

NOTICE OF 45TH ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 45th Annual General Meeting of the members of Modern Steels Limited will be held on Monday, the 30th day of September, 2019 at 11:00 A.M. at the Registered Office of the Company at G.T. Road, Mandi Gobindgarh, Distt. Fatehgarh Sahib, Punjab - 147 301 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Krishan Kumar Goyal (DIN: 00482035), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To re-appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and other applicable provisions of the Act, if any and the rules framed thereunder, as amended from time to time, on recommendation of Audit Committee of the Company, M/s Aaryaa & Associates, Chartered Accountants(Firm Registration No. 015935N), be and are hereby re-appointed as Statutory Auditors of the Company for a period of three years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2022 on a remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS:

4. To continue the directorship of Mr. Dildar Singh Gill (DIN: 00211236) as an Independent Non-Executive Director who has attained the age of 75 years above and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to Regulation 17(1A) of SEBI(Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to continue the directorship of Mr. Dildar Singh Gill (DIN: 00211236), Independent Non-Executive Director of the Company for the remaining tenure of

his appointment, notwithstanding that he has attained the age of 75 years."

5. To approve the material related party transactions with Nabha Commerce Private Limited and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Company be and is hereby accorded to the Board of Directors, to enter into contracts/arrangements/ transactions with Nabha Commerce Private Limited, a Related Party under Section 2(76) of the Companies Act, 2013 and Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to sale / purchase of products, goods, materials or services subject to a maximum aggregate transactions of Rs.100 crores in a financial year on such terms and conditions as may be mutually agreed between the Company and Nabha Commerce Private Limited, at arm's length basis and at prevailing market prices.

RESOLVED FURTHER THAT the Board of Directors / Key Managerial Personnel be and are hereby authorized to decide upon the nature and value of the products, goods, materials or services to be transacted with Nabha Commerce Private Limited, within the aforesaid limit.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof and/or Key Managerial Personnel, be and are hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

6. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2020 and pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed there



under, as amended from time to time and such other permissions as may be necessary, the Members hereby ratify the remuneration of Rs.70,000/- (annual) plus service tax/GST and out of pocket expenses payable to M/s. V. Kumar & Associates, Cost Accountants, who were appointed by the Board of Directors of the Company to conduct the audit of the Cost records of the Company for the Financial Year ending 31st March, 2020.

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

7. To adopt new set of Memorandum of Association/ Articles of Association as per Companies Act, 2013 and in this regard to consider and, if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 13 and Section 14 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with rules made thereunder consent of the members be and is hereby accorded to adopt new set of Memorandum of Association/ Articles of Association in accordance with the provisions of Companies Act, 2013 in place of existing Memorandum of Association/Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as may be required to be done to give effect to this resolution.”

8. Approval of remuneration paid to Mr. Krishan Kumar Goyal, as Managing Director from 1st April, 2017 pursuant to amended Section 197 of the Companies Act, 2013:

To consider and if thought fit, to approve the remuneration paid to Mr. Krishan Kumar Goyal, as Managing Director from 1st April, 2017 and pass the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 (as amended and became applicable w.e.f. 12th September,2018), 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), including any amendments thereto, Schedule V of the Companies Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment(s), modification(s) or re-enactments(s)

as may be in force or may come into effect from time to time) and rules, regulations, orders, guidelines or clarifications made/issued or as may be issued to that effect and the approval on behalf of Nomination & Remuneration Committee and the Board of Directors and also subject to such further approvals from lenders etc., approval of the members be and is hereby accorded to the past remuneration already paid by the Company from 1st April, 2017, that was duly approved by shareholders in 43rd Annual General Meeting held on 9th September,2017, to Mr. Krishan Kumar Goyal, as Managing Director, in view of absence or inadequacy of profits and occurrence of default in repayment of principal amount of loan(s) and/or interest payable to Banks/ Financial Institutions.

