

JAYASWAL NECO INDUSTRIES LIMITED

Regd. Office : F-8, MIDC Industrial Area, Hingna Road, Nagpur 440 016.

Tel: (07104) 237276, 237471, 237472 Fax: (07104) 237583, 236255

E-mail : contact@necoindia.com, Web site : www.necoindia.com



NOTICE

NOTICE is hereby given that the Extraordinary General Meeting of the Members of Jayaswal Neco Industries Limited will be held on Monday, the 11th day of March, 2013 at 12.30 P.M. at the Registered office of the Company at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440016 to transact the following business.

Special Business

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

FURTHER ISSUE OF SHARES ON PREFERENTIAL BASIS:

"RESOLVED pursuant to the provisions of Section 81(1A) and other applicable provisions if, any; of the Companies Act, 1956, read with The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, ("the Regulations") as amended and subject to the requisite approvals of BSE Limited, National Stock Exchange of India Limited and other regulatory approvals as may be necessary, and subject to such conditions and modifications as may be prescribed by any or all of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors ("the Board") of the Company which includes a duly constituted committee thereof, THAT the consent of the Company be and is hereby accorded to the Board to issue and allot out of its un-issued Equity Share Capital, 67500000 (Six Crores Seventy Five Lacs) Equity Shares of Rs. 10/- each at Premium of Rs. 30/- per Share to select Group of Companies as per the following:

Sr. No.	Names of the Allottees	No. of Shares
A) Promoter Group Entities:		
1	Avon Sales and Services Private Limited	4750000
2	Anurag Sales and Services Private Limited	5000000
3	Apex Spinning Mills Private Limited	5000000
4	Nine Star Plastic Packaging Services Private Limited	5500000
5	Karamveer Impex Private Limited	4250000
6	Jayaswal Neco Metallica Private Limited	5750000
7	Jayaswal Neco Energy Private Limited	5000000
8	Jayaswal Neco Power Private Limited	4500000
9	Jayaswal Neco Infrastructures Private Limited	6875000
	Sub Total (A)	46625000
B) Non Promoter Group Entities:		
10	Efficient Structures Private Limited	4250000
11	Costal Multitrading Private Limited	3750000
12	Rajvardhan Trade Zone Private Limited	3750000
13	Darshan Gems Private Limited	4500000
14	Salmon Developers Private Limited	4625000
	Sub Total (B)	20875000
	Grand Total (A+B)	67500000

from whom the amount of Rs. 40/- per share has been received/is to be received by the Company for the shares proposed to be allotted, in such manner, form and number to such incorporated bodies whether or not such corporate bodies are members of the Company; upon such terms and conditions as the Board may in its absolute discretion deem fit."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the Relevant Date as per the Regulations for the determination of price of the Equity Shares to be issued and allotted referred to above, is 30 days prior to the date of this Extra Ordinary General Meeting i.e. 8th February, 2013."

"RESOLVED FURTHER THAT the issue and allotment of Equity Shares on preferential basis to the proposed allottees shall rank pari-passu with the existing Equity Shares of the Company in all respects and be subject to Memorandum and Articles



of Association of the Company, the provisions prescribed under the Regulations and the Listing Agreements entered into by the Company with the Stock Exchanges."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions and difficulties that may arise in regard to the offer, issue or allotment of Equity Shares as above and utilization of the proceeds of issue and to do all such acts, deeds, things, and matters and to take all such steps and actions as it may in its absolute discretion deem fit and necessary without being required to seek any further consent or approval of the Members."

2. To consider and if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:
BORROWING POWERS:

"RESOLVED in supercession of resolution passed at the Extraordinary General Meeting of the Company held on 7th February, 2011 and pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956, THAT the Company hereby accords its approval to the Board of Directors of the Company borrowing any sum or sums of money from time to time from any one or more of the Company's Bankers and / or from any one or more Persons, Firms, Bodies Corporate or Financial Institutions and Investors whether by way of cash credit, advances, deposits, loans, bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's properties whether movable or immovable or stock in trade (including raw materials, stores, spare parts components in stock or in transit) and work in progress and all or any of the undertakings of the Company, present and future notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but so however that the total amount upto which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 7500 Crore (Rupees Seven Thousand Five Hundred Crore only) exclusive of interest and the Board of Directors is hereby further authorized to execute such deeds of debentures trust and deeds of mortgage, charge, hypothecation, lien, promissory notes, deposit and other receipts and other deeds and instruments or writings containing such conditions and covenants as the Board of Directors may think fit."

