issue & allot up to 2,50,00,000 **Redeemable Cumulative Non Convertible Preference Shares** of the face value of Rs.10/- each at par and / or premium for cash or for consideration other than cash, on a private placement basis, to such person or persons and in such proportion and on such terms and conditions as may be decided by the Board of directors of the company and as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER THAT the said **Redeemable Cumulative Non Convertible Preference Shares** shall not be convertible with equity shares and accordingly the same shall not be listed with any Stock Exchange.”

“RESOLVED FURTHER THAT in accordance with provisions of Section 43 of the Act, the **Redeemable Cumulative Non Convertible Preference Shares** shall be non participating, carry a preferential right, vis-à-vis Equity Shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights as per the provisions of Section 47(2) of the Act.”

“RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such deeds, documents and writings, as it may in its absolute discretion deem necessary or incidental, and pay such fees and incur such expenses in relation thereto as it may deem appropriate.”

**Item No. - 3**

**To approve Borrowing limits of the Company**

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

“RESOLVED that in pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), not exceeding Rs. 1500 Crores.”

“RESOLVED FURTHER that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.”

**Item No. 4**

**To approve resolution for approval of remuneration payable to cost Auditor.**

To consider and if, thought fit to pass with or without modification, the following resolution as ordinary resolution

Ordinary Resolution for approval of remuneration payable to M/s. R. M. Bansal & Co., Cost Accountants (Uttar Pradesh) Cost Auditors of the Company for FY 2014-15

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. R. M. Bansal & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2014-15, be paid a remuneration of Rs. 50,000/- .

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Place: Ghaziabad  
Dated: 05.03.2015

By Order of the Board of Directors  
For, **Rathi Steel And Power Limited**

**Sd/-**  
(Pradeep Kumar Rathi)  
Managing Director  
Din: 00012596

**NOTES:**

1. An explanatory statement as required under Section 102 of the Companies Act, 2013 in respect of the business specified above is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, to vote instead of himself. The proxy so appointed need not be a member of the company. The proxy form duly completed should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
3. Voting through electronic means:  
In term of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rule, 2014 the Company has engaged the Service of NSDL to provide facility of electronic Voting (e-Voting) in respect of the resolution proposed at this EGM. The Board of Directors of the company has appointed Mr. Ranjeet Kumar Verma, a Practicing company secretary, having C.P no. 7463 as the scrutinizer for this purpose.
  - (i) A member may exercise his vote at any general meeting by electronic means and company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management & Administration) Rules, 2014.
  - (ii) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on a fixed date, may cast their vote electronically.
  - (iii) The e-Voting shall remain open from **March 23, 2015 (9.00 a.m.) till March 25, 2015 (6.00 p.m.)**.
  - (iv) The Board of Directors at their meeting has appointed Mr. Ranjeet Kumar Verma, Practicing Company Secretary as the scrutinizer for e-Voting to unblock the votes in favour or against, if any, and to report forthwith to the Chairman. The scrutinizer will be responsible to conduct e-Voting in a fair and transparent manner.
  - (v) Vote once casted by the member cannot be changed/altered.

Place: Ghaziabad  
Dated: 05.03.2015

By Order of the Board of Directors  
For, **Rathi Steel And Power Limited**

**Sd/-**  
(Pradeep Kumar Rathi)  
Managing Director  
Din: 00012596

## EXPLANATORY STATEMENT

Annexure to Notice: Explanatory Statement under Section 102 of the Companies Act, 2013.

### Item No - 1 to 3 :

#### Company's fund requirements:

In order to meet the ongoing business requirements of the Company, it is proposed to issue preference shares on private placement basis. Further, Company had received monies from time to time from various Corporates including Associates / Promoter Companies. In line with the terms and conditions as agreed at the time of advancement of money, it is proposed to issue **Redeemable Cumulative Non Convertible Preference Shares** to the lender Companies by conversion of the loan into Cumulative Redeemable Preference Shares at par or premium .

In order to facilitate the issuance of said Preference Shares, the Company is proposing to increase the Authorised Share capital by alteration of Capital Clause of the Memorandum of Association of the Company.

### Item No - 1 :

#### Increase in Authorised Share Capital:

In light of the above, it is proposed to increase the Authorised Share Capital of the Company from the existing Rs.650,000,000/- (Rupees Sixty Five crores only) divided into 32,000,000 (Three crores Twenty lakhs) Equity Shares of Rs. 10/- (Rupees ten only) each and 33,000,000 (Three crores Thirty lakhs) Redeemable Cumulative Non Convertible Preference Shares of Rs.10/- (Rupees Ten only) each to Rs. 900,000,000/- (Rupees Ninety crores only) divided into 32,000,000 (Three crores Twenty lakhs) Equity Shares of Rs. 10/- (Rupees ten only) each and 58,000,000 (Five crores Eighty lakhs) Redeemable Cumulative Non Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each, by creation of additional 25,000,000 (Two crores Fifty lakhs) Redeemable Cumulative Non Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each as indicated in the Resolution at Item No. 1 of the Notice.