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

9. Approval of remuneration paid to Mr. Rajesh Kumar Sinha, as Director (Operations) from 28th May, 2018 pursuant to amended Section 197 of the Companies Act, 2013:

To consider and if thought fit, to approve the remuneration paid to Mr. Rajesh Kumar Sinha, as Director (Operations) from 28th May,2018 and pass the following as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 (as amended and became applicable w.e.f. 12th September,2018), 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), including any amendments thereto, Schedule V of the Companies Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment(s), modification(s) or re-enactments(s) as may be in force or may come into effect from time to time) and rules, regulations, orders, guidelines or clarifications made/issued or as may be issued to that effect and the approval on behalf of Nomination & Remuneration Committee and the Board of Directors and also subject to such further approvals from lenders etc., approval of the members be and is hereby accorded to the past remuneration already paid by the Company from 28th May,2018, that was duly approved by shareholders in 44th Annual General Meeting held on 29th September,2018, to Mr. Rajesh Kumar Sinha, as Director (Operations), in view of absence or inadequacy of profits and occurrence of default in repayment of principal amount of loan(s) and/or interest payable to Banks/ Financial Institutions.

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

By order of the Board of Directors
For Modern Steels Limited

Place: Chandigarh
Dated: 13th August, 2019

Krishan Kumar Goyal
Chairman & Managing Director
DIN: 00482035

Registered Office:

G.T. Road, Mandi Gobindgarh,
Distt. Fatehgarh Sahib, Punjab -147 301

CIN: L27109PB1973PLC003358

Email: secretarial@modernsteels.com

Website: www.modernsteels.com

Phone: (0172) 2609001/2, **Fax:** (0172) 2609000

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

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 a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Details under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in respect of the Directors seeking re-appointment at the Annual General Meeting, if any is annexed hereto.
4. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. Members who wish to obtain any information on the Company or view the Accounts for the financial year ended 31st March, 2019, may send their queries at least 10 days before the Annual General Meeting at Company’s Office at SCO 98-99, Sub-City Centre, Sector 34, Chandigarh-160 022.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2019 to 30th September, 2019 (both days inclusive).
8. I. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their addresses, bank details, mandate etc., to their respective Depository Participant (DP). These changes will be automatically reflected in Company’s records, which will help the Company to provide efficient and better services to the members. The Members holding shares in physical form are requested to intimate immediately change of address, if any, to the Company’s Registrar and Transfer Agent.

II. In terms of SEBI circular No. SEBI/LAD-NRO/ GN/2018/24, members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for better management of the securities. Members can write to the Company’s Registrar and Transfer Agent in this regard.
9. As per the provisions of the Companies Act, 2013 and the rules made thereunder and Regulation 36(1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Shareholders who have not registered their e-mail address with the Company can now register the same by submitting duly filled in ‘E-Communication Registration Form’ attached at the end of this report with MCS Share Transfer Agent Limited / Investors Service Department of the Company. The Members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants only.

Even after registering for e-communication the Shareholders of the Company are entitled to receive such communication in physical form, upon request.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.



Members holding shares in physical form can submit their PAN to the Company or M/s. MCS Share Transfer Agent Limited.

11. Soft copy of the Annual Report for the financial year 2018-2019 is being sent to all the members, whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2018-19 is being sent in the permitted mode.
12. Soft copy of the Notice of the 45th Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 45th Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Members may also note that the Notice of the 45th Annual General Meeting and the Annual Report for the financial year 2018-19 will also be available on the Company's website www.modernsteels.com for their download. For any communication, the members may also send requests at email ID: secretarial@modernsteels.com.
14. Procedure for "Remote E-Voting" pursuant to provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members, facility to exercise their right to vote on resolutions proposed to be considered at the 45th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting Services.

