

**Kalyani  
Steels**

10	✓		10	✓
11	✓		11	✓
12	✓		12	✓
13	✓	✓	13	✓
14	✓	✓	14	✓
15	✓	✓	15	✓

**24TH**

**ANNUAL  
REPORT**

**1996-97**



**KALYANI**

**KALYANI STEELS LIMITED**

# **BOARD OF DIRECTORS**

Mr. B. N. Kalyani  
*Chairman & Wholetime Director*

Dr. N. A. Kalyani

Mr. V. S. Kirloskar

Mr. R. M. Gandhi

~~Mr. C. P. Shah~~

Mr. V. V. Divecha

Mr. M. R. Kalewar

Mr. S.S. Hiremath

Mr. S. M. Kheny

Mr. N. K. Prasad

Mr. P. C. Nayak

Mr. V. G. Yennemadi

Mr. A. J. Advani  
*ICICI Nominee*

Mr. K. G. Vassal  
*UTI Nominee*

Mr. B. B. Hattarki  
*Joint Managing Director*

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## **AUDITORS**

Dalal & Shah  
Chartered Accountants  
49-55, Bombay Samachar Marg.  
Fort, Mumbai 400 023.

## **SOLICITORS**

Bhaishanker Kanga & Girdharlal  
Maneckji Wadia Building,  
Bell Lane, Fort,  
Mumbai 400 001.

## **BANKERS**

Bank of Baroda  
Canara Bank  
Union Bank Of India  
The United Western Bank Ltd.  
ICICI Banking Corporation Ltd.  
H.D.F.C. Bank Ltd.  
The Development Bank of Singapore Ltd.

## **REGISTRARS & TRANSFER AGENTS**

MCS Limited  
116, Akshay Complex  
Off Dhole Patil Road,  
Near Ganesh Mandir,  
Pune - 411 001.

## **REGISTERED OFFICE & WORKS**

Mundhwa, Pune 411 036.

**KALYANI STEELS LIMITED**

Regd. Office : Mundhwa, Pune 411 036

**Kalyani  
Steels****NOTICE**

NOTICE is hereby given that the **TWENTY FOURTH Annual General Meeting of the Members of Kalyani Steels Limited** will be held at the Training Centre of Bharat Forge Ltd. at Mundhwa, Pune - 411 036 on Tuesday, the 26th day of August, 1997 at 10.30 A.M. (I.S.T.) to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended 31st March, 1997 and the Reports of the Directors and of the Auditors.
2. To declare a Dividend on Preference Shares.
3. To declare a Dividend on Equity Shares.
4. To appoint a Director in place of Dr.N.A. Kalyani, who retires by rotation, but being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr.V.S. Kirloskar, who retires by rotation, but being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr.M.R. Kalewar, who retires by rotation, but being eligible, offers himself for re-appointment.
7. To appoint a Director in place of Mr.N.K. Prasad, who retires by rotation, but being eligible, offers himself for re-appointment.
8. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT THE COMPANY'S AUDITORS, M/S. DALAL & SHAH, CHARTERED ACCOUNTANTS, MUMBAI, BE AND ARE HEREBY RE-APPOINTED AS AUDITORS OF THE COMPANY TO HOLD OFFICE FROM THE CONCLUSION OF THIS MEETING UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY AND THAT THE BOARD OF DIRECTORS BE AND IS HEREBY AUTHORISED TO FIX THEIR REMUNERATION FOR THE PERIOD."

**SPECIAL BUSINESS :**

9. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT PURSUANT TO THE PROVISIONS OF SECTIONS 198, 269, 309 AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 1956, AND SUBJECT TO SUCH OTHER APPROVALS, IF ANY, THAT MAY BE REQUIRED, THE CONSENT OF THE COMPANY BE AND IS HEREBY ACCORDED TO THE REAPPOINTMENT OF MR.B. N. KALYANI AS WHOLETIME DIRECTOR OF THE COMPANY FOR A PERIOD OF FIVE YEARS WITH EFFECT FROM 29TH

