

11TH

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
31ST MARCH, 2000



Sujana Steels Limited

SUJANA STEELS LIMITED

BOARD OF DIRECTORS

CHAIRMAN AND
MANAGING DIRECTOR

SHRI Y.S. CHOWDARY

DIRECTORS

SHRI J. RAMAKRISHNAN
Dr. V. MALAKONDA REDDY
SHRI R.K. BIRLA
SHRI V.B. CHADHA
SHRI S. HANUMANTHA RAO
SHRI G. SRINIVASA RAJU
SHRI K. SRINIVASA RAO, (IREDA Nominee)

VICE-PRESIDENT (FINANCE)

SHRI N. DAYASAGAR

COMPANY SECRETARY

SHRI K.P.C. RAO

AUDITORS

SHRI G.V. SURYANARAYANA MURTHI
CHARTERED ACCOUNTANT.

BANKERS

BANK OF BARODA
BANK OF RAJASTHAN
THE SOUTH INDIAN BANK LIMITED

FINANCIAL INSTITUTIONS

IFC LTD
IDBI

REGISTERED OFFICE

18, NAGARJUNA HILLS,
PANJAGUTTA,
HYDERABAD-500082.

WORKS

SURVEY NO.296/7/9,
PLOT NO.159B & C AND 128/A,
IDA, BOLLARAM,
MEDAK DISTRICT,
ANDHRA PRADESH

LISTING

HYDERABAD STOCK EXCHANGE LTD.
D. NO. 3-6-275, HIMAYATNAGAR,
HYDERABAD - 500029.

THE STOCK EXCHANGE, MUMBAI,
PHIROZE JEE JEE BHOY TOWERS,
DALAL STREET,
MUMBAI - 400001.

THE MADRAS STOCK EXCHANGE LTD.,
EXCHANGE BUILDING, P. BOX 183,
11, 2ND LINE BEACH,
CHENNAI - 600001.



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NOTICE

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE COMPANY will be held on Thursday, 29th June, 2000 at Sri Satya Sai Nigamagamam, Srinagar Colony, Hyderabad - 500 073. at 3.00 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, 2000 and the profit and loss account for the year ended 31st March, 2000 and the Reports of Directors and Auditors thereon.
2. To declare dividend on Equity shares, for the year ended 31st March, 2000.
3. To appoint a Director in place of Shri V.B.Chadha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri J.Ramakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, Shri G.V.Suryanarayana Murthi, Chartered Accountant, Hyderabad, the retiring Auditor of the Company, be and is hereby appointed Auditor of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the company on such remuneration as may be decided by the Board of Directors of the Company in addition to reimbursement of all out-of-pocket expenses in connection with audit of the accounts of the Company".

SPECIAL BUSINESS

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

"RESOLVED that Shri G.Srinivasa Raju, who was appointed as an Additional Director of the Company with effect from 18.08.1999 and holds office upto the date of this Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation."

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

"RESOLVED that Shri S.Hanumantha Rao, who was appointed as an Additional Director of the Company with effect from 19.07.1999 and holds office upto the date of this Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation."

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

"RESOLVED that in supersession of the Special Resolution passed at the Tenth Annual General Meeting of the members of the Company held on 30th December, 1998 and pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company is hereby given to increase the existing Authorised Share Capital of the Company from Rs.25,00,00,000/- (Rupees Twenty Five crores only) consisting of 2,00,00,000 equity shares of Rs.10/- each and 5,00,000 Preference Shares of Rs.100/- each to Rs.30,00,00,000/- (Rupees Thirty crores only) consisting of 2,00,00,000 equity shares of Rs.10/- each aggregating to Rs.20,00,00,000/- (Rupees Twenty crores only) and 10,00,000 preference shares of Rs.100/- each aggregating Rs.10,00,00,000/- (Rupees Ten crores only)".

"RESOLVED FURTHER that clause V (a) of the Memorandum of Association of the Company be altered as follows :-

The Authorised Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty crores only) divided into 2,00,00,000 (Two crores only) equity shares of Rs.10/- (Rupees ten



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only) each and 10,00,000 (Ten 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 same as mentioned in Clause V (a) of the Memorandum of Association of the Company."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary resolution:

"RESOLVED that in partial modification of the resolution passed at the Annual General Meeting of the Company held on 28th August, 1997, 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 from 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.500 Crores at any one time".

