

JAYASWAL NECO INDUSTRIES LIMITED

CIN - L28920MH1972PLC016154

Regd. Office : F-8, M.I.D.C. 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 an Extraordinary General Meeting of the Members of **Jayaswal Neco Industries Limited** will be held on Friday the 25th day of July, 2014 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. FURTHER ISSUE OF SHARES ON PREFERENTIAL BASIS

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

"**RESOLVED THAT** pursuant to the provisions of Section 42, Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules framed under the said Act, if any, and pursuant to the provisions of Chapter VII of 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, consent of the Company be and is hereby accorded to the Board to offer, issue and allot out of its un-issued Equity Share Capital, 40000000 (Four Crore) Equity Shares of Rs. 10/- each at a Premium of Rs. 15/- per Share, in one or more trenches to the following select Group of Companies:

Sr. No.	Name of the Allottees	No. of Shares
A) Promoter Group Entities:		
1	Avon Sales and Services Private Limited	3000000
2	Anurag Sales and Services Private Limited	3160000
3	Apex Spinning Mills Private Limited	2900000
4	Nine Star Plastic Packaging Services Private Limited	2720000
5	Karamveer Impex Private Limited	2960000
6	Jayaswal Neco Metallica Private Limited	2800000
7	Jayaswal Neco Energy Private Limited	3100000
8	Jayaswal Neco Power Private Limited	3400000
9	Jayaswal Neco Infrastructures Private Limited	3360000
Sub Total (A)		27400000
B) Non Promoter Group Entities:		
10	Efficient Structures Private Limited	2600000
11	Costal Multitrading Private Limited	2200000
12	Rajvardhan Trade Zone Private Limited	2400000
13	Darshan Gems Private Limited	2600000
14	Salmon Developers Private Limited	2800000
Sub Total (B)		12600000
Grand Total (A+B)		40000000



in such manner, form and number to above specified 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. 25th June, 2014."

"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, listing thereof 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. BORROWING POWERS

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

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, the Company hereby accords its approval to the Board of Directors of the Company (hereinafter referred to as "the Board" which includes a duly constituted committee thereof) to borrow 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 the Company 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 is hereby further authorized to execute such deeds of debentures trust and deeds of mortgage, charge, hypothecation, lien, promissory notes, deposit and covenants as it may deem fit."

3. AUTHORITY TO MORTGAGE

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

"RESOLVED THAT the approval of the Company be and is hereby accorded in terms of Section 180 (1) (a) and all other applicable provisions, if any, of the Companies Act, 2013, (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 180(1) (c) of the Companies Act, 2013, 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 : 25th June, 2014
Registered Office:
F-8, MIDC Industrial Area,
Hingna Road, Nagpur - 440016

By Order of the Board of Directors

Ashutosh Mishra
Company Secretary
Membership No. 23011

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 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/herself and the proxy need not be a member of the Company.
3. Instruments appointing proxy or proxies duly filled in, stamped & signed should be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
4. As per Section 101 of the Companies Act, 2013 read with rule 18 of the Companies (Management and Administration) Rules 2014 the notice of General Meeting may be sent through electronic mode also to the shareholders. In view of this it has been decided by the Company to send all future communications including Notices, Annual Reports etc. to its shareholders in electronic form to their registered e-mail address. Shareholders are requested to update their e-mail IDs at necoindia.gogreen@sharexindia.in alongwith their Folio No. and No. of shares/ Client ID/ DP ID with Depository Participants (DP) for shares held in electronic form or with the Registrar and Share Transfer Agent (Sharex Dynamic (India) Private Limited).

EXPLANATORY STATEMENT

[PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SEBI (ISSUE OF CAPITAL DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED]

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 Maharashtra 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 and capex schemes aimed at achieving smoother operations, removing bottlenecks, reducing dependence on hired equipments and overall higher operational efficiencies. On completion of the projects, the Company would be in 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 the projects referred to above and part disbursements there against have been availed.

The works on various project sites in Chhattisgarh and Maharashtra 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. Some of the projects are facing time delays. The Company is however committed to commission projects as soon as possible.

The Company has till date raised about Rs. 1205 Crores as equity contribution for the said projects. It is now proposed to issue further Equity Shares on Preferential basis to some of the promoter group entities and other corporate bodies, who have expressed their interest for part funding the said project.