JUNE, 1997 TO 28TH JUNE, 2002 ON THE FOLLOWING REMUNERATION IN TERMS OF THE SCHEDULE-XIII READ WITH OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956 RELATING TO MANAGERIAL REMUNERATION, AS AMENDED —

THE REMUNERATION PAYABLE TO THE WHOLETIME DIRECTOR WHEN COMPANY HAS ADEQUATE PROFITS IN A FINANCIAL YEAR DURING HIS TENURE SHALL BE 5% OF THE NET PROFITS OF THE COMPANY AS COMPUTED UNDER SECTION 198 AND 309 OF THE COMPANIES ACT, 1956 AND SHALL INCLUDE SALARY, PERQUISITES, COMMISSION AND OTHER BENEFITS AS FOLLOWS :

**(I) SALARY**

A SALARY OF RS.70,000 (RUPEES SEVENTY THOUSAND ONLY) PER MONTH.

**(II) PERQUISITES**

IN ADDITION TO SALARY , THE WHOLETIME DIRECTOR SHALL BE ENTITLED TO THE FOLLOWING PERQUISITES WHICH UNLESS THE CONTEXT OTHERWISE REQUIRES, ARE CLASSIFIED INTO THREE CATEGORIES 'A', 'B' AND 'C' AS UNDER :

**CATEGORY 'A'**

THIS WILL INCLUDE HOUSE RENT ALLOWANCE, LEAVE TRAVEL CONCESSION, MEDICAL REIMBURSEMENT ETC. THESE WILL BE PROVIDED FOR AS UNDER :

- (I) **HOUSING I** : THE EXPENDITURE BY THE COMPANY ON HIRING FURNISHED ACCOMMODATION FOR THE WHOLETIME DIRECTOR WILL BE SUBJECT TO CEILING OF SIXTY PER CENT OF THE SALARY.

**HOUSING II** : THE COMPANY WILL PROVIDE RENT FREE FURNISHED ACCOMMODATION.

**HOUSING III** : IN CASE NO ACCOMMODATION IS PROVIDED BY THE COMPANY, THE WHOLETIME DIRECTOR SHALL BE ENTITLED TO HOUSE RENT ALLOWANCE SUBJECT TO THE CEILING LAID DOWN IN HOUSING I.

**EXPLANATION** : THE EXPENDITURE INCURRED BY THE COMPANY ON GAS, ELECTRICITY, WATER AND FURNISHINGS SHALL BE VALUED AS PER THE INCOME TAX RULES, 1962. THIS SHALL, HOWEVER, BE SUBJECT TO A CEILING OF TEN PER CENT OF THE SALARY OF THE WHOLETIME DIRECTOR.

- (II) **MEDICAL REIMBURSEMENT** : ACTUAL EXPENSES INCURRED FOR THE WHOLETIME



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DIRECTOR AND THE FAMILY.

(III) LEAVE TRAVEL CONCESSION : FOR THE WHOLETIME DIRECTOR AND HIS FAMILY, ONCE IN A YEAR INCURRED IN ACCORDANCE WITH THE RULES SPECIFIED BY THE COMPANY.

(IV) SUCH OTHER PRIVILEGES, FACILITIES, PERQUISITES AND AMENITIES AS PER THE RULES OF THE COMPANY.

EXPLANATION : FOR THE PURPOSE OF CATEGORY 'A', 'FAMILY' MEANS THE SPOUSE, THE DEPENDENT CHILDREN AND DEPENDENT PARENTS OF THE WHOLETIME DIRECTOR.

CATEGORY 'B'

THIS WILL INCLUDE CONTRIBUTION TO PROVIDENT FUND, SUPERANNUATION FUND OR ANNUITY FUND AND ENCASHMENT OF LEAVE AS PER RULES. GRATUITY PAYABLE WILL NOT EXCEED HALF A MONTH'S SALARY FOR EACH COMPLETED YEAR OF SERVICE.

CATEGORY 'C'

PROVISION OF CAR FOR USE ON COMPANY'S BUSINESS AND TELEPHONE AT RESIDENCE WILL NOT BE CONSIDERED AS PERQUISITES. PERSONAL LONG DISTANCE CALLS ON TELEPHONE AND USE OF CAR FOR PRIVATE PURPOSE SHALL BE BILLED BY THE COMPANY TO THE WHOLETIME DIRECTOR.

