



MSP STEEL & POWER LIMITED

Registered Office :
1, Crooked Lane, Kolkata – 700 069 (West Bengal)

POSTAL BALLOT FORM

Postal Ballot No :

1. Name and Address of the sole/first Shareholder (in block letters) :
2. Name(s) of Joint Shareholder(s), if any :
3. Ledger Folio/DPID & Client ID No. :
4. Number of Shares held :
5. I/We hereby exercise my/our vote in respect of the following Ordinary/Special Resolution to be passed through Postal Ballot for the business stated in the notice dated 17th October, 2012 of the Company by sending my/our assent/dissent to the said resolution by placing (✓) mark at the appropriate box below:

Description	No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
Special Resolution under Section 81(1A) of the Companies Act, 1956 for Issue of Further Equity Shares on preferential basis.			
Ordinary Resolution under Section 16, 94 of the Companies Act, 1956 for cancelling 2,00,00,000 6% Non Cumulative Redeemable Preference Shares of Rs. 10/- and creating in lieu thereof 2,00,00,000 Equity Shares of Rs.10/- each			

Place :

Date :

Signature of the Shareholder(s)

Note :

1. Last date for receipt of Postal Ballot form by Scrutinizer is 28th December, 2012.
2. Please read the instructions printed over leaf carefully before completing this form.



MSP STEEL & POWER LIMITED

INSTRUCTIONS

1. Shareholder desirous of exercising his/her vote by postal ballot should send the complete Postal Ballot Form (in original as no other photo copy is thereof permitted to be used for the purpose) to the Scrutinizer in the attached prepaid self-addressed envelope. However forms send by the member through courier/registered post to the address of the Scrutinizer will also be accepted.
2. The self-addressed envelope bears the name of the Scrutinizer appointed by Board of Directors of the Company.
3. The Postal Ballot Form should be completed and signed by the Shareholder. In case of joint holding, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named Shareholder and failing him, by the next named Shareholder and so on. In case, shares are held by Companies, Trusts, Societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authorization.
4. There shall be one Postal Ballot for every folio, irrespective of the number of joint holders. A proxy shall not exercise the Postal Ballot.
5. The consent of the shareholder must be accorded by recording the assent in the column "FOR" and dissent in the column "AGAINST" by placing a tick (✓) mark in the relevant column. The assent or dissent received in any other manner shall be considered invalid.
6. Duly completed Postal Ballot Forms should be received by the Scrutinizer not later than 6 P.M. 28th December, 2012. Postal Ballot Forms received after this date will be treated as if no reply from the Shareholder has been received.
7. The right of voting by Postal Ballot shall not be exercised by Proxy.
8. Incomplete, unsigned or incorrect or improperly tick (✓) marked Postal Ballot Forms will be rejected.
9. A shareholder may request a duplicate Postal Ballot Form as required. However the completed Postal Ballot form should reach the Scrutinizer on the date and time mentioned above.
10. Shareholders are requested not to send any other papers or documents along with the form in the self addressed envelope as any extraneous papers will be destroyed by the Scrutinizer.
11. The Scrutinizer's decision on the validity of the Postal Ballot Form will be final.



MSP STEEL & POWER LIMITED

Registered Office: 1, Crooked Lane, Kolkata - 700 069 (West Bengal)

POSTAL BALLOT NOTICE

[Pursuant to Section 192A (2) of the Companies Act, 1956]

NOTICE IS HEREBY GIVEN pursuant to Section 192A of the Companies Act, 1956, read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 that the Company is seeking consent of its members in respect of Special Businesses, which it proposes to pass through Postal Ballot.

The proposed Special businesses along with Explanatory Statement pertaining to the said Resolutions setting out all the material facts and reasons thereof are also annexed along with a Postal Ballot Form (hereinafter called as the "Form") for your consideration.

The Board of Directors has appointed Ms. Swati Bajaj of M/s. PS & Associates, Practising Company Secretaries, Kolkata, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the form and return the same duly completed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 6:00 p.m. on the 28th December 2012. Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman latest by 31st December, 2012. The result of the Postal Ballot will be announced by Mr. Purnamal Agrawal, Chairman, and in his absence, Mr. Saket Agrawal, Director of the Company on 31st December, 2012 at 3.00 P.M. at the Corporate Office of the Company and it will be posted on the website of the Company at www.mspsteel.com besides communicating to the Stock Exchanges concerned where the Company's shares are listed.

In the event the proposed resolutions are approved by requisite majority of shareholders by means of Postal Ballot, the date of declaration of results shall be deemed to be the date of passing of the said resolutions.