The Directors place before the Members the resolution as proposed and seek under Section 62 of the Companies Act, 2013, their consent and authority to issue shares as contemplated.

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 being furnished:

(a) OBJECT OF THE ISSUE

The object of the present issue of Equity Shares is to Part finance cost of projects of the Company in Steel, Mining and Power sectors and augment working capital margins.

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 27400000 Equity Shares out of the total 40000000 Equity Shares being issued on preferential basis. Directors and Key managerial personnel 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	411902841	68.81	439302841	68.79
Sub - Total (A)	411902841	68.81	439302841	68.79
B) Public Shareholdings				
i) Financial Institution and Mutual Funds and Others	14975733	2.50	14975733	2.34
ii) NRIs	1499526	0.25	1499526	0.23
iii) Other Bodies Corporate	113184671	18.91	125784671	19.70
iv) Individuals and Others	57070292	9.53	57070292	8.94
Sub-Total (B)	186730222	31.19	199330222	31.21
TOTAL (A+B)	598633063	100.00	638633063	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 % of Total Paid up Equity Capital (Pre-issue)	Number of Equity Shares to be allotted	Number of Equity Shares and % of 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	36095000 6.03	3000000	39095000 6.12	0.09

2.	Anurag Sales and Services Pvt.Ltd. 422, Tulsiani Chamber, Nariman Point, Mumbai - 400021	35771000	3160000	38931000	0.12
		5.98		6.10	
3.	Apex Spinning Mills Pvt. Ltd. 422, Tulsiani Chamber, Nariman Point, Mumbai - 400021	32399600	2900000	35299600	0.12
		5.41		5.53	
4.	Nine Star Plastic Packaging Services Pvt. Ltd. 422, Tulsiani Chamber, Nariman Point, Mumbai - 400021	41574600	2720000	44294600	0.00
		6.94		6.94	
5.	Karamveer Impex Pvt. Ltd. Trust House, 5th Floor, 32-A, Chittaranjan Avenue, Kolkata-700012	44269000	2960000	47229000	0.00
		7.40		7.40	
6.	Jayaswal Neco Metalics Pvt. Ltd. Trust House, 5th Floor, 32-A, Chittaranjan Avenue, Kolkata – 700012	37910500	2800000	40710500	0.04
		6.33		6.37	
7.	Jayaswal Neco Energy Pvt. Ltd. Trust House, 5th Floor, 32-A, Chittaranjan Avenue, Kolkata - 700012	36632000	3100000	39732000	0.10
		6.12		6.22	
8.	Jayaswal Neco Power Pvt. Ltd. F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440016	32954500	3400000	36354500	0.19
		5.50		5.69	
9.	Jayaswal Neco Infrastructures Pvt. Ltd. F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440016	31025500	3360000	34385500	0.20
		5.18		5.38	
Total (A)		328631700	27400000	356031700	0.86
		54.89		55.75	
B) NON PROMOTER GROUP ENTITIES					
10.	Efficient Structures Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur – 440 016	25262353	2600000	27862353	0.14
		4.22		4.36	
11.	Costal Multitrading Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur – 440 016	22800353	2200000	25000353	0.10
		3.81		3.91	
12.	Rajvardhan Trade Zone Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur – 440 016	23112353	2400000	25512353	0.13
		3.86		3.99	
13.	Darshan Gems Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur – 440 016	13920000	2600000	16520000	0.27
		2.32		2.59	
14.	Salmon Developers Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur – 440 016	14045000	2800000	16845000	0.29
		2.35		2.64	
Total (B)		99140059	12600000	111740059	0.93
		16.56		17.49	
Total (A+B)		427771759	40000000	467771759	1.79
		71.45		73.24	

f) THE NATURAL PERSONS WHO ARE THE ULTIMATE BENEFICIAL OWNERS OF THE SHARES PROPOSED TO BE ALLOTTED AND / OR WHO ULTIMATELY CONTROL OF THE PROPOSED ALLOTTEES.

PROMOTER GROUP ENTITIES : All the proposed allottees under Group (A) above are under ultimate control of the Promoters of the Company namely Shri Basant Lall Shaw (DIN-00249729), Shri Arbind Jayaswal (DIN-00249864), Shri Ramesh Jayaswal (DIN-00249947), Mrs.Nisha Jayaswal (DIN-00624372) and Mrs. Rita Jayaswal (DIN-00626119) and their relatives.