(III) COMMISSION

THE BALANCE AMOUNT OF REMUNERATION SHALL BE BY WAY OF COMMISSION.

THE AMOUNT OF OVERALL REMUNERATION BASED ON THE NET PROFITS OF THE COMPANY IN A PARTICULAR YEAR, SHALL BE SUBJECT TO THE OVERALL CEILINGS LAID DOWN IN SECTION 198 AND SECTION 309 OF THE COMPANIES ACT, 1956.

PROVIDED FURTHER THAT THE REMUNERATION DRAWN BY MR.B. N. KALYANI FROM THE COMPANY TOGETHER WITH THE REMUNERATION DRAWN BY HIM AS A MANAGERIAL PERSON FROM ANY OTHER COMPANY SHALL NOT EXCEED THE HIGHER OF THE MAXIMUM LIMIT PERMISSIBLE FROM EITHER OF THE COMPANIES OF WHICH MR.B.N. KALYANI IS A MANAGERIAL PERSON.

MINIMUM REMUNERATION :

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, WHERE IN ANY FINANCIAL YEAR, DURING THE CURRENCY OF TENURE OF THE WHOLETIME DIRECTOR THE COMPANY HAS NO PROFITS OR ITS PROFITS ARE INADEQUATE, THE COMPANY WILL PAY

HIM REMUNERATION BY WAY OF SALARY AND PERQUISITES SPECIFIED ABOVE, SUBJECT TO A CEILING OF RS. 1,050,000/- P.A. SO HOWEVER THAT THE SAID CEILING SHALL NOT INCLUDE THE FOLLOWING PERQUISITES:

(A) CONTRIBUTION TO PROVIDENT FUND, SUPERANNUATION FUND OR ANNUITY FUND TO THE EXTENT THESE EITHER SINGLY OR PUT TOGETHER ARE NOT TAXABLE UNDER THE INCOME TAX ACT, 1961,

(B) GRATUITY PAYABLE AT A RATE NOT EXCEEDING HALF A MONTH'S SALARY FOR EACH COMPLETED YEAR OF SERVICE, AND

(C) ENCASHMENT OF LEAVE AT THE END OF THE TENURE.

FURTHER RESOLVED THAT THE BOARD OF DIRECTORS OF THE COMPANY BE AND IS HEREBY AUTHORISED AND EMPOWERED TO MAKE SUCH IMPROVEMENTS IN THE TERMS OF REMUNERATION TO MR.B. N. KALYANI, AS MAY BECOME PERMISSIBLE UNDER ANY AND BY ANY AMENDMENTS TO SCHEDULE-XIII TO THE COMPANIES ACT, 1956, OR BY WAY OF ANY GOVERNMENT GUIDELINES OR INSTRUCTIONS, THE INTENTION BEING THAT NO FURTHER APPROVAL OF THE COMPANY WILL BE REQUIRED SO LONG AS REMUNERATION OF THE WHOLETIME DIRECTOR IS NOT IN EXCESS OF THE MAXIMUM PERMISSIBLE UNDER THE RELEVANT LAW, RULES, REGULATIONS, GUIDELINES OR INSTRUCTIONS AS MAY BE PROMULGATED OR ISSUED AFTER THE DATE OF THIS MEETING."

10. To consider and, if thought fit to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT PURSUANT TO THE PROVISIONS OF SECTIONS 198, 269, 309 AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 1956, AND SUBJECT TO SUCH OTHER APPROVALS, IF ANY, THAT MAY BE REQUIRED, THE CONSENT OF THE COMPANY BE AND IS HEREBY ACCORDED TO THE REAPPOINTMENT OF MR.B.B. HATTARKI AS JOINT MANAGING DIRECTOR OF THE COMPANY FOR A PERIOD OF ONE YEAR WITH EFFECT FROM 29TH JUNE, 1997 TO 28TH JUNE, 1998 ON THE FOLLOWING REMUNERATION IN TERMS OF THE SCHEDULE-XIII READ WITH OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956 RELATING TO MANAGERIAL REMUNERATION, AS AMENDED :

(I) SALARY

i) BASIC SALARY OF RS.30,000/- (RUPEES THIRTY THOUSAND ONLY) PER MONTH.

ii) SPECIAL ALLOWANCE OF RS. 32,000/- (RUPEES

THIRTY TWO THOUSAND ONLY) PER MONTH.

