

NOTICE OF 46TH ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 46th Annual General Meeting of the members of Modern Steels Limited will be held on Monday, the 28th December, 2020 at 11:00 a.m. through Video Conferencing / Other Audio Visual Means 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, 2020 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.

SPECIAL BUSINESS:

3. To re-appoint Mr. Krishan Kumar Goyal (DIN: 00482035) as Chairman & Managing Director of the Company 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 in accordance with the provisions of Sections 196, 197, 200 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other approvals as may be required, approval of the members be and is hereby accorded to re-appoint Mr. Krishan Kumar Goyal (DIN: 00482035) as Chairman & Managing Director of the Company, liable to retire by rotation, for a further period of 3 (three) years with effect from 1st April, 2020, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, and as approved by the Nomination & Remuneration Committee, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination & Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and remuneration as it may deem fit and as may be acceptable to Mr. Krishan Kumar Goyal, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board 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."

4. To appoint Prof. Satish Kumar Kapoor (DIN: 00009122) as a non-executive Independent Director 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 Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013, and the rules framed there under read with relevant Schedules of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Prof. Satish Kumar Kapoor (DIN: 00009122), who was appointed as a non-executive Independent Director (Additional Director) of the Company by the Board of Directors with effect from 14th October, 2020, pursuant to the provisions of Section 149(6) and 161(1) and other applicable provisions of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 consecutive years till the conclusion of AGM to be held in the year 2023."

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, 2021 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, 2021.

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 sell/ transfer/ dispose-off Business Undertaking of the Company

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

RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) and such other provisions of the Companies Act, 2013 as may be applicable read with the rules made thereunder, (including any statutory modification or re-enactment thereof for the time being in force) ("Act"), the provisions of

the Memorandum and Articles of Association of the Company, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time, the provisions of the listing agreement entered into by the Company with the stock exchanges where the shares of the Company are listed and subject to the approvals, consents and permissions as may require to be obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / transfer / dispose-off its steel business, heat treatment business and auto component business ("Business Undertaking") comprising of all the assets and identified liabilities, as a going concern on a slump sale basis, to a new company incorporated by the name of "Arjas Modern Steel Private Limited" which is the wholly owned subsidiary of Arjas Steel Private Limited ("Arjas") for an aggregate consideration of Rs. 86,00,00,000 (Rupees Eighty Six Crore only), on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to sign, execute and deliver all necessary documents including but not limited to definitive agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Business Undertaking and, any actions taken or undertakings given by the Board to arrive at an understanding with Arjas or with the secured lenders of the Company or any other person or authorities for giving effect to this resolution be and are hereby ratified.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/ documents, arranging delivery and execution of contracts, deeds, agreements and instruments."

NOTICE OF 46TH ANNUAL GENERAL MEETING

By order of the Board of Directors
For Modern Steels Limited

Ashish Kumar Sharma
GM(Secretarial) & Company Secretary

Place: Chandigarh

Dated: 25th November, 2020

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:

- In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 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.
- 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.
- Members who wish to obtain any information on the Company or view the Accounts for the financial year ended 31st March, 2020, 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.
- The Register of Members and Share Transfer Books of the Company will remain closed from 21st December, 2020 to 28th December, 2020 (both days inclusive).
- 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.
- 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.
- Soft copy of the Annual Report for the financial year 2019-20 is being sent to all the members, whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes.
Pursuant to MCA circular 20/2020 dated 5th May, 2020 and SEBI circular SEBI/HO/CFD/CMD/1/CIR/P/2020/79 dated 12th May, 2020, the physical copies of the annual report for the financial year 2019-20 are not being sent to the members.



12. Soft copy of the Notice of the 46th Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes.

Pursuant to MCA circular 20/2020 dated 5th May, 2020 and SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, the physical copies of the notice for the financial year 2019-20 are not being sent to the members.

13. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.modernsteels.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com

14. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 25th December, 2020 at 9:00 A.M. and ends on 27th December, 2020 at 5:00 P.M. The members will be given the facility to vote at the AGM date.

How do I vote electronically using NSDL e-Voting system?

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.

DETAILS 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/> either on a Personal Computer or on a mobile.
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 eservices 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.

4. Your User ID details are 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

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your 'initial password', you need to 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, please follow steps mentioned below:

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to helpdeskdelhi@mcsregistrars.com
- b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to helpdeskdelhi@mcsregistrars.com
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.nsd.com.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsd.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.