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

"RESOLVED that in supersession of the earlier resolution passed at the Tenth Annual General Meeting of the members of the Company held on 30th December, 1998 and in accordance with the provisions of Sections 80 and 81 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and enabling provisions in the 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/- (Rupees one hundred only) each for an aggregate amount not exceeding Rs.10 Crores (Rupees ten crores only), the Preference Share Capital component of the Authorised Share Capital of the Company as specified in the item no.8 of the Notice calling for the Eleventh Annual General Meeting of the members of the Company, or any other financial instruments (hereinafter for brevity's sake referred to as "Securities") as the Board in its sole discretion may at any time or times hereinafter decide, to the Members, Debentureholders 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 reorganisation 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



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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 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 above purpose, 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.”

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

“RESOLVED that in supersession of the earlier resolution passed at the Tenth Annual General Meeting of the members of the Company held on 30th December, 1998 and 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(s) or re-enactment(s) thereof, for the time being in force) and enabling provisions in the 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 “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 either at par or at premium, equity shares 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 hereinafter 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.20 Crores (Rupees twenty crores only), the equity share capital component of the Authorised Share Capital of the Company as specified in the item no.8 of the notice calling for the Eleventh Annual General Meeting of the members of the Company, to the members, General public, Mutual funds, Debentureholders, 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, preferential allotment, 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,



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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 trenches, 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 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 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 sell, lease, dispose, 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 takeover 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/partly 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 and 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/Lenders."

"RESOLVED FURTHER that for the above purpose, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion thinks 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."

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

"RESOLVED that in supersession of the earlier resolution passed in the Tenth Annual General Meeting of the members of the Company held on 30th December, 1998 and pursuant to Section 17 of the Companies Act, 1956, Clause III(A), the Main Object Clause of the Memorandum of Association of the Company, be altered by incorporating the following new Sub-Clause 10 after the Sub-Clause 9 of Clause III(A):-



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“RESOLVED that pursuant to Section 17 of the Companies Act, 1956, Clause III(A), the Main Object clause of the Memorandum of Association of the Company, be altered by incorporating the following new Sub-Clause 10 after the Sub-Clause 9 of Clause III(A):-

10.To carry on in India or elsewhere the business to act as consultant, advisor, representative, advocate, signatories, attorneys, liasioner, agent, serviceman, middleman, arbitrator, conciliator, auctioneer, liquidator, secretary & solicitor in all its branches such as legal, commercial, industrial, manufacturing, production, engineering, personnel, marketing, advertising, publicity, sales promotion, public welfare, corporate management, business management, company law, taxation, investment, portfolio management, agriculture, animal husbandry, poultry, fisheries, power generation, energy savings, insurance, banking loan syndication, imports & exports, research & development, quality control, technical knowhow, geology & mining, medicine & surgery, merchant banking, underwriting, secretarial services, financial management, construction, transport and on other similar subjects and to make evaluations, feasibility studies, techno economic feasibility studies, project reports, forecasts, surveys & rehabilitation packages and for the purpose to run, establish, maintain, provide, operate, manage, supervise, arrange and take on hire all necessary services, facilities, conveniences, equipments etc. and to supply turnkey projects in all industries, utilities, commercial and welfare fields and to do all incidental acts and things necessary for attainment of foregoing objects.

“RESOLVED FURTHER that pursuant to Section 17 of the Companies Act, 1956, Clause III (C), the Other Objects Clause of the Memorandum of Association of the Company, be altered by incorporating the following new sub-clauses 8, 9 and 10 after the Sub-Clause 7 of Clause III (C):

8.To develop, import, export and deal in computer software and to manufacture, develop, improve, maintain, service, buy, sell, import, export exchange and otherwise deal in all kinds of power supplies of general or any customised specifications and all kinds of

computer and micro processors based systems, their parts, components and systems, computer hardware and accessories, and related equipment, Printed Circuit Board, Mother Board, computerised magnetic tapes, magnet drums, magnetic discs, magnetic cards, magnetic core magnetic tools and buy, sell or otherwise deal in all kinds of computer hardwares, softwares, their programmes and accessories including security systems, diagnosis to set up training institution and consultancy in computer and allied field and engage in the business of Internet Services and Web designing.