- iii) VARIABLE ALLOWANCE OF RS. 18,500/- (RUPEES EIGHTEEN THOUSAND FIVE HUNDRED ONLY) PER MONTH.

## (II) PERQUISITES

IN ADDITION TO SALARY, THE JOINT MANAGING DIRECTOR SHALL BE ENTITLED TO THE FOLLOWING PERQUISITES WHICH UNLESS THE CONTEXT OTHERWISE REQUIRES, ARE CLASSIFIED INTO THREE CATEGORIES 'A', 'B' AND 'C' AS UNDER :

### CATEGORY 'A'

THIS WILL INCLUDE HOUSE RENT ALLOWANCE, LEAVE TRAVEL CONCESSION, MEDICAL REIMBURSEMENT ETC. THESE WILL BE PROVIDED FOR AS UNDER :

- (I) HOUSING I : THE EXPENDITURE BY THE COMPANY ON HIRING FURNISHED ACCOMMODATION FOR THE JOINT MANAGING DIRECTOR WILL BE SUBJECT TO CEILING OF FIFTY PER CENT OF THE BASIC SALARY.

HOUSING II : THE COMPANY WILL PROVIDE RENT FREE FURNISHED ACCOMMODATION.

HOUSING III : IN CASE NO ACCOMMODATION IS PROVIDED BY THE COMPANY, THE JOINT MANAGING DIRECTOR SHALL BE ENTITLED TO HOUSE RENT ALLOWANCE SUBJECT TO THE CEILING LAID DOWN IN HOUSING I.

- (II) MEDICAL REIMBURSEMENT : ACTUAL EXPENSES INCURRED FOR THE JOINT MANAGING DIRECTOR AND THE FAMILY.

- (III) LEAVE TRAVEL CONCESSION : FOR THE JOINT MANAGING DIRECTOR AND HIS FAMILY, ONCE IN A YEAR INCURRED IN ACCORDANCE WITH THE RULES SPECIFIED BY THE COMPANY.

- (IV) SUCH OTHER PRIVILEGES, FACILITIES, PERQUISITES AND AMENITIES AS MAY BE APPLICABLE FROM TIME TO TIME TO SENIOR MANAGERS OF THE COMPANY.

EXPLANATION : FOR THE PURPOSE OF CATEGORY 'A', 'FAMILY' MEANS THE SPOUSE, THE DEPENDENT CHILDREN AND DEPENDENT PARENTS OF THE JOINT MANAGING DIRECTOR.

### CATEGORY 'B'

THIS WILL INCLUDE CONTRIBUTION TO PROVIDENT FUND, SUPERANNUATION FUND OR ANNUITY FUND AND ENCASHMENT OF LEAVE AS PER RULES. GRATUITY PAYABLE WILL NOT

EXCEED HALF A MONTH'S SALARY FOR EACH COMPLETED YEAR OF SERVICE.

### CATEGORY 'C'

PROVISION OF CAR FOR USE ON COMPANY'S BUSINESS AND TELEPHONE AT RESIDENCE WILL NOT BE CONSIDERED AS PERQUISITES, PERSONAL LONG DISTANCE CALLS ON TELEPHONE AND USE OF CAR FOR PRIVATE PURPOSE SHALL BE BILLED BY THE COMPANY TO THE JOINT MANAGING DIRECTOR.

THE AMOUNT OF OVERALL REMUNERATION BASED ON THE NET PROFITS OF THE COMPANY IN A PARTICULAR YEAR, SHALL BE SUBJECT TO THE OVERALL CEILINGS LAID DOWN IN SECTION 198 AND SECTION 309 OF THE COMPANIES ACT, 1956.