ITEM NO. 1

Issue of Further Equity Shares On Preferential Basis

To consider and, if thought fit, to give assent or dissent to the following resolution, as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to provisions of Section 81(1A) and other provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum of Association and the Articles of Association of the Company, the listing agreement entered into by the Company with the BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") where the equity shares of the Company are listed and the Regulations for preferential issue issued by the Securities and Exchange Board of India ("SEBI") under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and other applicable rules, regulations, clarifications and/or guidelines, if any, of SEBI and such other authorities as may be applicable and as amended till date and subject to the requisite approvals or consents, if any, of the Central Government, Reserve Bank of India, Stock Exchanges, SEBI, Banks and Financial Institutions and any other appropriate authorities, institutions, bodies under any other applicable laws, statutes, rules and Regulations for the time being and from time to time in force and further subject to such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (which terms shall include any Committee or Managing Director or Officer authorized by the Board) be and is hereby authorized to accept and subject to such conditions and modifications as may be considered appropriate by the Board, consent of the Company be and is hereby accorded to the Board (with powers to delegate all, or any of the powers hereby conferred to any duly authorized committee thereof) to create, offer, issue and allot on preferential basis, at its sole and absolute discretion, **2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- each at a price of Rs. 60/- (including a premium of Rs. 50/- per share) or the price as determined in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, whichever is higher, and on such terms and conditions as may be decided and deemed appropriate by the Board in its absolute discretion to the following entities:-**

Name of Allottee (Promoter Group)	No. of Equity Shares
B.S.Confin Pvt Ltd	2,280,000
Hightime Holdings Pvt Ltd	1,500,000
Emerald Tradelink Pvt Ltd	2,500,000
Rajnath Vyapaar Pvt Ltd	2,500,000
Dexo Trading Pvt Ltd	725,000
Sikhar Commotrade Pvt Ltd	410,000
Ilex Pvt Ltd	4,115,000
Adhunik Gases Ltd	350,000
Total Promoter Contribution (A)	14,380,000

Name of Allottee (Non-Promoter)	No. of Equity Shares
Anubhav Vincon Private Limited	2,500,000
Panchwati Agencies Private Limited	2,500,000
Sambhav Mercantiles Private Ltd	620,000
Total Non Promoter Contribution (B)	5,620,000
Total (A + B)	20,000,000

RESOLVED FURTHER THAT the Relevant Date for the purpose of pricing of the Equity Shares shall be 30th November, 2012, in accordance with SEBI ICDR Regulations .

RESOLVED FURTHER THAT the Equity Shares shall be allotted within a period of fifteen (15) days from the date of passing of this special resolution provided that where the allotment of Equity Shares is pending on account of pendency of any approvals for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted shall rank *pari passu* in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the entire pre-issue shareholding of the above allottees, if any, shall be under lock-in from the relevant date up to a period of six months from the date of preferential allotment or such other period as may be applicable under the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as above shall be subject to the lock-in as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as above, shall be listed and traded on all the Stock Exchanges on which the existing equity shares of the Company are listed.

RESOLVED FURTHER THAT the Company do make an application to the National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) for admission of the new equity shares to be issued on preferential basis.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, at its discretion deem necessary or desirable for such purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required, and entering into arrangements for listing, trading, depository services and such other arrangements and agreements as may be necessary, and also to seek listing of the equity shares so issued with any Indian stock exchanges with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard to any such issue, offer or allotment of Equity Shares and in complying with any regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authorities of this resolution."

ITEM NO. 2

To consider and, if thought fit to pass, to give assent or dissent to the following resolutions as an Ordinary Resolution

"RESOLVED THAT pursuant to Section 16, 94 and any other applicable provisions if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for alteration in clause V of the Memorandum of Association of the Company by reorganization of existing Authorised Share Capital of the Company by canceling 2,00,00,000 crores 6 % Non Cumulative Redeemable Preference Shares of Rs. 10/- and creating in lieu thereof 2,00,00,000 Equity Shares of Rs.10/- each and accordingly clause V of the Memorandum of Association of the Company shall now be read as follows:

V. The authorised share capital of the Company is Rs. 1,17,00,00,000/- (Rupees one hundred & seventeen crore only) divided into 10,20,00,000 Equity shares of Rs.10/- and 1,50,00,000 6% Non Cumulative Redeemable Preference Shares of Rs. 10/- each with rights privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several clauses and to attach thereto respectively such preferential right, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such right, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company or as may be permitted by the Companies Act.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary in this respect including filing necessary forms with the Registrar of Companies.

RESOLVED FURTHER THAT a copy of the foregoing resolution duly certified to be true by Director of the company be furnished to the said Bank.