9.To carry on the business of manufacture, buy, sell, import, export and generally deal in all types of chemicals, Pharmaceuticals, Drugs, and intermediaries and to carry on the business of consulting engineers in chemical, Pharmaceutical and dyestuff industries.

10.To manufacture, sell, deal in all types of Bar Code Equipments, Systems, Accessories, Attachments, Label, Materials, Lable Printers, Label Verifiers, and allied Products and to carryon the business of other Automatic Identifications Equipment Systems, Accessories, Attachments, and Allied Products.

“RESOLVED FURTHER that the consent of the Company be and is hereby accorded to the Board of Directors to commence the business contained in the sub clauses 8, 9 and 10 of Clause III(C), pursuant to the provisions of sub section (2A) of Section 149 of Companies Act, 1956”.

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

“RESOLVED that in supersession of all the earlier resolutions passed by the Company pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to the approval of the Public Financial Institutions, Securities and Exchange Board of India (SEBI) and all other concerned authorities, if any, and to the extent necessary and such



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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 duly authorised Committee thereof for the time being exercising the powers conferred by the Board, consent of the Company be and is hereby accorded to the Board of Directors and/or duly authorised Committee of the Company, to make any loan to and/or to give any guarantee to or provide security, in connection with a loan made by any other person to, or to other person by and/or to acquire, by way of subscription, purchase, or otherwise the securities, of the following Bodies Corporate:

- 1) SUJANA INDUSTRIES LIMITED
- 2) PADMINI CORPORATION LIMITED
- 3) BETALACT LABORATORIES LIMITED
- 4) IRIS AUTOMATIONS LIMITED
- 5) BARTRONICS INDIA LIMITED
- 6) TIRUMALA REROLLING PRIVATE LTD.

upto an amount of Rs.200 Crores, (inclusive of guarantees already given for Rs. 90.65 Crores{US \$ 4916992}), Rs.50 Crores, (inclusive of guarantees already given for Rs. 26 Crores), Rs.15 Crores, Rs.15Crores, Rs.15 Crores and Rs. 50 Lakhs respectively, aggregating Rs.295.50 Crores (Rupees Two Ninety Five Crores Fifty Lakhs only), which may exceed sixty percent of the aggregate of the paid-up capital of the Company and its free reserves or hundred percent of the free reserves, whichever is more, but the loans to be made and/or the guarantees to be given or security to be provided and/or the investment to be made together with the existing loans made and/or the guarantees given or security provided and/or the investment already made, shall not exceed the amount as specified above at any point in time."

"RESOLVED FURTHER that for the above purpose, the Board or the committee of the

Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper, desirable or expedient."

- 14.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 Sections 269, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary, Shri Y.S.Chowdary, Director be and is hereby appointed as Managing Director of the Company for a period of 5 (five) years commencing from 26.04.1999, until otherwise decided."

- 15.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 Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary, Shri R.K.Birla, Director be and is hereby re-appointed as Whole-time Director of the Company for a period of 5 (five) years commencing from 01.02.2000, until otherwise decided."

"RESOLVED FURTHER that Shri R.K.Birla, Whole-time Director will be designated as "Director (Operations)"

"RESOLVED FURTHER that Shri R.K.Birla, Director (operations) be remunerated as follows."

Salary -	Rs. 50,000/- p.m.
H.R.A. -	Rs. 10,000/- p.m.
TOTAL	<u>Rs. 60,000/- p.m.</u>

BY ORDER OF THE BOARD

Y.S. CHOWDARY
CHAIRMAN AND
MANAGING DIRECTOR

PLACE : HYDERABAD
DATE : 18-05-2000





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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. Members/proxies are requested to bring alongwith them Annual reports being sent to them.
3. The Share transfer books and Register of Members of the Company will remain closed during the period from Tuesday 27th June, 2000 to Thursday 29th June, 2000 (both days inclusive).
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 27th June, 2000.
5. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection at the venue of the Annual General Meeting of the Company during the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection of the Members at the Registered office of the Company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.
6. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, is enclosed.

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

6. Shri G.Srinivasa Raju was appointed as Additional Director at the meeting of the Board of Directors of the Company held on 18th August, 1999, who holds office up to the date of the ensuing Annual General Meeting of the Company. He has done ME in Mechanical Engineering and he has more than 5 years working experience in running granite units and good industrial and business experience. Thus his presence on the Board will be highly beneficial to the Company.