### MINIMUM REMUNERATION :

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, WHERE IN ANY FINANCIAL YEAR, DURING THE CURRENCY OF TENURE OF THE JOINT MANAGING DIRECTOR THE COMPANY HAS NO PROFITS OR ITS PROFITS ARE INADEQUATE, THE COMPANY WILL PAY HIM REMUNERATION BY WAY OF SALARY AND PERQUISITES SPECIFIED ABOVE, SUBJECT TO A CEILING OF RS. 1,050,000/- P.A. SO HOWEVER THAT THE SAID CEILING SHALL NOT INCLUDE THE FOLLOWING PERQUISITES:

- (A) CONTRIBUTION TO PROVIDENT FUND, SUPERANNUATION FUND OR ANNUITY FUND TO THE EXTENT THESE EITHER SINGLY OR PUT TOGETHER ARE NOT TAXABLE UNDER THE INCOME TAX ACT, 1961,
- (B) GRATUITY PAYABLE AT A RATE NOT EXCEEDING HALF A MONTH'S SALARY FOR EACH COMPLETED YEAR OF SERVICE, AND
- (C) ENCASHMENT OF LEAVE AT THE END OF THE TENURE.

FURTHER RESOLVED THAT THE BOARD OF DIRECTORS OF THE COMPANY BE AND IS HEREBY AUTHORISED AND EMPOWERED TO MAKE SUCH IMPROVEMENTS IN THE TERMS OF REMUNERATION TO MR.B.B. HATTARKI, AS MAY BECOME PERMISSIBLE UNDER ANY AND BY ANY AMENDMENTS TO SCHEDULE-XIII TO THE COMPANIES ACT, 1956, OR BY WAY OF ANY GOVERNMENT GUIDELINES OR INSTRUCTIONS, THE INTENTION BEING THAT NO FURTHER APPROVAL OF THE COMPANY WILL BE REQUIRED SO LONG AS REMUNERATION OF THE JOINT MANAGING DIRECTOR IS NOT IN EXCESS OF THE MAXIMUM PERMISSIBLE UNDER THE RELEVANT LAW, RULES, REGULATIONS, GUIDELINES OR INSTRUCTIONS AS MAY BE PROMULGATED OR ISSUED AFTER THE DATE OF THIS MEETING."





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11. To consider and, if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT PURSUANT TO SECTION 81 AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 1956 AND SUBJECT TO SUCH CONSENTS, PERMISSIONS AND SANCTIONS AS MAY BE NECESSARY OF THE APPROPRIATE AUTHORITIES, INSTITUTIONS OR BODIES, CONSENT, AUTHORITY AND APPROVAL OF THE COMPANY BE AND IS HEREBY ACCORDED TO THE BOARD OF DIRECTORS OF THE COMPANY (HEREINAFTER CALLED "THE BOARD" WHICH TERM SHALL ALSO INCLUDE A COMMITTEE OF DIRECTORS CONSTITUTED FOR THE PURPOSE OF IMPLEMENTING THIS RESOLUTION OR ANY MATTER PERTAINING THERETO) TO ISSUE 1,000,000 CUMULATIVE REDEEMABLE PREFERENCE SHARES OF RS.100/- EACH FOR CASH AT PAR TO ANY PERSON OR PERSONS, BANKS, INSTITUTIONS, BODIES CORPORATE OR OTHER AGENCIES ON PRIVATE PLACEMENT BASIS IN ONE OR MORE TRANCHES, IN ANY MANNER WHATSOEVER AT THE TIME TO BE FIXED BY THE BOARD OF DIRECTORS HEREAFTER, UPON THE FOLLOWING TERMS AND CONDITIONS AND SUBJECT TO FOLLOWING RIGHTS.