DETAILS 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.nsd.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 or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in or pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with the voting by electronic means.

16. 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).
17. 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. 21st December, 2020.
18. 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.
19. 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.
20. 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.
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.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and

have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number till 25th December, 2020 at secretarial@modernsteels.com. The same will be replied by the company suitably.

By order of the Board of Directors
For Modern Steels Limited

Ashish Kumar Sharma
GM(Secretarial) & Company Secretary

Place: Chandigarh
Dated: 25th November, 2020

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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

The Board of Directors of the Company at its meeting held on 21st May, 2020 has, subject to the approval of the shareholders, re-appointed Mr. Krishan Kumar Goyal (DIN: 00482035) as Chairman & Managing Director of the Company for a further period of 3 years from 1st April, 2020 on terms and conditions including remuneration as recommended by the Nomination & Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the members approval for the re-appointment of and remuneration payable to Mr. Krishan Kumar Goyal as Chairman & Managing Director of the Company, in terms of the applicable provisions of the Act.

The Board of Directors while approving appointment of Mr. Krishan Kumar Goyal had also approved remuneration by way of salary, perquisites and commission for a period of three years from the date of appointment as given herein below:

TERMS & CONDITIONS

1. SALARY

Rs. 2,50,000 (Rupees Two Lacs Fifty Thousands Only) per month with such annual increments/ increases as may be decided by the Board of Directors from time to time.

2. PERQUISITES

- i) Provident Fund: Contribution towards Superannuation Fund and Provident Fund shall be as per rules of the Company.
- ii) Gratuity: Payable at the rate not exceeding half a month's salary for each completed year of service as per rules of the Company.
- iii) Leave: As per the rules of the Company but not exceeding one month's leave with full salary for every 11 months of service.
- iv) Accommodation: Free furnished residential accommodation with gas, electricity, water and furnishings.
- v) Medical Reimbursement: Reimbursement of medical expenses incurred for self and family.
- vi) Personal Accident Insurance.

- vii) Car: Free use of Company's car for Company's work as well as for personal purposes along with driver.
- viii) Telephone/ Telefax: Telephone, Telefax and other Communication facilities at Company's cost.
- ix) Insurance: Cost of Insurance cover against the risk of any financial liability or loss because of any error of judgment, as may be approved by the Board of Directors from time to time.
- x) Reimbursement of Expenses: Reimbursement of all expenses incurred by Mr. Krishan Kumar Goyal during the course of and in connection with the business of the Company.
- xi) Others: Subject to any statutory ceilings, Mr. Krishan Kumar Goyal may be given any other allowances, perquisites and facilities as the Board of Directors may decide from time to time.

The terms and conditions can be varied with mutual agreement of both parties subject however to the stipulation that the changes should be in conformity with the provisions of the Companies Act, 2013 read with Schedule V or any amendment thereof.

3. MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the tenure of appointment, Mr. Krishan Kumar Goyal shall, subject to the approval of the lenders and members, if required, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in schedule V of the Companies Act, 2013, from time to time."

Mr. Krishan Kumar Goyal is also Chairman & Managing Director of M/s. Modern Dairies Limited. He is entitled to a salary of Rs.2,50,000 (Rupees Two Lacs Fifty Thousands Only) per month plus perquisites in that Company subject to the conformity with provisions of schedule V.

Mr. Krishan Kumar Goyal satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Krishan Kumar Goyal under Section 190 of the Companies Act, 2013.

Disclosures under Regulation 36(3) of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015 are annexed hereto.

The Documents referred herewith and explanatory statement are open for inspection by any member at



the registered office of the Company during business hours on any working day of the Company upto and including the date of meeting.

None of the Directors except Mr. Krishan Kumar Goyal are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 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. 3 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. 3 of the Notice for approval by the shareholders.

ITEM NO. 4

The Board of Directors of the Company appointed Prof. Satish Kumar Kapoor (DIN: 00009122) as Additional Non Executive Independent Director of the Company w.e.f 14th October, 2020, pursuant to the provisions of Section 161(1) and Section 149(6) of the Companies Act, 2013, and the rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Prof. Satish Kumar Kapoor is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has received notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company.

The Company has also received declaration from him that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Prof. Satish Kumar Kapoor fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Prof. Satish Kumar Kapoor is independent of the management of the Company.