The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- I. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- II. The remote e-voting period commences on Friday, the 27th September, 2019 (9.00 a.m.) and ends on Sunday, the 29th September, 2019 (5.00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he /she shall not be allowed to change it subsequently.
- III. The facility for voting through poll shall be made available at the venue of 45th AGM. The members attending the AGM, who have not cast their votes through remote e-voting facility shall be able to exercise their voting rights at the AGM.
- IV. Instructions and other information related to remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

A DETAIL ON STEP 1 IS MENTIONED BELOW:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

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4. Your User ID details will be as per details given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

A DETAIL ON STEP 2 IS GIVEN BELOW:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



GENERAL GUIDELINES FOR SHAREHOLDERS

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bkgupta.associates@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. 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 download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
15. 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).
16. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 23rd September, 2019.
17. Mr. Bhupesh Gupta, B.Com, LLB, IP, FCS, Practicing Company Secretary (Membership No. FCS 4590) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
18. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two days of conclusion of the meeting, a consolidated Scrutiniser's Report of the total votes cast in the favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
19. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.

The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.modernsteels.com and on the website of NSDL and communicated to the BSE Limited.

20. The route map showing directions to reach the venue of AGM is annexed.
21. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection, at the Registered Office of the Company, during normal business hours (9:00 AM to 5:00 PM) on all working days (except on public holidays), upto the date of the Annual General Meeting.

By order of the Board of Directors
For Modern Steels Limited

Krishan Kumar Goyal

Place: Chandigarh Chairman & Managing Director
Dated: 13th August, 2019 DIN: 00482035

Registered Office:
G.T. Road, Mandi Gobindgarh,
Distt. Fatehgarh Sahib, Punjab -147 301
CIN: L27109PB1973PLC003358
Email: secretarial@modernsteels.com
Website: www.modernsteels.com
Phone: (0172) 2609001/2, Fax: (0172) 2609000

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act")

ITEM NO. 3

M/s Aaryaa & Associates, Chartered Accountants (Firm Registration No. 015935N) were appointed as statutory auditors in the year 2014 for a period of five years whose tenure is completed in the ensuing Annual General meeting. The Board of Directors, on recommendation of Audit Committee approved the appointment of M/s Aaryaa & Associates for a further period of three years to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2022 at a remuneration as may be decided by the Board of Directors, subject to approval of members.

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

The Board recommends the Resolution set out at Item Nos. 3 of the Notice for approval by the shareholders.

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ITEM NO. 4

Mr. Dildar Singh Gill (DIN: 00211236) was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He hold office as Independent Director of the Company upto the conclusion of the Annual General Meeting of the Company to be held in the year 2020 ("second term in line with the explanation to Sections 149(10) and 149 (11) of the Act).

Pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the non-executive director who has attained the age of 75 years require special resolution for continuation of directorship.

The Board, based on the performance evaluation of Independent Director and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Dildar Singh Gill would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to continue Mr. Dildar Singh Gill as Independent Director of the Company, not liable to retire by rotation and to hold office for the remaining tenure of his appointment, notwithstanding that he has attained the age of 75 years.

Mr. Dildar Singh Gill is interested in the resolution set out at Item Nos. 4 of the Notice.

The relatives of Mr. Dildar Singh Gill may be deemed to be interested in the respective resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item Nos. 4 of the Notice for approval by the shareholders.

ITEM NO. 5

Nabha Commerce Private Limited is a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of Directors and the Board of Directors of the Company in their meeting approved the related party transactions with Nabha Commerce Private Limited for sale, purchase of goods and to provide / avail services to / from Nabha Commerce Private Limited, a related party, subject to a maximum aggregate transactions of

Rs.100 crores in a financial year. Under the provisions of Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. The regulation further provides that all material related party transactions shall require approval of the shareholders through ordinary resolution.

Since the transactions with Nabha Commerce Private Limited are estimated to be upto Rs.100 crores in a financial year, which exceeds 10% of the annual consolidated turnover of the Company as per the audited financial statement as on 31st March, 2019, the transactions are required to be approved by the shareholders as an Ordinary Resolution.

The said transactions are in the ordinary course of business of the Company and at arm's length basis.