NON-PROMOTER GROUP ENTITIES : All the proposed allottees under Group (B) above are under ultimate control of Shri Rajesh Kumar Saha (DIN-00204624) and Shri Bharat Bhushan Mehta (DIN-00205384), Directors of the said entities.

The proposed Allottees are in terms of the Regulations, not 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.

g) 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.

h) 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 Trading Approval.

i) RELEVANT DATE AND BASIS FOR THE ISSUE PRICE

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 62 of the Companies Act, 2013 to consider the proposed issue, which relevant date, in the present case is 25th June, 2014.

The issue price is kept at Rs. 25/- per share including the premium of Rs. 15/- which is not less than the price determined in accordance with guidelines prescribed under regulation 76 (1).

The Board of Directors of the Company has 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 25th June, 2014.

M/s. Agrawal Chhallani & Co., Chartered Accountants, Statutory Auditors of the Company have verified the proposal and certified vide their certificate dated 25th June, 2014 that the issue of Equity Shares is being made in accordance with the Regulations.

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

The certificate of the Statutory Auditor of the Company certifying that the issue is being made in accordance with the Regulations, 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.

S/Shri B L Shaw (DIN-00249729), Arbind Jayaswal (DIN-00249864) and Ramesh Jayaswal (DIN-00249947), Directors, and their relatives hold not less than 2% Equity Shares in the proposed allottees under Group (A) above and are interested in or concerned with the resolution to the extent of allotment of shares to the allottees belonging to the promoter group. No other Directors their relative or Key Managerial Personnel is interested in or concerned with the resolution.

ITEM No. 2 and 3 BORROWING POWERS / AUTHORITY TO MORTGAGE

As per Section 293(1)(d) and 293(1)(a) of the Companies Act, 1956, the members of the Company vide Extraordinary General Meeting (EGM) held on 11th day of March, 2013, authorised the Board of Directors of the Company (hereinafter referred to as "the Board" which includes a duly constituted committee thereof) by way of Special Resolution to borrow money in excess of aggregate of paid up capital and free reserves of the Company but not exceeding Rs. 7500 (Rupees Seven Thousand Five Hundred Crores only) and to create mortgage and / or charge on all or any of the moveable 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 etc in favour of the Lenders, Agents and Trustees for securing such borrowings, upto an aggregate amount not exceeding Rs. 7500 Crores (Rupees Seven Thousand Five Hundred Crores only).

Now, with the coming into effect of the provisions of Section 180 (1) (a) & (c) of the Companies Act, 2013, consent of the members of the Company by way of special resolution is required under section 180 (1) (a) & (c) to enable the Board to exercise the above powers.

Therefore your Board of Directors recommend the resolutions as set out under item no. 2 and 3 for your approval as Special Resolutions.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolutions.

Dated : 25th June, 2014
Registered Office:
F-8, MIDC Industrial Area,
Hingna Road, Nagpur - 440016

By Order of the Board of Directors
Ashutosh Mishra
Company Secretary
Membership No. 23011

Form No. MGT - 11

Proxy form

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

CIN : L28920MH1972PLC016154
 Name : Jayaswal Neco Industries Limited
 Registered Office : F-8, MIDC Industrial Area, Hingna Road, Nagpur – 440 016.

Name of the Member (s)	:
Registered address	:
E-mail ID	:
Folio No. / Client ID	:
DP ID	:

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

- Name :
 Address :
 E-mail ID :
 Signature : , or failing him
- Name :
 Address :
 E-mail ID :
 Signature : , or failing him
- Name :
 Address :
 E-mail ID :
 Signature :

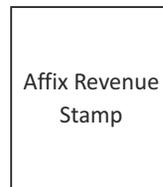
As my/our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the Extra-ordinary General Meeting of the Company, to be held on the 25th day of July, 2014 at 12.30 P.M. at F-8 MIDC Industrial Area, Hingna Road, Nagpur – 440 016 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.
 1.....
 2.....
 3.....

Signed thisday of2014.

Signature of shareholder

Signature of Proxy holder(s)



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

To,

If undelivered please return to :



JAYASWAL NECO INDUSTRIES LIMITED

Regd. Office : F-8, M.I.D.C. Industrial Area,

Hingna Road, Nagpur-440 016.

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Web site : www.necoindia.com,