Disclosures under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are annexed hereto.

Copy of the draft letter for appointment of Prof. Satish Kumar Kapoor as an Independent Director setting out the terms and conditions is available for inspection by Members at the Registered Office of the Company.

Accordingly, consent of the Members is sought for passing a Special Resolution as set out at Item No. 4 of the Notice for appointment of Prof. Satish Kumar Kapoor as a Non-Executive Independent Director for a period of 3 consecutive years w.e.f 28th December, 2020 upto the conclusion of AGM to be

held in year 2023. Further, in terms of the recently notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of seventy five years. During the proposed term of appointment, Mr. Satish Kumar Kapoor will attain the age of seventy five years. This Special Resolution, once passed, shall also be deemed as your approval under the aforesaid Regulation, for continuation of Mr. Satish Kumar Kapoor as an Independent Director beyond the age of seventy five years.

Prof. Satish Kumar Kapoor is interested in this Special Resolution. 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. 4 of the Notice.

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.

Since the transactions with Nabha Commerce Private Limited are estimated to be upto Rs.100 crores in a financial year, 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, Chairman and 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

NOTICE OF 46TH ANNUAL GENERAL MEETING

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, 2021 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, 2021.

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 members are hereby informed that the Company had two secured lenders namely Edelweiss Asset Reconstruction Company ("EARC") and Punjab National Bank ("PNB") (collectively referred to as the "Secured Lenders"). The accounts of the Company with the Secured Lenders were non-performing assets ("NPA") for quite some time and the Company had been making constant efforts to arrive upon a settlement in this regard with the Secured Lenders. Now, Arjas Steel Private Limited ("Arjas"), has offered to purchase the steel business, heat treatment business and auto component business ("Business Undertaking") of the Company which shall comprise all the assets pertaining to the Business Undertaking and only identified liabilities pertaining to the Business Undertaking through its wholly owned subsidiary by the name of "Arjas Modern Steel Private Limited" as a going concern on a slump sale basis

("Transaction"), for an aggregate consideration of Rs. 86 Crores (Rupees Eighty Six Crore only) on such terms and conditions as may be decided by the Board subject to the approval of the members.

Edelweiss Asset Reconstruction Company ("EARC")

The Company has received final approval for one-time settlement of its dues from EARC vide its letter dated 25th November, 2020 ("EARC Final Approval"). As per the terms and conditions of the sanction, the Company deposited the upfront amount of Rs. 8 Crores (Rupees Eight Crores) to the designated Bank Account of EARC through its buyer.

Punjab National Bank

The Company is undertaking negotiations with Punjab National Bank (PNB) to arrive at a one-time settlement of its dues. The Company had submitted its One-Time settlement proposal dated 21st November 2020 and as committed, upfront amount of Rs. 1 Crore (Rupees One Crore) has been deposited in the PNB No- Lien Account on 24th November 2020. Further PNB had confirmed the said receipt of the upfront amount of Rs. 1 Crore.

Since, the proposed Transaction shall be a sale/ transfer/ disposal of undertaking within the meaning of section 180(1)(a) of the Companies Act, 2013 and in order to comply with provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of members by way of special resolution is required to give effect to the resolution. Accordingly, the Board of Directors of the Company recommends and seeks passing of the resolution, as set out in this notice, to be passed as a Special Resolution.

Except to the extent of shareholding in the Company, none of the Directors, key managerial personnel and their relatives are interested, whether financially or otherwise, in the resolution set out in this notice.

By order of the Board of Directors
For Modern Steels Limited

Ashish Kumar Sharma
GM(Secretarial) & Company Secretary

Place: Chandigarh
Dated: 25th November, 2020

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 APPOINTMENT/ REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED ON 28th DECEMBER, 2020 AT 11:00 A.M. PURSUANT TO REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 2, 3