3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:
AUTHORITY TO MORTGAGE:

"RESOLVED in supercession of resolution passed at the Extra-ordinary General Meeting of the Company held on 7th February, 2011 THAT the approval of the Company be and is hereby accorded in terms of Section 293(1) (a) and all other applicable provisions of the Companies Act, 1956, (including any statutory modifications or re-enactments thereof for the time being in force), to the Board of Directors of the Company (hereinafter referred to as "the Board" which includes a duly constituted committee thereof) to mortgage and/or charge, in addition to the mortgages/charges created/ to be created by the Company, in such forms and in such manners and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Lenders, Agents and Trustees for securing the borrowings of the Company availed/to be availed by way of loans in Foreign Currency and/or Rupee Currency in whatever manner, for the sums not exceeding Rs. 7500 Crore (Rupees Seven Thousand Five Hundred Crore only) approved under Section 293(1)(d) of the Companies Act, 1956, together with interest, compound interest, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration to agents, trustees, premium if any on redemption, all other costs, charges and expenses including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the loans or any other documents entered into/to be entered into between the Company and the Lenders, Agents and Trustees in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lenders / Agents / Trustees."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to finalize, settle and execute such documents/deeds/writings/papers/ agreements as may be required and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/charge as aforesaid."

Dated: 7th February, 2013

By Order of the Board of Directors

Registered Office:
F-8, MIDC Industrial Area
Hingna Road, Nagpur-440016

A. D. Karajgaonkar
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business above is attached herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
3. Instruments appointing proxy or proxies duly filled in, stamped and signed should be deposited at the Registered Office of the Company not less than 48 hours.

**EXPLANATORY STATEMENT
(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)**

ITEM NO 1: FURTHER ISSUE OF SHARES ON PREFERENTIAL BASIS

As the Members are aware, the Company has taken up ambitious expansion projects in the State of Chhattisgarh and Jharkhand as and by way of development of its mines and expansion of its manufacturing capacities by setting up various additional Steel and Waste Heat Recovery Based Power Plants and other allied projects aimed at achieving higher operational efficiencies. On completion of the projects, the Company would be in a position to increase its overall strength and competitiveness to withstand the ups and downs in the industry and add to its earning capacity.

The Company has already achieved financial closures for all the projects referred to above and part disbursements thereagainst have been availed.

As informed earlier, the works on various project sites in Chhattisgarh and Jharkhand are in progress. The Company has already awarded EPC contracts. Deliveries of critical equipments have commenced and land and site development and other related works for the projects are moving in sync with the delivery schedules of the equipments. The entire work is expected to be completed by 2014-15.

The Company has till date raised about Rs. 763 crores as equity contribution by the Company for the said projects. As a part of contribution towards further Equity, some of the promoter group entities and other corporate bodies have brought in/shall bring in monies for part funding the said project. It is now proposed to issue Equity Shares on Preferential basis towards monies brought in by them.

The Board place before the Members the resolution as proposed and seek under Section 81(1A) of the Companies Act, 1956, their consent and authority to issue shares as proposed.

In Compliance with the provisions of Regulation 72 and 73 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended, the following further details are furnished:

- a) **OBJECT OF THE ISSUE**
The object of the present issue of Equity Shares is to Part finance the cost of projects of the Company in Steel, Mining and Power sectors.
- b) **INTENTION OF THE PROMOTERS / DIRECTORS / KEY MANAGEMENT PERSONS TO SUBSCRIBE TO THE PREFERENTIAL OFFER**
Promoters through their existing bodies corporate will be subscribing for 46625000 Equity Shares out of 67500000 Equity Shares being issued on preferential basis. Directors and Key management persons do not propose to subscribe to the offer in their personal capacities.
- c) **SHARE HOLDING PATTERN OF THE COMPANY BEFORE AND AFTER THE ISSUE OF SHARES ON PREFERENTIAL BASIS**

