

MD				BKC	
CS				DPY	AG
RC				DIV	
TRA	16			AC	
ACW				SHI	
YE					

9<sup>TH</sup>

Report  ANNUAL REPORT  
1996-97



**Sujana Steels Limited**



**SUJANA STEELS LIMITED****BOARD OF DIRECTORS**

**CHAIRMAN** Shri Y.S. Chowdary

**MANAGING DIRECTOR** Shri S.T. Prasad

**DIRECTORS** Shri J. Ramakrishnan  
Shri V.B. Chadha  
Dr. V. Malakonda Reddy  
Shri S.R. Narayanan  
Shri R.K. Birla

**COMPANY SECRETARY** Mrs. P.S. Rama

**REGISTERED OFFICE** 18, Nagarjuna Hills  
Punjagutta  
Hyderabad - 500 082

**AUDITOR** Shri G.V.Suryanarayana Murthi

**BANKERS** Bank of Baroda  
The Bank of Rajasthan Limited  
The South Indian Bank Limited

**NOTE**

We request the Members to note that the registration of Share Transfers and related correspondence, are dealt with, by the Company at its Registered Office, 18, Nagarjuna Hills, Punjagutta, Hyderabad-500 082.



## SUJANA STEELS LIMITED

### NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the members of the Company will be held on Thursday, 28th August, 1997 at House No: 8-2-120/77/4B, Near L.V.Prasad Eye Institute, Road No:2, Banjara Hills, Hyderabad : 500 034 at 03.00 P.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at 31st March, 1997 and profit and loss account for the year ended on 31st March, 1997 and the reports of Directors and Auditors thereon.
2. To declare dividend on equity shares, for the year ended 31st March, 1997.
3. To appoint a Director in place of Shri S.R. Narayanan, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Y.S. Chowdary, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditor of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and to fix his remuneration. The retiring Auditor Sri G.V. Suryanarayana Murthi, Hyderabad is eligible for reappointment.

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, the following resolution as special resolution:

"RESOLVED that subject to Section 31 and other applicable provisions if any of the Companies Act, 1956, the Articles of Association of the Company be altered by way of incorporating Article 8(e), 8(f), 8(g), 8(h), 8(i), 8(j), and 8(k) after Article 8(d) as follows:

- 8 (e). The preference Shares shall confer the rights on the holders thereof to be paid out of the profits that may at any time be determined to be distributed among members a fixed cumulative dividend at the rate as per the terms of the issue of such shares subject to

payment of Tax, if any, on the capital for the time being paid up thereon in priority to the equity shares;

- 8 (f). The preference shares shall confer the rights on the holders thereof, on winding up, to the repayment of the capital and of any arrears of the fixed cumulative dividend set out in Clause (e) above, whether earned, declared or not, upto the commencement of the winding up in priority to the Equity Shares, out of the surplus assets of the Company, but shall not confer any further rights to participate in the profits or assets of the Company;
- 8 (g). In calculating any fixed percentages on the paid up capital of such preference shares, such percentages shall be calculated upto and as on the date of redemption;
- 8 (h). The preference shares shall be redeemable at par on the expiry of 10 years from the date of allotment thereof, but the Company may at its option and at any time after 8 years from the date of allotment of such preference shares, on giving not less than three months' notice to the holders of such shares redeem at par the whole or any part of the said shares together with a sum equal to the arrears, if any, of the fixed cumulative dividend thereon whether earned, declared or not, upto the date of redemption thereof out of the moneys of the Company which may lawfully be applied for that purpose, provided that if the Company shall at any time determine to redeem a part only of such shares for the time being outstanding, the shares to be so redeemed shall be determined by a draw to be made in such manner as may be decided by the Board of Directors, provided that :
  - i. in no event Company shall create further preference shares or issue any further preference share capital to rank in priority to the existing preference shares;
  - ii. in the event of the Company creating and/or issuing in future any further preference shares ranking pari-passu with or Subordinate to the said preference shares, it would do so only with the consent in



## SUJANA STEELS LIMITED

writing of the holders of not less than three fourths of the said preference shares then outstanding or with the sanction of a special resolution passed at a separate meeting of the holders of the said preference shares then outstanding;