Other details as required as per the Companies (Meetings of Board and its Powers) Rules, 2014.

- (a) Name of Related Party: Nabha Commerce Private Limited
- (b) Name of Director or Key Managerial Personnel who is related: Mr. Krishan Kumar Goyal, Managing Director of the Company.
- (c) Nature of relationship: Mr. Krishan Kumar Goyal and his relatives are the shareholders of Nabha Commerce Private Limited.
- (d) Material Terms of contracts/arrangements/transactions: Sale / purchase of scrap/rolled products on arm's length basis.
- (e) Monetary value: Estimated amount Rs.100 crores in a financial year.
- (f) Any other information relevant or important for the members to make a decision on proposed transaction: Nil

The copies of contract setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Accordingly, consent of the members is sought for passing the Ordinary Resolution as set out at Item No. 5 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Krishan Kumar Goyal along with their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.



ITEM NO. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 subject to the ratification of the remuneration payable to the Cost Auditors by the shareholders of the Company in accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020. 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 set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

ITEM NO. 7

The existing Memorandum of Association ("MOA") and Articles of Association ("AOA") of the Company, based on the Companies Act, 1956 are no longer in conformity with the Companies Act, 2013. With the coming into force of Companies Act 2013, several clauses of MOA & AOA require alteration/deletion. Given this position, it is considered expedient to adopt a new set of Memorandum of Association and Articles of Association (primarily based on Table A & Table F set out under Schedule I to the Companies Act, 2013) in place of existing MOA & AOA.

As per the provisions of Section 13 & 14 of the Companies Act, 2013, a special resolution has to be passed by the members of the Company for adoption of amended and restated MOA & AOA of the Company.

The Board recommends the above resolution to the shareholders for their approval as Special Resolution.

A copy of amended and restated MOA/AOA of the Company would be available for inspection of the members at www.modernsteels.com and at the Registered Office of the Company during the business hours on any working day.

None of the directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

ITEM NO. 8

Mr. Krishan Kumar Goyal was re-appointed as Managing Director of the Company for a period of three years

w.e.f. 1st April, 2017 at a salary of Rs. 2,50,000 (Rupees Two Lakh Fifty Thousand Only) per month as per the provisions of the Companies Act, 2013.

At the time of re-appointment of Mr. Krishan Kumar Goyal as Managing Director, the profit of the Company was inadequate and also the accounts of the company with lenders have become NPA.

As per Part II, Section II of Schedule V of Companies Act, 2013 as well as other relevant provisions of the then applicable Companies Act, 2013, approval of the Central Government was required for payment of remuneration in the event of absence or inadequate profit.

The Shareholders, subject to the approval of Central Government, approved his remuneration by way of a special resolution and in accordance with the applicable provisions and Schedule V of the Companies Act, 2013 on terms & conditions as stated in the Notice calling 43rd Annual General Meeting dated 9th September, 2017 for a period of 3 years w.e.f. 1st April, 2017. The said approval was subject to the approval of the Central Government as the Company had incurred loss and had made default in the payment of principal or interest. Further, the approval of his remuneration provided that the said remuneration shall also be treated as minimum remuneration in the case of inadequacy of profit as per provisions of the Companies Act, 2013.

Further, the amended Section 197 of the Companies Act 2013 has done away with the approval from Central Government and has authorized the shareholder to approve payment/ waive the recovery of remuneration to managerial personnel by Special Resolution in the event of loss or inadequacy of profits and in case of default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, approval of the concerned bank, PFI, NCD Holders or Secured Creditors, as the case may be is required. Accordingly, the resolution is being proposed for the approval of shareholders in consonance of amended provisions of Section 197 of the Companies Act, 2013 and applicable rule.