Name of the Director	Mr. Krishan Kumar Goyal
Date of Birth	6 th September, 1956
Date of Appointment/ Re-appointment	2 nd October, 1978/ 1 st April, 2020
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.
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	Prof. Satish Kapoor
DIN	00009122
Date of Birth	22.10.1946
Date of Appointment	14.10.2020
Brief Resume and expertise in specific functional area :	Prof. Satish Kumar Kapoor, aged 74 years has rich knowledge in International Marketing and Logistics. He has retired as Chairman of University Business School, Panjab University, Chandigarh and was Dean of Faculty of Management. He has got a rich experience in the field of engineering, management and corporate governance.
Qualification	Engineering graduate from I.I.T. Madras, M.B.A. from State University of New York and Doctorate from Panjab University, Chandigarh.
List of outside Directorships held	i) Modern Dairies Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Audit Committee – Member Stakeholders Relationship Committee - Member Nomination & Remuneration Committee - Member
Chairman/Member of the Committee of Directors of other Companies (Modern Dairies Limited)	Audit Committee – Chairman Stakeholders Relationship Committee- Chairman Allotment Committee – Chairman Banking & Finance Committee - Chairman Nomination & Remuneration Committee - Member
Shareholding in the Company	As on 31 st March 2020, Prof. Satish Kapoor holds Nil Equity Shares of the Company.
Relationship with other Directors	Not Applicable

NOTICE OF 46TH ANNUAL GENERAL MEETING

STATEMENT OF PARTICULARS (ITEM No. 4)

(Pursuant to Schedule –V of the Companies Act, 2013)

I. General Information:

(1)	Nature of industry	Modern Steels Ltd is manufacturing Special & Alloy Steel, supplying Special Alloy Steel, Hot Rolled Bars for Engineering, Automotive, Bearing and Allied Industries.																																																												
(2)	Date or expected date of commencement of commercial production	19 th November, 1973																																																												
(3)	In case of new companies, expected date of commencement of activities as per project approved by the financial institute appearing in the prospectus	N.A																																																												
(4)	Financial performance based on given indicators	(Rs. in Lacs)																																																												
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">2019-20</th> <th style="text-align: center;">2018-19</th> <th style="text-align: center;">2017-18</th> <th style="text-align: center;">2016-17</th> <th style="text-align: center;">2015-16</th> </tr> </thead> <tbody> <tr> <td>Sales & Other Income</td> <td style="text-align: center;">21184</td> <td style="text-align: center;">32342</td> <td style="text-align: center;">38918</td> <td style="text-align: center;">31759</td> <td style="text-align: center;">27131</td> </tr> <tr> <td>Profit/ Loss before Tax</td> <td style="text-align: center;">-5078</td> <td style="text-align: center;">-2521</td> <td style="text-align: center;">-3024</td> <td style="text-align: center;">-58</td> <td style="text-align: center;">-1724</td> </tr> <tr> <td>Interest & Finance Charges</td> <td style="text-align: center;">39</td> <td style="text-align: center;">177</td> <td style="text-align: center;">179</td> <td style="text-align: center;">486</td> <td style="text-align: center;">1767</td> </tr> <tr> <td>Gross Fixed Assets</td> <td style="text-align: center;">5485</td> <td style="text-align: center;">5941</td> <td style="text-align: center;">6280</td> <td style="text-align: center;">6823</td> <td style="text-align: center;">7290</td> </tr> <tr> <td>Net Current Assets</td> <td style="text-align: center;">- 17546</td> <td style="text-align: center;">-13204</td> <td style="text-align: center;">-11024</td> <td style="text-align: center;">35</td> <td style="text-align: center;">-2410</td> </tr> <tr> <td>Equity Capital</td> <td style="text-align: center;">1440</td> <td style="text-align: center;">1440</td> <td style="text-align: center;">1440</td> <td style="text-align: center;">1440</td> <td style="text-align: center;">1440</td> </tr> <tr> <td>Reserves & Surplus</td> <td style="text-align: center;">-17546</td> <td style="text-align: center;">- 8265</td> <td style="text-align: center;">-5736</td> <td style="text-align: center;">-2482</td> <td style="text-align: center;">-2424</td> </tr> <tr> <td>Long term borrowings</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">8592</td> <td style="text-align: center;">7059</td> </tr> <tr> <td>Earnings Per Share (Rs.)</td> <td style="text-align: center;">-35.90</td> <td style="text-align: center;">-18.32</td> <td style="text-align: center;">-21.97</td> <td style="text-align: center;">-0.42</td> <td style="text-align: center;">-24.39</td> </tr> </tbody> </table>	Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	Sales & Other Income	21184	32342	38918	31759	27131	Profit/ Loss before Tax	-5078	-2521	-3024	-58	-1724	Interest & Finance Charges	39	177	179	486	1767	Gross Fixed Assets	5485	5941	6280	6823	7290	Net Current Assets	- 17546	-13204	-11024	35	-2410	Equity Capital	1440	1440	1440	1440	1440	Reserves & Surplus	-17546	- 8265	-5736	-2482	-2424	Long term borrowings	-	-	-	8592	7059	Earnings Per Share (Rs.)	-35.90	-18.32	-21.97	-0.42	-24.39
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(5)	Foreign investments or collaborations, if any.	Nil																																																												