- 8 (i). The Company shall forthwith give to the holders of the shares liable for redemption notice in writing of its intention to redeem the same and fix a time and place for the redemption and surrender of the Certificates of the Shares so to be redeemed;
  - 8 (j). At the time and place so fixed each holder of such shares shall be bound to surrender to the Company the Certificate(s) for his shares to be redeemed and the Company shall pay to him the amount payable in respect of such redemption and where any such Certificate(s) comprises any shares which are not liable for redemption the Company shall issue to the holder thereof a fresh Certificate; and
  - 8 (k). In the event of the Company creating and/or issuing preference shares in future ranking pari passu with or in priority to the redeemable preference shares, it should do so only with the consent in writing of the holders of the said shares then outstanding or with the sanction of a special resolution passed at a separate meeting of the holders of such redeemable preference shares".
7. To consider and if thought fit, to pass with or without modifications, the following resolution as special resolution:  

"RESOLVED that in supersession of special resolution passed in the Extra Ordinary General Meeting of Members of the Company held on 19th December, 1996 and pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the existing Authorised Share Capital of the Company be and is hereby increased from Rs.10,00,00,000/- (Rupees ten crores only) consisting of 1,00,00,000 equity shares of Rs.10/- each to Rs.50,00,00,000/- (Rupees Fifty crores only) consisting of 3,00,00,000 equity shares of Rs.10/- each aggregating to Rs.30,00,00,000 (Rupees Thirty crores only) and 20,00,000, preference shares of Rs.100/- each aggregating

Rs.20,00,00,000/- (Rupees Twenty crores only)".

"RESOLVED further that clause V of the Memorandum of Association of the Company be altered as follows" :-

The Authorised Share Capital of the Company is Rs.50,00,00,000/- (Rupees fifty crores only) divided into 3,00,00,000 (Three crores only) equity shares of Rs.10/- (Rupees ten only) each and 20,00,000 (Twenty lacs only) preference shares of Rs.100/- (Rupees one hundred only) each.

"RESOLVED further that Article 3 of the Articles of Association of the Company be altered as follows :-

The Authorised Share Capital of the Company is Rs.50,00,00,000/- (Rupees fifty crores only) divided into 3,00,00,000 ( Three crores only) equity shares of Rs.10/- (Rupees ten only) each and 20,00,000 (Twenty lacs only) preference shares of Rs.100/- (Rupees one hundred only) each.

8. To consider and if thought fit, to pass with or without modifications, the following resolution as special resolution:

"RESOLVED THAT in supersession of the earlier resolution passed by the members in the 8th Annual General Meeting held on 20/09/1996 in accordance with the provisions of Section 81 (1A) and all other applicable provisions, if any of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), and enabling provisions in the Memorandum And Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of the Financial Institutions(FIs), Securities Exchange Board of India(SEBI), Reserve Bank Of India(RBI) and all other concerned authorities,if any and to the extent necessary and such other approvals, permissions, and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals permissions and sanctions which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as Board) and/or a duly authorised committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded

**SUJANA STEELS LIMITED**

to the Board to issue/offer either at par or at premium equity and/or convertible debentures, (fully or partly) and/or non-convertible debentures all or any of the aforesaid with or without detachable or non-detachable warrants and/or warrants of any nature and/or secured premium notes, and/or Floating rate Notes/Bonds and/or any other financial instruments (hereinafter for brevity's sake referred to as ("Securities")) to be subscribed either in rupees/foreign currency(ies) as the Board at its sole discretion may at any time or times hereafter decide which Securities when issued or allotted would ultimately result in an increase in the paid up equity share capital of the Company to an amount not exceeding Rs.30 crores, the equity shares capital component in the Authorised Share capital of the Company, to the members, general public, mutual funds, debenture holders, employees, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) Companies, other entities/authorities and to such other persons whether through Public issue, rights issue, private placement, exchange of Securities, conversion of loans or otherwise and for general corporate purposes including Capital expenditures, working Capital requirements strategic investments, any mergers, amalgamations, acquisitions, reconstructions or arrangements or any other re-organisations as the Board may deem fit and/or by any one or more or a combination of the above modes/methods or otherwise and in one or more tranches, with or without voting rights in General Meetings/Class Meetings of the Company as may be permitted under the prevailing laws at such price or prices, or in such manner as the Board or Committee thereof may on its absolute discretion think fit in consultation with the lead managers underwriters, advisors and such other persons and on such terms and conditions including the number of Securities to be issued, face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the number of equity shares to be allotted on conversion/redemption/extinguishment of debts, exercise of rights attached with warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion fixing the record date or Book closure and related or incidental matters".

"RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed of by the Board/Committee thereof, to such persons and in such manner and on such terms as the Board or the Committee may in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/ Financial Institutions/Investment Institutions/Mutual Funds/Foreign Institutional Investors or such other persons or otherwise as the Board Or Committee thereof may in its absolute discretion decide".

"RESOLVED FURTHER THAT the consent of the Company be and is hereby given to the Board of Directors in terms of Section 293(1)(a) and all other applicable provisions, if any of the Companies Act, 1956 to mortgage and/or charge in addition to the mortgages/charges created/to be created by the Company in such from and manner and with such ranking and at such time and such terms as the Board may determine, all or any of the movable 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 agents and Trustees/Lenders for securing the Securities (if they comprise fully/partially secured Convertible Debentures and/or secured Non Convertible Debentures with or without detachable or Non-Detachable warrants or secured premium notes, floating rate notes/bonds or other secured debt instruments) together with interest further interest thereon, compound interest in case of default, accumulated interest, remuneration of the Trustees, premium (if any) on redemption, all other costs charges and expenses payable by the Company in terms of the Trust Deed/other documents to be finalised and executed between the Company and the agents and Trustees/Lenders 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 of Directors or Committee thereof and the agents and Trustees/Trustees/lenders".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds,





## SUJANA STEELS LIMITED

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 the offer/issue, allotment and utilisation of the proceeds of issue of the securities and further to do all such acts, deeds, matters and things in respect of appointment of lead managers, registrars, bankers, trustees, agents, lenders, brokers and underwriters and to finalise and execute all such deeds, documents and writings as may be necessary, desirable or expedient as it may deem fit".

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

"RESOLVED THAT in accordance with the provision of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of the Financial Institutions (FIs), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or a duly authorised Committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to issue/offer Preference Shares of the face value of Rs.100 each for an aggregate mount not exceeding Rs.20 crores with or without detachable or non-detachable warrants or any other financial instruments (hereinafter for brevity's sake referred to as "Securities") as the Board at its sole discretion may at any time or times hereafter decide, to the Members, Debenture holders, Employees, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Companies other entities/authorities

and to such other persons, whether through public issue, rights issue, private placement, exchange of Securities, conversion of loans or otherwise and for general corporate purposes including capital expenditure, working capital requirements, strategic investments, any mergers, amalgamations, acquisitions, reconstructions or arrangements or any other re-organisation as the Board may deem fit and/or by any one or more or a combination of the above modes/methods or otherwise and in one or more tranches, at such price or prices, as the Board or Committee thereof may in its absolute discretion think fit, in consultation with the lead managers, underwriters, advisors and such other persons, and on such terms and conditions including the number of Shares to be issued, rate of dividend, redemption period, manner of redemption, the ratio of exchange of shares and/or Warrants and fixing of record date or book closure and related or incidental matters".

"RESOLVED FURTHER THAT such of these Securities to be issued, as are not subscribed may be disposed of by the Board/Committee thereof, to such persons and in such manner and on such terms as the Board or Committee in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/Financial Institutions/Investment Institutions/Mutual Funds/Foreign Institutional Investors or such other persons or otherwise as the Board or Committee thereof may in its absolute discretion decide".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to 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 the offer/issue, allotment and utilisation of the proceeds of issue of the Securities and further to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, desirable or expedient as it may deem fit".