None of the Directors except Mr. Krishan Kumar Goyal is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The relatives of Mr. Krishan Kumar Goyal may be deemed to be interested in the resolution set out respectively at Item No. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

NOTICE OF 45TH ANNUAL GENERAL MEETING

ITEM NO. 9

Mr. Rajesh Kumar Sinha was appointed as Director (Operations) of the Company for a period of five years w.e.f. 28th May, 2015 and his remuneration was reviewed on 29th September, 2018 for a salary in the scale of Rs. 2,75,000-25,000-3,00,000 per month as per the provisions of the Companies Act, 2013.

At the time of reviewal of remuneration of Mr. Rajesh Kumar Sinha as Director (Operations), the profit of the Company was inadequate also the accounts of the company with lenders have become NPA.

As per Part II, Section II of Schedule V of Companies Act, 2013 as well as other relevant provisions of the then applicable Companies Act, 2013, approval of the Central Government was required for payment of remuneration in the event of absence or inadequate profit.

The Shareholders, subject to the approval of Central Government, approved his remuneration by way of a special resolution and in accordance with the applicable provisions and Schedule V of the Companies Act, 2013 on terms & conditions as stated in the Notice calling 44th Annual General Meeting dated 29th September, 2018 for a period of 2 years w.e.f. 28th May, 2018. The said approval was subject to the approval of the Central Government as the Company had incurred loss and had made default in the payment of principal or interest. Further, the approval of his remuneration provided that the said remuneration shall also be treated as minimum remuneration in the case of inadequacy of profit as per provisions of the Companies Act, 2013.

Further, the amended Section 197 of the Companies Act, 2013 has done away with the approval from Central Government and has authorized the shareholder to approve payment/ waive the recovery of remuneration to managerial personnel by Special Resolution in the event of loss or inadequacy of profits and in case of default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, approval of the concerned bank, PFI, NCD Holders or Secured Creditors, as the case may be is required. Accordingly, the resolution is being proposed for the approval of shareholders in consonance of amended provisions of Section 197 of the Companies Act, 2013 and applicable rule.

None of the Directors except Mr. R.K. Sinha is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The relatives of Mr. R.K. Sinha may be deemed to be interested in the resolution set out respectively at Item No. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

By order of the Board of Directors
For Modern Steels Limited

Krishan Kumar Goyal
Chairman & Managing Director
DIN: 00482035

Place: Chandigarh
Dated: 13th August, 2019

Registered Office:
G.T. Road, Mandi Gobindgarh,
Distt. Fatehgarh Sahib, Punjab -147 301
CIN: L27109PB1973PLC003358
Email: secretarial@modernsteels.com
Website: www.modernsteels.com
Phone: (0172) 2609001/2, Fax: (0172) 2609000

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED ON 30TH SEPTEMBER, 2019 PURSUANT TO REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 2

Name of the Director	Mr. Krishan Kumar Goyal
Date of Birth	6 th September, 1956
Date of Appointment	2 nd October, 1978
Resume and expertise in specific functional area	Mr. Krishan Kumar Goyal is energetic and dynamic person. He has a vast experience in the steel business and is well versed with the modern management practices. He joined the Board as Director in October, 1978 and has been the Managing Director of the Company since 1 st July, 1986. He is also associated with Confederation of Indian Industry (CII).
Qualification	B.Com, LLB
List of outside Directorships held	i) Modern Dairies Limited ii) Chandigarh Finance Private Limited iii) Bharat Forgings Private Limited
Chairman/Member of the Committee of the Board of Directors of the Company	NIL
Shareholding in the Company	Mr. Krishan Kumar Goyal is holding 24,96,179 equity shares in the Company.
Relationship with other Directors	Not Applicable