Notice required by Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing the appointment of Shri G.Srinivasa Raju as Director. The said notice and the Memorandum and Articles of Association of the Company are available for inspection at the Registered office of the Company on any working day.

Therefore, your Directors recommend the resolution for your approval.

None of the Directors of the Company except Shri G.Srinivasa Raju is concerned or interested in the aforesaid resolution.

7. Shri S.Hanumantha Rao was appointed as Additional Director at the meeting of the Board of Directors of the Company held on 19th July, 1999, who holds office up to the date of the ensuing Annual General Meeting of the Company. He has done B.Tech and he has worked for more than 20 years in State Bank of India and 3 years as Financial and Management Consultant. Thus his presence on the Board will be highly beneficial to the Company.

Notice required by Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing the appointment of Shri S.Hanumantha Rao as Director. The said notice and the Memorandum and Articles of Association of the Company are available for inspection at the Registered office of the Company on any working day.

Therefore, your Directors recommend the resolution for your approval.



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None of the Directors of the Company except Shri S.Hanumantha Rao is concerned or interested in the aforesaid resolution.

8. The Authorised Share Capital of the Company is hereby proposed to be increased from Rs.25,00,00,000/- (Rupees Twenty Five crores only) consisting of 2,00,00,000 equity shares of Rs.10/- each and 5,00,000 Preference Shares of Rs.100/- each to Rs.30,00,00,000/- (Rupees Thirty crores only) consisting of 2,00,00,000 equity shares of Rs.10/-each aggregating to Rs. 20,00,00,000/- (Rupees Twenty crores only) and 10,00,000, preference shares of Rs.100/- each aggregating Rs. 10,00,00,000/- (Rupees Ten crores only), in supersession of the resolution passed by the meeting of the company in the 10th Annual General Meeting held on 30.12.1998, keeping in view the proposed issue of equity and preference shares."

Therefore, your Directors recommend the resolution for your approval.

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

9. In the 9th Annual General Meeting held on 28th August, 1997, the consent of the members of the Company was obtained to borrow funds to the extent of Rs.200 Crores (Rupees Two hundred crores only) pursuant to Section 293(1)(d) of the Companies Act, 1956. In view of the increased activities of the Company and proposed investment in power generation, borrowings from banks/financial institutions, either in India or elsewhere, is required. The existing borrowing powers of Rs.200 Crores may not be sufficient and to enable the Company to raise funds for the aforesaid purpose from time to time, it is proposed to increase the borrowing limits. Sanction of the shareholders is sought under Section 293(1)(d) of the Companies Act, 1956 to borrow upto Rs.500 crores.

Therefore, your Directors recommend the resolution for your approval.

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

10. To part finance the Company's diversification programme in the areas of information

technology, bio-technology and identification technology, it is proposed to issue redeemable preference shares subject to the provisions of Sections 80 and 81 of the Companies Act, 1956.

Your Directors recommend the resolution for approval.

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

11. To part finance the Company's programme of modernisation of re-rolling mills and for setting up of Towers Division it is proposed to issue the equity shares and/or debentures (convertible fully or partly) and/or non-convertible debentures etc., to the public or to the existing shareholders of the Company or through private placement as preferential allotment, as set out in the Special Resolution proposed to be passed by the members under Section 81(1A) of the Companies Act, 1956.

Your Directors recommend the resolution for approval.

All the Directors holding shares in the Company, may be deemed to be concerned or interested in the above resolution to the extent of the shares held by them or their relatives.

12. In order to carry on the business of the Company more economically and more efficiently, especially in the light of future diversification programme in the business activities, it is thought fit and expedient to enlarge the scope of the objects clause contained in the Memorandum of Association of the Company by inserting the business of consultancy, in the manner as set out in the proposed sub-clause 10 after sub-clause 9 of Clause III(A) and the business of information technology, bio-technology and identification technology in the manner as set out in the proposed Sub-clauses 8, 9 and 10 after Sub-clause 7 in Clause III (C) of the Memorandum of Association of the Company. Having regard to the various aspects involved, it is considered that the business set out in the proposed resolution are capable of being conveniently and advantageously combined with the business presently carried on, by the Company. As per Section 17 of the Companies Act, 1956, the approval of the shareholders of the Company is required to alter the objects clause