Category of Shareholders	Before Issue		After issue	
	No of Equity Shares	Percentage	No of Equity Shares	Percentage
A) Promoter Group	297204621	69.17	343829621	69.16
Sub - Total (A)	297204621	69.17	343829621	69.16
B) Public Shareholdings				
i) Financial Institution and Mutual Funds	18241533	4.24	18241533	3.67
ii) NRIs	1818380	0.42	1818380	0.36
iii) Other Bodies Corporate	72061480	16.77	92936480	18.69
iv) Individuals	40357449	9.39	40357449	8.12
Sub-Total (B)	132478842	30.83	153353842	30.84
TOTAL (A+B)	429683463	100.00	497183463	100.00



d) PROPOSED TIME WITHIN WHICH THE ALLOTMENT WILL BE COMPLETED

The proposed issue will be completed within 15 days from the date of passing of the resolution. In the event any of the regulatory approvals sought by the Company does not come within the said 15 days, then as per the proviso to Regulation 74, the 15 days period shall stand postponed and will be reckoned from the date of receipt of such approval or permission, as the case may be from the regulatory authorities concerned.

e) IDENTITY OF THE PROPOSED ALLOTTEES AND THE PERCENTAGE OF POST PREFERENTIAL ISSUE CAPITAL THAT MAY BE HELD BY THE ALLOTTEES

Sr. No.	Identity of the Allottees	Number of Equity Shares and % to Total Paid up Equity Capital (Pre- issue)	Number of Equity Shares to be allotted	Number of Equity Shares and % to Total Paid up Equity Capital (Post- issue)	Change in percentage After issue
A) PROMOTER GROUP ENTITIES					
1.	Avon Sales And Services Pvt. Ltd. 422, Tulsiani Chamber, Nariman Point, Mumbai - 400021	26065000	4750000	30815000	0.13
		6.07		6.20	
2.	Anurag Sales and Services Pvt. Ltd. 422, Tulsiani Chamber, Nariman Point, Mumbai - 400021.	25091000	5000000	30091000	0.21
		5.84		6.05	
3.	Apex Spinning Mills Pvt. Ltd. 422, Tulsiani Chamber, Nariman Point, Mumbai - 400021.	21559600	5000000	26559600	0.32
		5.02		5.34	
4.	Nine Star Plastic Packaging Services Pvt. Ltd. 422, Tulsiani Chamber, Nariman Point, Mumbai - 400021.	31474600	5500000	36974600	0.11
		7.33		7.44	
5.	Karamveer Impex Pvt. Ltd. Trust House, 5th Floor, 32-A, Chittaranjan Avenue, Kolkata - 700012.	34819000	4250000	39069000	-0.24
		8.10		7.86	
6.	Jayaswal Neco Metallics Pvt. Ltd. Trust House, 5th Floor, 32-A, Chittaranjan Avenue, Kolkata - 700012.	27040500	5750000	327905000	0.30
		6.29		6.59	
7.	Jayaswal Neco Energy Pvt. Ltd. Trust House, 5th Floor, 32-A, Chittaranjan Avenue, Kolkata - 700012.	26312000	5000000	31312000	0.18
		6.12		6.30	
8.	Jayaswal Neco Power Pvt. Ltd. F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440016	25222500	4500000	29722500	0.11
		5.87		5.98	

9.	Jayaswal Neco Infrastructures Pvt. Ltd. F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440016	17750500	6875000	24625500	0.82
		4.13		4.95	
Total (A)		235334700	46625000	281959700	1.94
		54.77		56.71	
B) NON PROMOTER GROUP ENTITIES					
10.	Efficient Structures Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur - 440 016	15412353	4250000	19662353	0.37
		3.59		3.96	
11.	Costal Multitrading Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur - 440 016	12762353	3750000	16512353	0.35
		2.97		3.32	
12.	Rajvardhan Trade Zone Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur - 440 016	12962353	3750000	16712353	0.34
		3.02		3.36	
13	Darshan Gems Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur - 440 016	7500000	4500000	12000000	0.67
		1.74		2.41	
14	Salmon Developers Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur - 440 016.	7500000	4625000	12125000	0.70
		1.74		2.44	
Total (B)		56137059	20875000	77012059	2.43
		13.06		15.49	
Total (A+B)		291471759	67500000	358971759	4.37
		67.83		72.20	

The proposed Allottees are not in terms of the Regulations, disqualified to acquire the Equity Shares proposed to be offered to them. There will be no substantial change in the control of the Company subsequent to preferential issue and allotment of Equity Shares.

