

Monnet Ispat & Energy Limited

Regd. Office : Monnet Marg, Mandir Hasaud, Raipur-492101. (Chhattisgarh)

POSTAL BALLOT NOTICE

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

Sub. : Passing of Resolution by Postal Ballot

Dear Members

NOTICE is hereby given that the following Resolutions are circulated herewith for approval of the Members of **MONNET ISPAT & ENERGY LIMITED** ("the Company") to be accorded by Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 ("the Act") read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001 ("the Rules") and amendments thereto.

The Explanatory Statement pertaining to the said resolutions setting out all material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form ("the Form") for your consideration. The Company has, in compliance with Rule 5(b) of the Rules, appointed Mr. Sanjay Grover, Practicing Company Secretary, as the Scrutinizer for conducting the entire Postal Ballot process in a fair and transparent manner.

You are, therefore, requested to carefully read the instructions printed on the Postal Ballot Form and return the Form duly completed in the attached self-addressed, postage pre-paid envelop so as to reach the Scrutinizer on or before the close of working hours on Wednesday, 16th March, 2011.

SPECIAL BUSINESS

1. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution through Postal Ballot**:-

"**RESOLVED** that in supersession to the resolution passed by the Company in the 18th Annual General Meeting held on 30th September, 2008, pursuant to Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to borrow loans/debts/advances of any kind and nature and banking facilities given/sanctioned by any Public/Private/International Financial Institutions/Banks (excluding the temporary loans obtained or to be obtained from the Company's Bankers) from time to time upto a limit of Rs.5,000 crores over and above the Paid-up Capital and Free Reserves of the Company."

2. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution through Postal Ballot**:-

"**RESOLVED** that in supersession to the resolution passed by the Company in the 18th Annual General Meeting held on 30th September, 2008, the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors of the Company of all the movable and immovable properties of the Company wheresoever situate, present or future and the whole, or substantially the whole of the undertaking(s) of the Company to secure loans/debts/advances of any type or nature and banking facilities given/sanctioned by any Public/Private/International Financial Institutions/Banks upto a sum of Rs. 5000 crores together with interest thereon, compound interest, additional interest, liquidated damages, premia on pre-payment or on redemption, costs, charges, expenses and other monies."

By order of the Board of Directors
for **MONNET ISPAT & ENERGY LIMITED**

(M.P. KHARBANDA)
COMPANY SECRETARY

Date : 8th February, 2011

Place : New Delhi

Registered Office :

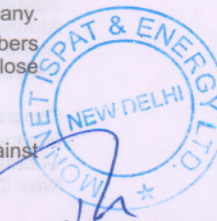
Monnet Marg,
Mandir Hasaud,
Raipur-492101. (Chhattisgarh)

Corporate Office :

Monnet House, 11, Masjid Moth,
Greater Kailash Part-II
New Delhi-110048.

NOTES

1. Your kind attention is invited to the proposal of your Company to move the said Resolutions to be passed as Ordinary Resolutions only through Postal Ballot.
2. The Postal Ballot form is enclosed. You may please read Item No. 1 & 2 of the Notice along with the relative Explanatory Statement pursuant to Section 173 (2) annexed to the Notice in respect whereof this postal ballot pertains.
3. The Notice is being sent under certificates of posting to all the Members, whose names would appear in the Register of Members as on Saturday, 5th February, 2011.
4. A Member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the enclosed self addressed Business Reply Envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot, if sent by courier or by Registered Post at the expense of the Members will also be accepted. The envelope containing the Postal Ballot should reach the Scrutinizer not later than the close of working hours on Wednesday, 16th March, 2011.
5. Postal Ballot forms received after 16-03-2011 as aforesaid will be rejected.
6. The "Postage" prepaid envelope is enclosed. Please use the same after you mark your vote in favour of or against the Ordinary Resolutions as enumerated under the item of business specified in the notice above.





7. As per Article 87 of the Articles of Association of the Company, no member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid. The same is also applicable to the Postal Ballot.
8. Votes will be considered invalid on the following grounds:
 - a) if the Member's signature does not tally,
 - b) if the Member has marked both in favour and against,
 - c) if the ballot paper received is torn or defaced or mutilated to an extent that it is difficult for scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature couldn't be checked or on one or more of the above grounds,
 - d) on such grounds which in the opinion of the Scrutinizer makes the vote invalid.
9. Shri Sanjay Grover, Company Secretary in whole-time practice, aged 52 years, has been appointed the Scrutinizer for the Postal Ballot in accordance with the said rules. He will submit his report to the Chairman of the Company on or before 21-3-2011.
10. Shri CP Baid, Dy. Managing Director and Shri M.P. Kharbada Company Secretary of your Company are the officers authorized to ensure smooth conduct of the Postal Ballot Process. Members requiring any clarifications may contact any one of them.
11. The result of the Postal Ballot will be announced by the Chairman, or in his absence by any Director of the Company, on Tuesday, the 22nd March, 2011 at 4.30 P.M. at the Registered Office of the Company and the resolution will be taken as passed effectively on the date of announcement of the result by the Chairman, if the result of the Postal Ballot indicates that the requisite majority of the Shareholders had assented to the resolution. Members who wish to be present at the time of declaration of the result may do so at the venue.
12. The date of declaration of result shall be deemed to be the date of passing of the said Resolution.
13. Subsequently the Result of the Postal Ballot will be published in atleast one English and one vernacular language newspaper circulating in the State of Delhi. The result of the postal ballot will also be displayed at website of the Company.
14. Members are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their vote.
15. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the company on all working days between 11.00 A.M. to 1.00 P.M. upto the date of meeting.
16. The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.

EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 1

The existing borrowing powers of the Board of Directors of your Company u/s 293 (1) (d) of the Companies Act, 1956 is Rs. 2500 crores as approved by the shareholders in the 18th Annual General Meeting held on 30th September, 2008. The Company's future expansion plans and new projects will require additional funds. Since the Company does not envisage dilution of its capital in the foreseeable future and the balance sheet of the Company has potential to leverage within acceptable limits of debt-equity balancing. It is therefore, considered necessary to increase the borrowing powers of the Board of Directors from the existing limit Rs. 2500 crores to Rs. 5000 crores over and above the paid-up capital and free reserves.

The Directors recommend the resolution for shareholders approval.

None of the Directors is in any way concerned or interested in the resolution.

Item No. 2

The Company requires the authorization of the Shareholders for securing the borrowings upto the same limit of Rs. 5000 crores upto which the borrowing powers are proposed in Item No. 1 above. For the reasons already mentioned in detail in the Explanatory Statement for Item No. 1 above, it is desirable that the Company has in place the requisite approval of the shareholders under Section 293 (1) (a) of the Companies Act, 1956 to create mortgage and/or charge on Company's entire immovable and movable properties on first/second charge basis all such borrowings that may be availed pursuant to the above authority of the shareholders. The current limit available with the Board is upto Rs. 2500 crores. It is now proposed that this limit may be increased to Rs. 5000 crores.

The Company needs the requisite authorization from the shareholders under Section 293 (1) (a) of the Companies Act, 1956, by way of an Ordinary Resolution passed through Postal Ballot as prescribed under Section 192A and Rule 4 (f) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. Hence, the same is being forwarded to the shareholders in the prescribed manner for their assent or dissent, as the case may be.

It is therefore, proposed that the Company may be given the requisite authorization. None of the Directors of the Company is interested in the resolution.

By order of the Board of Directors
for **MONNET ISPAT & ENERGY LIMITED**

Date : 8th February, 2011

Place : New Delhi

Registered Office :

Monnet Marg,
Mandir Hasaud,
Raipur-492101. (Chhattisgarh)

Corporate Office :

Monnet House, 11, Masjid Moth,
Greater Kailash Part-II
New Delhi-110048.

(M.P. KHARBADA)
COMPANY SECRETARY



Monnet Ispat & Energy Limited

Regd. Office : Monnet Marg, Mandir Hasaud, Raipur-492101. (Chhattisgarh)

POSTAL BALLOT FORM

1) Name(s) of Shareholder(s) Including Joint-holders, if any. (In Block Letters)			
2) Registered Address of the Sole/ First named Shareholder			
3) Registered Folio No.*			
4) DP ID No./Client ID No.**			
5) Total number of shares held			
6) I/We hereby exercise my/our vote in respect of the special resolution to be passed through postal ballot for the businesses stated in the Notice dated February 8, 2011 of the Company by sending my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below:			
Item No.	No. of Shares		
Item No. 1		I/We assent to the resolution	
		I/We dissent to the resolution	
Item No. 2		I/We assent to the resolution	
		I/We dissent to the resolution	

Place :

Date :

Signature of the Shareholder

*Applicable to shareholder(s) holding shares in physical form.

**Applicable to shareholder(s) holding shares in dematerialised form.

NOTE : Please read the instructions printed overleaf carefully before exercising your vote.



INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the company in the attached self-addressed envelope. Postage will be borne and paid by the company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered shareholders will also be accepted.
2. The self-addressed pre-paid envelope bears the address of the scrutinizer appointed by the Board of Directors of the company.
3. Please convey your assent/ dissent in this Postal Ballot Form. The assent or dissent received in any other Form shall not be considered valid.
4. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the company) by the first named shareholder and in his absence, by the next named shareholder.
5. In case of shares held by companies, trusts, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of board resolution/authority to vote on the postal ballot
6. Incomplete and Unsigned Postal Ballot Form will be rejected.
7. Duly completed Postal Ballot Form should reach the company not later than the close of working hours on Wednesday 16-3-2011. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
8. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on the cut off date Saturday, 5th February, 2011.
9. A Member may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified at instruction No. 7 above.
10. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope and if any, extraneous paper found in such envelopes, would be destroyed by the Scrutinizer.
11. Members are requested to fill in the postal ballot form in indelible ink and not in any erasable writing mode.
12. The Scrutinizer's decision on the validity of a postal ballot will be final.
13. The result of the Postal Ballot will be published in the newspaper for the information of the members.
14. The vote in this Postal Ballot cannot be exercised by a proxy.