II.	Information about the appointee:	Mr. Krishan Kumar Goyal
(1)	Background details & Recognition or awards	Mr. Krishan Kumar Goyal joined the Company in October, 1978 and he has been the Managing Director of the Company since 1 st July, 1986. He is a Commerce & Law Graduate. He is energetic and dynamic person. He has a vast experience in manufacturing industry and is well versed with the modern management practices.
(2)	Past remuneration	Rs. 2,50,000 per month plus perquisites.
(3)	Job profile and his suitability	Mr. Krishan Kumar Goyal is responsible for management of the Company under the supervision and control of the Board of Directors of the Company.
(4)	Remuneration propose	Rs. 2,50,000 per month plus perquisites.
(5)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration of the appointee, Mr. Krishan Kumar Goyal is fully justifiable and comparable to that prevailing in the industry, keeping in view the profile and the position of Managing Director and enriched knowledge & vast experience of the appointee. He shall be looking after and responsible for the whole affairs of the management of the Company under the supervision of the Board of Directors of the Company.
(6)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Krishan Kumar Goyal is the Chairman & Managing Director of the Company.
III.	Other information:	
(1)	Reasons of loss or inadequate profits	<p>For the last few years our Company faced financial difficulties due to the following external factors:</p> <ul style="list-style-type: none"> • The difficulties have arisen due to demand recession as the country's economy was not moving in past few years. • The increase in the cost of Raw material, Power & fuel could not be passed to the customer. • Due to difficult market conditions for Steel Sector, the company's working has been adversely affected. The company suffered continuous losses for the last 7-8 years due to adverse market conditions. In the past the company had paid interest and repayment of term loans, which eroded margin money for working capital. The company has meager funds to operate and facing acute shortage of working capital. Currently the company is not able to operate on higher capacity utilization owing to shortage of working capital funds. <p>The Account of the Company with SBI (Lead Bank) became NPA as on 31.03.2016 and subsequently the accounts of the other lenders namely PNB, SBoP and Canara Bank became NPA as on 30.09.2016. SBOP got merged with SBI. Thereafter SBI and Canara Bank assigned their portion of loans to an Asset Reconstruction Company namely Edelweiss Asset Reconstruction Company (EARC). Thereafter the Company is engaged regularly with the lenders for resolution in their respective accounts.</p>

NOTICE OF 46TH ANNUAL GENERAL MEETING

(2)	Steps taken or proposed to be taken for improvement	<p>The Company had given its proposal to Edelweiss Asset Reconstruction Company (EARC) for One Time settlement (OTS) vide its letter dated 21st October, 2020 and Edelweiss Asset Reconstruction Company (EARC) has vide its letter dated 25th November, 2020 given its final approval for the OTS. The Company has also given its proposal for One Time Settlement to Punjab National Bank (PNB) vide its letter dated 21st November, 2020 which is under their consideration.</p> <p>After a lot of discussion, the management of the Company has been able to reach at a common understanding with the proposed investor for sale of its assets on "Slump Sale basis" to M/s Arjas Steels Private Limited having its registered office at Tadipatri Mandal, Ananthpur Village Jambulapadu, Andhra Pradesh for a consideration of Rs.86 Crores.</p> <p>A separate agenda item is also placed before the members for their approval in this regard.</p>
(3)	Expected increase in productivity and profits in measurable terms.	As is clear from the above, the Company is on its way of success is passing through a difficult time and it requires more efforts on the part of the Executive Directors of the Company to take the Company forward on its journey to success.
IV.	Disclosures	<p>The following disclosures shall be mentioned in the Board of Directors Report under the heading "Corporate Governance", attached to the Annual Report.</p> <ol style="list-style-type: none"> i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc of all the Directors. ii. Details of fixed component and performance linked incentives along with the performance criteria. iii. Service contracts, notice period, severance fees. iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable. <p>The necessary disclosure will be made in the Corporate Governance Report.</p>