- 1) THE SAID CUMULATIVE REDEEMABLE PREFERENCE SHARES SHALL CARRY A FIXED CUMULATIVE PREFERENTIAL DIVIDEND AT THE RATE OF 12% PER ANNUM ON THE AMOUNT CREDITED AS PAID UP THEREON OR AT SUCH OTHER RATE OF DIVIDEND TO BE DETERMINED BY THE BOARD AT THE TIME OF ISSUE OF SAID CUMULATIVE REDEEMABLE PREFERENCE SHARES AND SHALL BE ENTITLED TO SUCH DIVIDEND AFTER THE ALLOTMENT ON PRO-RATA BASIS.
- 2) THE SAID CUMULATIVE REDEEMABLE PREFERENCE SHARES SHALL RANK FOR DIVIDEND IN PRIORITY TO THE EQUITY SHARES OF THE COMPANY.
- 3) THE SAID CUMULATIVE REDEEMABLE PREFERENCE SHARES SHALL BE REDEEMABLE ON THE EXPIRY OF 18 MONTHS FROM THE DATE OF ALLOTMENT.
- 4) THE SAID CUMULATIVE REDEEMABLE PREFERENCE SHARES SHALL BE SUBJECT TO THE PROVISIONS CONTAINED IN THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY.

FURTHER RESOLVED THAT THE BOARD OF DIRECTORS BE AND IS HEREBY AUTHORISED TO MAKE SUITABLE CHANGES IN THE AFORESAID TERMS AS DEEMED FIT BY IT IN THE BEST INTEREST OF THE COMPANY.

FURTHER RESOLVED THAT FOR THE PURPOSE OF GIVING EFFECT TO THIS RESOLUTION, THE BOARD

OF DIRECTORS OF THE COMPANY BE AND IS HEREBY AUTHORISED TO DO ALL SUCH ACTS, DEEDS, MATTERS AND THINGS AS IT MAY, IN ITS DISCRETION, DEEM NECESSARY OR DESIRABLE AND ALSO TO SETTLE ANY QUESTION, DIFFICULTY OR DOUBT THAT MAY ARISE IN REGARD TO THE OFFER, ISSUE AND ALLOTMENT OF THE SAID PREFERENCE SHARES AS IT MAY THINK FIT."

12. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT CONSENT OF THE COMPANY BE AND IS HEREBY ACCORDED UNDER SECTION 293(1)(a) AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 1956 TO THE BOARD OF DIRECTORS OF THE COMPANY FOR MORTGAGING, HYPOTHECATING, CHARGING AND PLEDGING AND/OR CREATING A FLOATING CHARGE AND/OR ALSO TO CREATE LIENS, CHARGES AND ALL OTHER ENCUMBRANCES OF WHATSOEVER NATURE, ON ALL OR ANY OF THE COMPANY'S ASSETS AND PROPERTIES WHETHER IMMOVEABLE, MOVEABLE, CURRENT ASSETS OR STOCK-IN-TRADE (INCLUDING RAW MATERIALS, STORES, SPARE PARTS AND COMPONENTS, IN STOCK OR IN TRANSIT) AND WORK-IN-PROCESS, AND THE WHOLE OR SUBSTANTIALLY THE WHOLE OF ALL OR ANY OF THE UNDERTAKINGS OF THE COMPANY, WHERESOEVER SITUATE, PRESENT AND FUTURE, TOGETHER WITH POWER TO TAKE OVER THE MANAGEMENT OF THE BUSINESS AND CONCERN OF THE COMPANY IN CERTAIN EVENTS, IN SUCH FORM AND IN SUCH MANNER AS THE BOARD MAY THINK FIT AND PROPER, IN FAVOUR OF THE INDUSTRIAL CREDIT & INVESTMENT CORPORATION OF INDIA LIMITED (ICICI) IN RESPECT OF THE FOLLOWING FINANCIAL ASSISTANCE AVAILED OF FROM ICICI AND SCICI LTD. (SINCE MERGED WITH ICICI) :

- |   |   |
|---|---|
| 1) FOREIGN CURRENCY LOAN  | : US \$ 7.936 MILLION (EQUIVALENT TO RS.250 MILLION APPROX.)    |
| 2) FOREIGN CURRENCY LOAN  | : US \$ 2.785 MILLION (EQUIVALENT TO RS.99.428 MILLION APPROX.) |
| 3) 19.5% SECURED REDEEMABLE PRIVATELY PLACED DEBENTURES OF RS.100/- EACH (XIIIITH SERIES) | : RS.100 MILLION  |

TO SECURE THE PRINCIPAL AMOUNT TOGETHER WITH INTEREST, COMPOUND INTEREST, AND ALL COSTS, CHARGES AND EXPENSES AND ALL OTHER MONIES AS MAY BECOME DUE AND PAYABLE BY THE COMPANY IN THAT BEHALF TO ICICI AND TO VARY OR MODIFY EXISTING SECURITIES, FROM TIME TO

TIME, IN SUCH MANNER AND IN SUCH FORM ON ALL OR ANY OF THE PROPERTIES OR PART OF ANY OF THE PROPERTIES AND THE UNDERTAKINGS OF THE COMPANY, BOTH PRESENT AND FUTURE, AS MAY BE DECIDED BY THE BOARD AND AS AGREED TO BY ICICI.