Consequently, it is proposed to make appropriate alterations in the Memorandum of Association of the Company to reflect the changes in the Authorised Share Capital of the Company.

The proposed resolutions are in the interest of the Company and your Directors commend Resolutions at item Nos. 1 for your approval.

None of the Directors and the Key Managerial Personnel of the Company including their relatives are concerned or interested in aforesaid resolutions.

### Item No - 2 :

#### Issue and Offer of Redeemable Cumulative Non Convertible Preference Shares on a Private Placement basis:-

For explanation given above, the consent of the shareholders of the Company is required by way of Special Resolution for issuing the abovementioned Preference Shares, in terms of the provisions of Section 62 of the Act read with Section 55 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014.

A statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and the terms of issue of the **Redeemable Cumulative Non Convertible Preference Shares** are as under:

Issue size, number of preference shares to be issued and nominal value of each share	Issue size up to Rs. 60,00,00,000 (Rs. Sixty Crores) at a face value of Rs 10/- each issued at par or premium for cash and/or for consideration other than cash.
Nature of shares	Redeemable Cumulative, Non Convertible Preference Shares
Objectives of the issue	To augment the long term business requirements by issuing shares for cash and / or for consideration other than cash.
Manner of issue of shares	Private placement
Issue Price	Face value of Rs. 10/- each at par/or premium for cash and/or for consideration other than cash as may be decided by the Board.
The basis on which the price has been arrived at	To be issued at Par or negotiated terms
Terms of issue	To be issued in one or more tranches to various entities/persons including Promoter group / associates whether or not they are member of the company on Private placement basis. Rate of dividend as may be agreed between the subscribers and the Company.
The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion.	At the option of Board, at any time before twenty years from the date of allotment as per the provisions of the Act with or without premium
The manner and modes of Redemption	Will be redeemed out of profit and/or issue of fresh shares for the purpose of redemption as prescribed in the Act.

Shareholding pattern on Equity Shares as on 31st December, 2014 is as under :

Category of Shareholder(s)	No. of Equity Shares	Percentage of total
Promoter and Promoter Group	16112914	51.47%
Public	15195197	48.53%
<b>Total</b>	<b>31308111</b>	<b>100%</b>
Also please visit Bombay Stock Exchange website <a href="http://www.bseindia.com">www.bseindia.com</a> for detailed shareholding pattern.		
Preference share capital of Rs. 32,63,00,000 have been issued on private placement to Promoter, Promoter group companies and other bodies corporate. These shares are non-listed.		
Expected dilution in equity capital upon conversion of preference shares:	Not Applicable	

The Board recommends the proposed resolution as given in the Notice for your approval as a Special Resolution.

The Directors or Key Managerial Persons of the Company or their respective relatives may be deemed to be concerned or interested in the Resolution at Item No. 2 to the extent of the redeemable Cumulative Non-Convertible Preference Shares that may be subscribed to by them or by the entities in which they are interested.

#### Item No - 3 :

##### Approval of borrowing limits

In order to meet the requirements of Sec on 293 (1) (d) and 293 (1) (a) of the Companies Act, 1956 the shareholders had, in the Annual General Meeting held on September 30, 2010, authorized the Company to borrow sums in excess of paid capital and free reserves of the Company subject to a ceiling of Rs. 1000 Cr. (other than temporary borrowings). Sec on 180 of the Companies Act, 2013 (notified on September 12, 2013) mandates that the aforementioned powers of the Board shall be exercised only through Special Resolution passed in the meeting of shareholders as compared to the requirement of ordinary resolution under the previous Act. Further, for smooth operation of the company it is required to increase borrowing limits. Consequently, to which it is proposed to increase the borrowing limits to Rs. 1500 Crores (other than temporary borrowings). Accordingly, the proposed resolution is placed before the shareholders for their approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

#### Item No - 4 :

##### Approval of remuneration to cost Auditor

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company.

On the recommendation of the Audit Committee at its meeting held on May 30, 2014, the Board has, considered and approved the appointment of M/s. R. M Bansal & Co., Cost Accountants as the cost auditor for the financial year 2014-15 at a remuneration of Rs. 50,000/-.

The Board recommends this resolution for approval of the Members.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

Place: Ghaziabad  
Dated: 05.03.2015

By Order of the Board of Directors  
For, **Rathi Steel And Power Limited**

**Sd/-**  
(Pradeep Kumar Rathi)  
Managing Director  
Din: 00012596