f) RECOMPUTATION OF PRICE/AMOUNT PAYABLE

As the shares of the Company have been listed on the Stock Exchanges for more than six months, the conditions relating to recomputing the price and other matters connected therewith referred to in the Regulations are not applicable to the Company.

g) LOCK-IN PERIOD

The Equity Shares to be issued as above shall in terms of the Regulations be subject to lock-in period of 3 years for the



allottees under Group (A) i.e. Promoter Group entities and 1 year for allottees under Group (B) i.e. Non Promoter Group entities from the date of allotment.

h) RELEVANT DATE

Relevant date as per Regulation 71 of the Regulations read with explanation thereto, for the purpose of preferential issue means the date thirty days prior to the date on which the Meeting of Shareholders is held in terms of Section 81 [1A] of the Companies Act, 1956 to consider the proposed issue, which relevant date, in the present case, is February 8, 2013.

The Board of Directors of the Company has been advised that the proposed issue will be in the larger interest of the Company and it has approved issue of shares on preferential basis to the proposed allottees at its Meeting held on 7th February, 2013.

M/s. Agrawal Chhallani & Co., Chartered Accountants, Statutory Auditors of the Company have verified the proposal and certified vide their certificate dated 7th February, 2013 that the issue of Equity Shares is being made in accordance with the Regulations and is available for inspection at the Registered Office of the Company on all working days during normal working hours upto the date of the Extra-ordinary General Meeting.

The Board of Directors of the Company recommends the approval of the resolution by the Members as proposed.

S/Shri Basant Lall Shaw, Arbind Jayaswal and Ramesh Jayaswal, Directors, are interested in and concerned with the resolution to the extent of allotment of shares to the allottees belonging to the promoter group. No other Director is interested in or concerned with the resolution.

ITEM NO 2 AND 3: BORROWING POWERS /AUTHORITY TO MORTGAGE:

The Members are aware that, the existing Borrowing Powers of the Company are up to Rs. 5000 Crore vide resolution passed by the Company at its Extra-ordinary General Meeting held on 7th February, 2011. The Board under its ambitious expansion plans as and by way of development of its captive Iron Ore and Coal Mines, Coal Washeries, Additional manufacturing facilities in Iron, Steel and Power and allied projects in the States of Chhattisgarh and Jharkhand, is looking forward to explore more opportunities and expand its manufacturing facilities.

The Directors feel that the existing Borrowing Powers will not be enough to cover the aggregate of the present and the proposed, borrowings of the Company in future. Keeping in view the requirements, it is proposed to enhance the Borrowing Powers of the Company from Rs. 5000 Crore to Rs. 7500 Crore so as to facilitate availing the need based term loans from Banks, Financial Institutions for the proposed Projects. In line with the enhancement of Borrowing Powers as proposed the related powers to mortgage Immovable and Movable Properties of the Company to secure the Borrowings are also proposed to be accordingly enhanced from the existing Rs. 5000 Crore to Rs. 7500 Crore.

The Directors place the proposals for consideration of Members and recommend the resolutions as proposed be passed as Special Resolutions.

None of the Directors of the Company are interested in or concerned with the resolutions.

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ATTENDANCE SLIP

(Shareholders attending the meeting in person or by Proxy are requested to fill in and sign the Attendance Slip and hand it over at the entrance of the Meeting Hall).

I hereby record my presence at the Extraordinary General Meeting of the Company to be held on Monday, the 11th day of March, 2013 at 12.30 P.M. at the Registered Office of the Company situated at F-8 MIDC Industrial Area, Hingna Road, Nagpur – 440016.

Folio No. /Client ID No.

Full name of the shareholder/Proxy
(in block letters)

Signature

JAYASWAL NECO INDUSTRIES LIMITED

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Register Folio No. /Client ID No.

I/We of
being a Member/Members of JAYASWAL NECO INDUSTRIES LIMITED hereby appoint
..... of in the District of
..... or failing him of
..... in the District of
as my/our proxy to attend and vote for me/us on my/our behalf at the EXTRAORDINARY GENERAL MEETING to be held on Monday, the 11th March, 2013 and at any adjournment there of.

Signed at this Day of 2013.

Affix
Re. 1/-
Revenue
Stamp

Note : The Proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. The Proxy need not be a Member of the Company.

BOOK POST

To,

If undelivered please return to :



JAYASWAL NECO INDUSTRIES LIMITED

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