FURTHER RESOLVED THAT THE BOARD OF DIRECTORS OF THE COMPANY BE AND IS HEREBY AUTHORISED TO SIGN AND EXECUTE SUCH DOCUMENTS AND TO DO ALL SUCH ACTS AND THINGS AS MAY BE NECESSARY FOR GIVING EFFECT TO THE ABOVE RESOLUTION."

By Order of the Board of Directors  
for KALYANI STEELS LIMITED

PUNE  
24TH MAY, 1997

G.R. WARTY  
COMPANY SECRETARY

#### NOTES :

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under Item No.9 to 12 of the Notice to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE 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. Members are requested to advise the Registrars and Transfer Agents of the Company, at their address given below, any changes in their address quoting their Folio Numbers, immediately.
4. If the dividend on Equity Shares as recommended by the Board of Directors is declared at the Meeting, the dividend warrants will be posted on and from 4th October, 1997 to those Members whose names appear in the Company's Register of Members on 26th August, 1997.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 18th August, 1997 to Tuesday, the 26th August, 1997 (both days inclusive)
6. As required under Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) (Amendment) Rules, 1988, the Members are hereby informed that a sum of Rs.144,500/- (Rupees one hundred fortyfour thousand five hundred only) pertaining to the Equity Dividend for the year ended 31st March, 1993 having not been claimed by some of the Shareholders within a period of three years, has been transferred to the General Revenue Account of the Central Government as required under Section 205 (5) of the Companies Act, 1956.

**Registrars & Transfer Agents**  
MCS Limited  
116, Akshay Complex  
Off Dhole Patil Road,  
Near Ganesh Mandir,  
Pune - 411 001.

#### ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956.

#### ITEM NOS. 9 & 10

In view of the increased activities of the Company the Board of Directors had appointed Mr. B. N. Kalyani, Chairman, as the Wholtime Director and Mr. B. B. Hattarki as the Joint Managing Director for a period of five years w.e.f. 29th June, 1992 and the appointments were approved by the Members at the Nineteenth Annual General Meeting held on 30th September, 1992.. Accordingly, the term of the Wholtime Director as well as the Joint Managing Director expires on 28th June, 1997.

In view of the above and the continued increase in the activities of the Company, which need to be attended upon on a day to day basis, the Board of Directors of the Company have reappointed Mr.B. N. Kalyani as the Wholtime Director and Mr. B. B. Hattarki as the Joint Managing Director so that the day to day management of the Company can continued to be attended upon by the Chairman to be assisted by the Joint Managing Director.

The reappointments of Mr.B. N. Kalyani as Wholtime Director and of Mr.B. B. Hattarki as Joint Managing Director were made for a period of five years and one year respectively, w.e.f. 29th June, 1997, subject to the approvals of the Shareholders and such other approvals as may be required for the payment of remuneration to them as set out in the resolutions at Item Nos.9 & 10 of this Notice. Since Mr.B.N. Kalyani is also Vice Chairman and Managing Director of Bharat Forge Ltd. the remuneration payable to him shall be restricted to the higher of the maximum remuneration permissible under section 198 and 309 of the Companies Act, 1956 read with Schedule XIII as amended, of either of the two companies.

In the event of loss or inadequacy of profits in any financial year during the above period, the remuneration payable to Mr.B.N. Kalyani and Mr.B. B. Hattarki shall be restricted to minimum remuneration prescribed by Schedule XIII to the Companies Act, 1956, as set out in the aforesaid resolutions.