By Order of the Board
For MSP STEEL & POWER LIMITED

Place: Kolkata
Dated: 17th Day of October , 2012

Pinky Gupta
COMPANY SECRETARY

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto and forms part of the Notice.
2. In terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the item of business set out in the Notice above are sought to be passed by Postal Ballot and not by electronic mode.
3. The Board of Directors has appointed Ms. Swati Bajaj of M/s. P.S & Associates, Practising Company Secretaries, Kolkata, as the Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
4. Members are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours (6 P.M) on or before 28th December, 2012. Consent or otherwise received after 30 days of issuance of this notice shall be treated as if the reply from the shareholders has not been received.
5. Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
6. The Scrutinizer will submit the report to the Chairman of the Company after completion of scrutiny of the Postal Ballot Forms.
7. The result of the Postal Ballot will be announced by Mr. Puranmal Agrawal, Chairman, and in his absence, Mr. Saket Agrawal, Director of the Company on 31st December, 2012 at 3.00 P.M. at the Corporate Office of the Company and it will be posted on the Website of the Company at www.mspsteel.com.
8. The Special Resolution mentioned above shall be declared as passed if the number of votes cast in its favour are not less than three times the number of votes cast, if any, against the said Resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 READ WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009

Item No. 1

Material Facts Relating to the Preferential Allotment

Your Company is engaged in manufacture of iron & steel products and generation of power. To meet the business needs of the Company in the form of working capital requirements and funding capital expenditure, it is proposed to issue equity shares on preferential allotment basis to the promoters and strategic investors in terms of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

The proposed preferential allotment of Equity Shares would be strictly in accordance with Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 ("SEBI ICDR Regulations 2009") and the following parameters would be subject to such changes as may be required to conform to the SEBI ICDR Regulations 2009. Such proposed preferential issue would comprise of up to 2,00,00,000 Equity Shares of face value of Rs. 10/- each. The Company has received inclination from the following promoters and other prospective entities to subscribe to these Equity Shares:

Sr. No.	Name of Allottees	No. of Equity Shares proposed to be allotted	Category
1.	B.S.CONFIN PVT LTD	2,280,000	Promoter
2.	HIGHTIME HOLDINGS PVT LTD	1,500,000	Promoter
3.	EMERALD TRADELINK PVT LTD	2,500,000	Promoter
4.	RAJNATH VYAPAAR PVT LTD	2,500,000	Promoter
5.	DEXO TRADING PVT LTD	725,000	Promoter
6.	SIKHAR COMMOTRADE PVT LTD	410,000	Promoter
7.	ILEX PVT LTD	4,115,000	Promoter
8.	ADHUNIK GASES LTD	350,000	Promoter
9.	ANUBHAV VINCOM PVT LTD	2,500,000	Non- Promoter
10.	PANCHWATI AGENCIES PVT LTD	2,500,000	Non - Promoter
11.	SAMBHAV MERCANTILES PVT LTD	620,000	Non - Promoter
	Total	20,000,000	

Hereinafter the aforesaid entities shall be individually and collectively called as "proposed allottee/(s)"

Information as required under Regulation 73 of the SEBI ICDR Regulations, 2009 is as under:

a) Objects of the Issue

To meet the working capital requirements and funding capital expenditure of the Company.

b) Intention of Promoters / Directors / Key Management Persons to subscribe to the Offer:

The following entities of the Promoter Group do intend to subscribe to the above mentioned preferential allotment of shares to the extent of 14,380,000 Equity shares being 16.32 % of the post issue capital of the Company:

Name of Allottee (Promoter Group)	No. of Equity Shares
B.S.CONFIN PVT LTD	2,280,000
HIGHTIME HOLDINGS PVT LTD	1,500,000
EMERALD TRADELINK PVT LTD	2,500,000
RAJNATH VYAPAAR PVT LTD	2,500,000
DEXO TRADING PVT LTD	725,000
SIKHAR COMMOTRADE PVT LTD	410,000
ILEX PVT LTD	4,115,000
ADHUNIK GASES LTD	350,000
Total Promoter Contribution (A)	14,380,000

c) Shareholding Pattern before and after the issue:

Category of Shareholder	Pre Issue		Post Issue	
	Total No. of Shares	Total Shareholding as a % of total No. of Shares	Total No. of Shares	Total Shareholding as a % of total No. of Shares
(A) Shareholding of Promoter and Promoter Group				
(1) Indian				
Individuals / Hindu Undivided Family	2,303,240	3.38	2,303,240	2.61
Bodies Corporate	46,660,260	68.52	61,040,260	69.29
Sub Total	48,963,500	71.90	63,343,500	71.90
(2) Foreign	-	-	-	-
Total shareholding of Promoter and Promoter Group (A)	48,963,500	71.90	63,343,500	71.90
(B) Public Shareholding				
(1) Institutions				
Financial Institutions / Banks	254,990	0.37	254,990	0.29
Foreign Institutional Investors	-	-	-	-
Sub Total	254,990	0.37	254,990	0.29
(2) Non-Institutions				
Bodies Corporate	11,943,446	17.54	17,563,446	19.93
Individuals				
Individual shareholders holding nominal share capital up to Rs. 1 lakh	4,799,784	7.05	4,799,784	5.45
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,936,205	2.84	1,936,205	2.20
Any Others (Specify)				
Non Resident Indians	150,231	0.22	150,231	0.17
Clearing Members	51,844	0.08	51,844	0.06
Trusts	-	-	-	-
Sub Total	202,075	0.30	202,075	0.23
Total Public shareholding (B)	19,136,500	28.10	24,756,500	28.10
Total (A)+(B)	68,100,000	100.00	88,100,000	100
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-
Total (A)+(B)+(C)	68,100,000	100	88,100,000	100

d) Proposed time within which allotment shall be completed

The Allotment of shares is proposed to be completed within a period of 15 days from December 31, 2012 being the date of declaration of results of postal ballot for preferential allotment of equity shares provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or the Central Government, then the allotment shall be completed by the Company within a period of 15 days from the date on which the Company receives all approvals from the concerned authorities and the subscription received from the investors.

e) Identity and details of the proposed allottees :-

Sl. No.	Name	Category	Address	Pre-Issue Holding	% of Pre-Issue Holding	No. of Shares (Proposed for Allotment)	Post Issue Holding	% Post Issue Holding
1	B.S.Confin Pvt Ltd	Promoter Group	1, Crooked Lane, Kolkata- 700069	1,250,000	1.84	2,280,000	3,530,000	4.01
2	Hightime Holdings Pvt Ltd	Promoter Group	1, Crooked Lane, Kolkata- 700069	1,525,000	2.24	1,500,000	3,025,000	3.43
3	Emerald Tradelink Pvt Ltd	Promoter Group	1, Crooked Lane, Kolkata- 700069	-	-	2,500,000	2,500,000	2.84
4	Rajnath Vyapaar Pvt Ltd	Promoter Group	1, Crooked Lane, Kolkata- 700069	-	-	2,500,000	2,500,000	2.84
5	Dexo Trading Pvt Ltd	Promoter Group	13A, Dacres Lane, 5th Floor, Kolkata- 700069	850000	1.25	725,000	1,575,000	1.79
6	Sikhar Commotrade Pvt Ltd	Promoter Group	13A, Dacres Lane, 5Th Floor Room No. 501 Kolkata 700069	750000	1.10	410,000	1,160,000	1.32
7	Ilex Pvt Ltd	Promoter Group	13A, Dacres Lane, 5Th Floor Room No. 501 Kolkata 700069	-	-	4,115,000	4,115,000	4.67
8	Adhunik Gases Ltd	Promoter Group	1, Crooked Lane, Kolkata- 700069	5,204,000	7.64	350,000	5,554,000	6.30
9	Anubhav Vincon Private Limited	Non-Promoter	3/100, Azadgarh, Tollygunge, Kolkata- 700040	1000000	1.47	2,500,000	3,500,000	3.97
10	Panchwati Agencies Private Limited	Non-Promoter	3/113/1, Azadgarh, Tollygunge Kolkata- 700040	1000000	1.47	2,500,000	3,500,000	3.97
11	Sambhav Mercantiles Private Ltd	Non-Promoter	1/1D Prince Golam Mohmmad Shah Road, Kolkata- 700095	924000	1.36	620,000	1,544,000	1.75

f) Pricing of the Issue

The pricing of the Equity Shares to be allotted on preferential basis to the proposed allottees shall not be lower than the price determined in accordance with the SEBI ICDR Regulations 2009.

Currently SEBI ICDR Regulations 2009 provide that the issue of shares on preferential basis can be made at a price not less than higher of the following:

- The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during the twenty-six weeks preceding the relevant date; Or
- The average of the weekly high and low of the closing prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.

The Relevant Date for the purpose of pricing of the Equity Shares would have been 1st December, 2012, being the date which is 30 days prior to the declaration of results of Postal Ballot i.e. 31st December, 2012, which is deemed to be the date of the General Meeting for passing the resolution under section 81(1A) of the Companies Act, 1956. But since 1st December is a Saturday i. falling on weekend, the Relevant Date for the purpose of pricing of the Equity Shares is taken as 30th November 2012, which is deemed to be the date of the General Meeting for passing the resolution under section 81(1A) of the Companies Act, 1956. (In terms of the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations 2012 dated 30th January 2012, where the relevant date falls on a Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the relevant date).