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

"RESOLVED THAT pursuant to Section 17 of the Companies Act, 1956, Clause III(A) of the

## SUJANA STEELS LIMITED



Memorandum of Association of the company, be altered by incorporating the following new sub clauses 7,8 and 9 after the Sub Clause 6 of Clause III(A):-

7. The carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, acquire, use, transmit, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power, by conventional and non-conventional method, in all its branches of such place or places as may be permitted by appropriate authorities by establishments of thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants, tidal waves power plants and other power plants on any source of energy as may be developed or invented in future.
8. The construct, lay down, establish, promote, erect, build, install, commission, carry out and run all necessary power substations, work shops, repair shops, wires, cables, transmission lines, accumulators, street lights for the purpose of conservation, distribution, and supply of electricity to participating industries, state electricity boards and other boards for industrial commercial, domestic, public and other purposes and also to provide regular services for repairing and maintenance of all distribution and supply lines.
9. To acquire concessions, facilities or licenses from electricity boards, governments, semi governments or local authorities for generation, distribution, production, transmission or use of electric power and to take over alongwith all movable and immovable properties, the existing facilities on mutually agreed terms from aforesaid authorities and to do an incidental acts and things necessary for the attainment of foregoing objects".
11. To consider and if thought fit, to pass with or without modifications, the following resolution as ordinary resolution:  
"RESOLVED THAT subject to the approval of the Central Government pursuant to Section 372 and

other applicable provisions of the Companies Act, 1956 and such other approvals, if any, consent of the Company be and is hereby given to the Board of Directors to invest a sum of Rs.30 Crores (Rupees thirty crores only) in the equity/preference shares and/or debentures of such companies established or to be established for pursuing activities of electric power generation and distribution, either in the same management or not".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps or do all or any of the things or matters arising out of and incidental to such investment".

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

"RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions if any of the Companies Act, 1956 to the Board of Directors to mortgage and/or charge in addition to the mortgages/charges created/to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, all or any of the movable 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 any Bank(s) and/or Financial Institution(s) for securing the loans sanctioned or to be sanctioned by them as per the terms and conditions stipulated in that behalf and agreed to between the Board of Directors and the respective Bank(s)/Financial Institution(s)".

"RESOLVED further that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard thereto".

13. To consider and if thought fit, to pass with or without modifications, the following resolution as special resolution:



**SUJANA STEELS LIMITED**

"RESOLVED that in partial modification of the resolution passed at the Extra Ordinary General Meeting of the Company held on 29th September 1994, the consent of the company under the provisions of Section 293(1)(d) of the Companies Act, 1956 be and is hereby accorded to the Directors of the Company to borrow monies from time to time, but so that the monies to be borrowed together with the monies already borrowed by the Company, for the time being (apart from temporary loans obtained 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 shall not exceed the amount of Rs.200 Crores at any one time".

14. To consider and if thought fit, to pass with or without modifications, the following resolution as special resolution:

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modifications or reenactment thereof for the time being in force and as may be enacted from time to time), and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board of Directors (or any such Director or Committee authorised by the Board) to acquire/purchase from time to time any of the Company's own fully paid shares on such terms and conditions and up to such limits as may be prescribed by law from time to time provided that acquisition/purchase of such fully paid Equity Shares of the Company shall not be construed as a reduction of Equity Share Capital which is subject to the provisions as stipulated in Sections 100 to 104 and Section 402 of the Companies Act, 1956, for the time being in force.

"RESOLVED FURTHER THAT the Board of Directors (or any such Director or Committee of authorised by the Board) be and is hereby authorised to or cause to be done all such acts deeds, matters

and things and all such powers mentioned hereinabove, as may be necessary, expedient, usual or proper to implement this resolution."

15. To consider and, if thought fit, to pass with or without modifications the following Resolution as a Special Resolution.

"RESOLVED THAT the Article 24 of the Articles of Association of the Company be altered as follows:-

**ARTICLE 24**

In the event it is permitted by the Law and subject to such conditions, approvals, or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own shares, whether or not there is any consequent reduction of capital. If and to the extent permitted by Law, the Company shall also have the power to re-issue the shares so bought-back."

**BY ORDER OF THE BOARD**

**Y.S.CHOWDARY**

CHAIRMAN

PLACE : CHENNAI

DATE : 28th June 1997.

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxies duly stamped and signed must be deposited at the company's registered office not less than 48 hours before the time for holding the meeting.
2. The share transfer books and register of members of the company will remain closed during the period from 20th August, 1997 to 28th August, 1997 (both days inclusive).
3. Members are requested to notify immediately any change in their address to company's Registered Office at 18, Nagarjuna Hills, Punjagutta, Hyderabad-500 082.
4. The dividend, if any, declared at this meeting will be payable to the members whose names appear on the company's register of members as on 28th August, 1997.
5. Members/proxies are requested to bring alongwith