The powers to be conferred by Board to the Wholtime Director and Joint Managing Director shall be subject to Article 181 and the tenure shall be subject to Article 178 of the Company's Articles of Association.

Mr.B. N. Kalyani and Mr.B. B. Hattarki as the recipients of the remuneration may be regarded as concerned with or interested in the aforesaid resolutions. Dr.N. A. Kalyani being a relative of Mr.B. N. Kalyani may also be regarded as concerned with or interested in the resolution at Item No. 9 of the Notice. No other Director of the Company is interested in the resolutions.

The above may be regarded as an 'Abstract of the Terms of Appointment and Memorandum of Interest' under Section 302 of the Companies Act, 1956.

#### ITEM NO.11

The Company proposes to issue 1,000,000 Cumulative Redeemable Preference Shares of Rs.100/- each aggregating Rs.100,000,000/- which shall carry a fixed rate of dividend @ 12% per annum or



KALYANI

such other rate of dividend as may be determined by Board at the time of issue of the said Preference Shares. The issue of these Preference Shares will enable the Company to redeem the existing preference shares, meet its long term working capital margin and also improve its profitability.

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever the subscribed capital of the Company is proposed to be increased by allotment of further shares, such shares shall be offered to the Members who are holders of the Equity Shares of the Company in proportion to the capital paid up on those shares at that time. In case the shares are to be offered to any person other than the Members of the Company, approval of the Members is required by a Special Resolution.

The Resolution set out in the Notice at Item No.11 is recommended to the Members for approval.

None of the Directors of the Company is concerned or interested in the resolution.

#### ITEM NO.12

The Company is coming up with a new Carbon & Alloy Steel project under the Mini Blast Furnace route at Ginigera in the State of Karnataka. The project has been part financed by way of Privately Placed Debentures and Foreign Currency loans availed of from the financial institutions. These Debentures / Foreign Currency loans are required to be secured by mortgage / charge over the assets,

properties and undertakings of the Company, present and future, or some of them, together with the power to take over the management of the business and concern of the Company, in certain event and in favour of the financial institutions and the Trustees for the Debentureholders.

Section 293(1)(a) of the Companies Act, 1956, provides, inter alia that the Board of Directors of the Company shall not without the consent of the Company, sell, lease or otherwise dispose of the whole or substantially the whole of the undertakings of the Company. The resolution as set out in the Item No.12 of the Notice is, therefore, proposed under Section 293(1)(a) and other applicable provisions of the Companies Act, 1956, which the Directors recommend to the Members for approval.

None of the Directors of the Company is concerned or interested in the resolution.

By Order of the Board of Directors  
for KALYANI STEELS LIMITED

PUNE  
24TH MAY, 1997

G.R. WARTY  
COMPANY SECRETARY





KALYANI

**KALYANI STEELS LIMITED**

Registered Office: Mundhwa, Pune 411 036

**ATTENDANCE SLIP**
**Kalyani  
Steels**

Name of the Shareholder/Proxy

Folio No.

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company held at the Training Centre of Bharat Forge Limited, at Mundhwa, Pune-411 036, on Tuesday, the 26th day of August, 1997 at 10.30 a.m.(I.S.T.)

Signature of the Attending Member/Proxy

- NOTES : 1. Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
2. Shareholder/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.



KALYANI

**KALYANI STEELS LIMITED**

Registered Office: Mundhwa, Pune 411 036

**PROXY FORM**
**Kalyani  
Steels**

I/We \_\_\_\_\_

of \_\_\_\_\_

being a Member/Members of KALYANI STEELS LIMITED, Pune, hereby appoint \_\_\_\_\_

\_\_\_\_\_

of \_\_\_\_\_ or

failing him \_\_\_\_\_

of \_\_\_\_\_ as my/ our proxy

to vote for me/us and on my/our behalf, at the Twenty Fourth Annual General Meeting of the Company to be held on Tuesday, the 26th day of August, 1997 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 1997.

Please  
Affix 30 p.  
Revenue  
Stamp  
here

Signature(s) of Member(s)  
across the stamp

Note: The proxy must be deposited with the Registered Office of the Company at Mundhwa, Pune-411 036, not less than 48 hours before the time fixed for holding the Meeting.