**ITEM NO. 4**

Name of the Director	Mr. D.S. Gill
Date of Birth	9 th April, 1932
Date of Appointment	27 th January, 2003
Resume and expertise in specific functional area	Mr. D.S. Gill did his graduation in Metallurgical Engineering from Banaras Hindu University and thereafter did his post-graduation from USA. He has been Professor at IIT Kharagpur for 3-4 years. He has worked with various corporates for more than 35 years in various capacities. He has vast knowledge and experience in the field of Industrial Management and he has been associated with the Company since long.
Qualification	M.Sc. in Metallurgical Engineering
List of outside Directorships held	NIL
Chairman/Member of the Committee of the Board of Directors of the Company	Audit Committee - Chairman Nomination & Remuneration Committee - Member Stakeholders Relationship Committee - Chairman Allotment Committee - Member Banking & Finance Committee - Chairman
Shareholding in the Company	Mr. Gill is holding 500 equity shares in the Company.
Relationship with other Directors	Not Applicable

NOTICE OF 45TH ANNUAL GENERAL MEETING

MODERN STEELS LIMITED

CIN: L27109PB1973PLC003358

Registered Office: G.T. Road, Mandi Gobindgarh, Distt. Fatehgarh Sahib, Punjab 147301

Email: secretarial@modernsteels.com, **Website:** www.modernsteels.com

Phone: (0172) 2609001/2, **Fax:** (0172) 2609000

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholders,

In case you have not registered your email address for receiving communication from Company in electronic mode, you may submit the Registration Form given herein below to the Share Transfer Agent namely M/s. MCS Share Transfer Agent Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110 020 or to the Company at its office at Modern Steels Limited, S.C.O. 98-99, Sub City Centre, Sector 34, Chandigarh-160 022. Shareholders holding shares in demat mode are requested to register their email addresses with their Depository Participants.

E-COMMUNICATION REGISTRATION FORM

(As per the provisions of the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

Folio No. / DP ID & Client ID :

Name of 1st Registered Holder :

Name of Joint Holder(s) :

.....

Registered Address :

.....

.....

E-mail ID (to be registered) :

I/we shareholder(s) of Modern Steels Limited agree to receive communication from the Company in electronic mode.

Please register my/our above e-mail id in your records for sending communication through e-mail.

Signature:

Date:

Note: Shareholder(s) are requested to keep the Company / Depository Participant informed as and when there is any change in the e-mail address.

NOTICE OF 45TH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

MODERN STEELS LIMITED

CIN: L27109PB1973PLC003358

Registered Office: G.T. Road, Mandi Gobindgarh, Distt. Fatehgarh Sahib, Punjab 147301

Email: secretarial@modernsteels.com, **Website:** www.modernsteels.com

Phone: (0172) 2609001/2, **Fax:** (0172) 2609000

45th ANNUAL GENERAL MEETING

Member's / Proxy's name in Block Letters _____

Address _____

No. of Shares held _____

I / We hereby record my/our presence at the 45th Annual General Meeting of the Company held on Monday, the 30th September, 2019 at 11:00 a.m. at the Registered Office of the Company at G.T. Road, Mandi Gobindgarh, Distt. Fatehgarh Sahib, Punjab 147301.

Member's Folio / DP ID-Client ID No.

Member's/Proxy's signatures

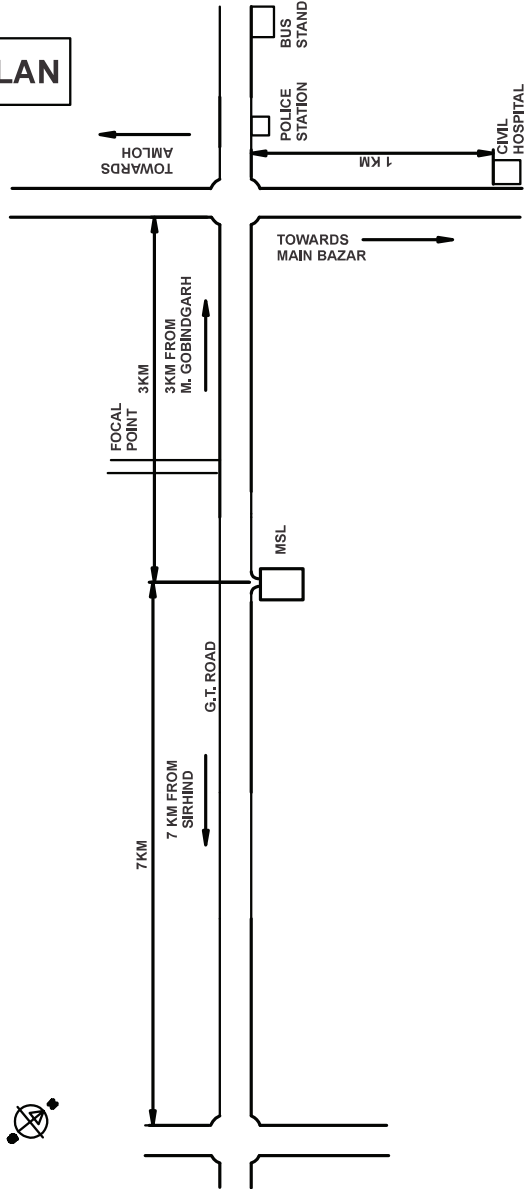
Note:

1. Please complete the Attendance Slip and handover at the entrance of the Meeting venue.
2. Soft copy of the Annual Report for FY 2018-19 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant through email only unless any member has requested for a hard copy of the same. Members receiving soft copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy and copy of the Annual Report for 2018-19 is being sent separately.
4. Shareholders are requested to bring their copy of the Notice along with them at the Annual General Meeting as the copies of the same will not be distributed at the meeting.



ROUTE MAP TO THE AGM VENUE
Venue: Modern Steels Limited: G.T. Road, Mandi Gobindgarh,
Distt. Fatehgarh Sahib, Punjab 147301

LOCATION PLAN



NOTICE OF 45TH ANNUAL GENERAL MEETING

PROXY FORM

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management & Administration) Rules, 2014]

MODERN STEELS LIMITED

CIN: L27109PB1973PLC003358

Registered Office: G.T. Road, Mandi Gobindgarh, Distt. Fatehgarh Sahib, Punjab 147301

Email: secretarial@modernsteels.com, **Website:** www.modernsteels.com

Phone: (0172) 2609001/2, **Fax:** (0172) 2609000

Name of the member(s): _____

Registered Address: _____

Email ID: _____

Folio No./Client ID/DPID: _____

I/We, being the member(s) of _____ holding _____ shares of above named Company, hereby appoint:

1. Name: _____ Address: _____
Email ID: _____ Signature: _____ or failing him/her
2. Name: _____ Address: _____
Email ID: _____ Signature: _____ or failing him/her
3. Name: _____ Address: _____
Email ID: _____ Signature: _____

or my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 45th Annual General Meeting of the Company, to be held on Monday, the 30th September, 2019 at 11:00 a.m. at Registered Office: G.T. Road, Mandi Gobindgarh, Distt. Fatehgarh Sahib, Punjab 147301 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. Consideration and adoption of the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 together with the reports of the Directors' and Auditors' thereon.
2. Reappointment of Mr. Krishan Kumar Goyal (DIN: 00482035), who retires by rotation.
3. Reappointment of Auditors for a period of three years and fix their remuneration.

Special Business

4. To continue the directorship of Mr. Dildar Singh Gill (DIN: 00211236) as an Independent Non-Executive Director who has attained the age of 75 years above.
5. Approval of the material related party transactions with Nabha Commerce Private Limited.
6. Ratification of remuneration of Cost Auditors for the financial year 2019-20.
7. To adopt new set of Memorandum of Association/Articles of Association as per Companies Act, 2013
8. Approval of remuneration paid to Mr. Krishan Kumar Goyal, as Managing Director from 1st April, 2017 pursuant to amended Section 197 of the Companies Act, 2013
9. Approval of remuneration paid to Mr. Rajesh Kumar Sinha, as Director (Operations) from 28th May, 2018 pursuant to amended Section 197 of the Companies Act, 2013

Signed this ____ day of _____ 2019

Signature of Shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Affix
revenue
stamp Rs.1