The Stock Exchange for this purpose shall mean any of the recognized stock exchanges and on which the highest trading volume in respect of the shares of the Company has been recorded during the preceding twenty-six weeks prior to the Relevant Date.

g) Change in Control or composition of the Board:

The allotment would not result in any change in control over the Company or the management of the affairs of the Company and the existing Promoters/Directors of the Company will continue to be in control of the Company.

h) Auditors' Certificate:

The price at which the Equity Shares would be issued to the proposed allottees cannot be exactly determined before issue of this notice to the shareholders as it depends on the average of the market prices prevailing in the preceding 2 weeks or 26 weeks as per the SEBI formula. Hence, the Auditors' Certificate required under Clause 73(2) of the SEBI ICDR Regulations, 2009 will be made

available for inspection at the Corporate Office of the Company between 3.00 p.m. and 5.00 p.m. on any working day from Relevant Date (i.e. 30th November, 2012) upto the last date for voting under Postal Ballot.

i) Lock-in of proposed issue of shares:

The Equity Shares proposed to be issued to above proposed allottees shall be locked in for a period from the date of allotment in terms of Regulation 78 of SEBI regulation for preferential allotment contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Further the entire pre-allotment shareholding of the proposed allottees, if any, shall be locked-in from the relevant date upto a period of six months from the date of preferential allotment of shares.

J) Undertaking:

The Company hereby undertakes that:

- The Company shall re-compute the price of the specified securities in term of the provisions of SEBI ICDR Regulations 2009 where it is required to do so.
- If the amount payable on account of the re-computation of the price is not paid within the time stipulated in the regulations, the specified securities shall be continue to be locked-in till the time such amount is paid by the proposed allottees.

As per Section 81 of the Companies Act, 1956 and the provisions of the Listing Agreement which have been entered into by the Company with the Stock Exchanges on which the shares of the Company are listed, as and when it is proposed to increase the shares of the Company by allotment of further shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down under Section 81 unless the shareholders in general meeting decide otherwise by passing a special resolution.

Additionally, the SEBI ICDR Regulations require matters to be stated in the resolution which is required to be passed under Section 81 (1A) of the Companies Act, 1956 and in the explanatory statement in respect of such resolution.

Hence, the consent of the shareholders by way of special resolution is being sought for issue of the shares on preferential basis. The Board recommends the resolution for your approval.

None of the Directors of your Company except Mr. Puranmal Agrawal, Mr. Suresh Kumar Agrawal, Mr Manish Agrawal & Mr. Saket Agrawal, shall be concerned or deemed to be interested in the said resolution.

ITEM NO. 2

The Authorised Capital of the Company at present is Rs. 117,00,00,000/- (Rupees One Hundred and Seventeen Crores Only) divided into 8,20,00,000 (Eight Crores Twenty Lakhs)) Equity Shares of Rs 10/- (Rupees Ten) each aggregating to Rs 82,00,00,000/- (Rupees Eighty two Crores Only) and 3,50,00,000 (Three Crore fifty Lakhs) Preference Shares of Rs.10/- (Rupees Ten) each aggregating to Rs.35,00,00,000/- (Rupees Thirty Five Crores Only). With the proposed issue of new equity shares as recommended by the Board of Directors at their meeting held on October 17, 2012, the share capital is proposed to be reclassified to enable the Equity issue.

Your Board of Directors are of the view that instead of increasing the Authorised Share Capital of the Company, it is prudent to reclassify part of the existing Preference Shares into Equity Shares of the Company i.e. 2,00,00,000 (Two Crore) Preference Shares of `10/- (Rupees Ten) into 2,00,00,000 (Two Crores) Equity Share of rs. 10/- (Rupees Ten) each, aggregating to Rs. 20,00,00,000/- (Rupees Twenty Crores Only).

The alterations proposed in the Memorandum and Articles of Association of the Company are only consequential to reflect the reclassification of the Authorized Share Capital of the Company.

The Board recommends the resolution set forth in Items 2 above for approval of the members. The Directors of the Company may be deemed to be concerned or interested in this resolution to the extent of their shareholdings in the Company.

Hence, the Board recommends the said resolution for your approval.

By Order of the Board
For MSP STEEL & POWER LIMITED

Place: Kolkata
Dated:17th day of October, 2012

Sd/-
Pinky Gupta
COMPANY SECRETARY