



UTTAM
STEEL LIMITED

15th
Annual Report
1999-2000

Uttam Steel Limited

BOARD OF DIRECTORS

RAJINDER K. MIGLANI
RAMESH K. MIGLANI
PRAVEEN K. MIGLANI
Dr. N.S.DATAR
S.T.PARIKH
VIPIN RAI BHAYANA
P.G. KAKODKAR
Smt. CHANDA KOCHHAR
M.S. NATARAJAN

CHAIRMAN & MANAGING DIRECTOR DIRECTOR

NOMINEE ICICI NOMINEE LIC

COMPANY SECRETARY BHASKAR P YERUNKAR

BANKERS

State Bank of India
Canara Bank
Credit Agricole Indosuez.

REGISTERED OFFICE:

Uttam House,
69, P.D'Mello Road,
Mumbai: 400 009.

SOLICITORS

Dhru & Company
Natwar Chambers, 91, Nagindas Master Road,
Mumbai: 400 023.

WORKS

Khopoli - Pen Road,
Village - Donvat,
Taluka - Khalapur,
Dist - Raigad,
Maharashtra

AUDITORS

M/s. Yogesh B Mehta,
Chartered Accountant,
160, D N Road,
Mumbai: 400 003.

PROCESSING AGENTS

Mondkar Computers Pvt.Ltd
21, Shakil Niwas,
Mahakali Caves Road,
Andheri (East),
Mumbai: 400 093.

BRANCHES

39, Okhla Industrial Estate
New Delhi: 110 020.

Sagar Estate,
2, Naresh Chandra Dutta Sarani,
Calcutta: 700 001.

Frutos Trade Centre, 2nd Floor,
SCRB Road, Fancy Bazar,
Guwahati: 781 001.

CONTENTS	Page No.
Notice	3
Directors' Report	15
Auditors' Report	18
Highlights	20
Balance Sheet	22
Profit & Loss Account	23
Schedules	24
Cash Flow	35
Company Profile	37
Distribution of Revenue	38



NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Company will be held at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai – 400 021, on 26th August, 2000 at 11.00 a.m., to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2000 and the Profit and Loss Account for the year ended on that day and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Ramesh K Miglani, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Shri. Praveen K Miglani, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri. S T Parikh, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors to hold office from the conclusion of this Meeting until conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

1. As a SPECIAL RESOLUTION :

"RESOLVED that 5,00,00,000 unissued Cumulative Redeemable Preference Shares in the Authorised Share Capital of the Company be and are hereby re-classified into 5,00,00,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs.10 each and accordingly the revised Authorised Shares Capital shall be as under :

"The Authorised Capital of the Company is Rs.125,00,00,000 (Rupees One Hundred Twenty Five Crores Only), divided into 7,50,00,000 (Seven Crores and Fifty Lacs) Equity Shares of Rs.10 each and 5,00,00,000 (Five Crores) Optionally Convertible Cumulative Redeemable Preference Shares ("OCCRPS") of Rs.10 each."

2. As an ORDINARY RESOLUTION :

"RESOLVED that pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company which is presently Rs.125,00,00,000 (Rupees One Hundred

Twenty Five Crores Only) divided into 7,50,00,000 (Seven Crores and Fifty Lacs) Equity Shares of Rs.10 each and 5,00,00,000 (Five Crores) Optionally Convertible Cumulative Redeemable Preference Shares of Rs.10 each, be increased to Rs.225,00,00,000 (Rupees Two Hundred Twenty Five Crores Only) by creation and issue of 2,50,00,000 (Two Crores and Fifty Lacs) additional Equity Shares of Rs.10 each (Rupees Ten Only) and 7,50,00,000 (Seven Crores and Fifty Lacs) additional Optionally Convertible Cumulative Redeemable Preference Shares of Rs.10 each."

3. As an ORDINARY RESOLUTION

"RESOLVED THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and substituted by the following Clause V.

Clause V :

The Authorised Capital of the Company is Rs.225,00,00,000 (Rupees Two Hundred Twenty Five Crores Only), divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs.10 each (Rupees Ten Only) and 12,50,00,000 (Twelve Crores and Fifty Lacs) Optionally Convertible Cumulative Redeemable Preference Shares of Rs.10 each (Rupees Ten Only), with power to increase or reduce the share capital with the rights, privileges and conditions, attaching thereto as are provided by the Articles of Association of the Company for the time being such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or statutory modification thereof or provided by the Articles of Association of the Company for the time being.

FURTHER RESOLVED that in the event of Conversion of OCCRPS within the stipulated period, the aforesaid Clause V of the Memorandum of Association shall stand deleted and substituted by the following :

"The Authorised Capital of the Company is Rs.225,00,00,000 (Rupees Two Hundred Twenty Five Crores Only), divided into 22,50,00,000 (Twenty Two Crores and Fifty Lacs) Equity Shares of Rs.10 each (Rupees Ten Only)"

That in the event of Non-Conversion of OCCRPS within the stipulated period, the aforesaid Clause V of the Memorandum of Association shall stand deleted and substituted by the following :

Uttam Steel Limited

"The Authorised Capital of the Company is Rs.225,00,00,000 (Rupees Two Hundred Twenty Five Crores Only), divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs.10 each (Rupees Ten Only) and 12,50,00,000 (Twelve Crores and Fifty lacs) Cumulative Redeemable Preference Shares of Rs.10 each (Rupees Ten Only)"

RESOLVED that in the event of partial conversion and corresponding partial non-conversion of aggregate 12,50,00,000 OCCRPS of Rs. 10/- each into Equity; the number of Equity Shares over and above 10 crores (Ten Crores), shall stand correspondingly enhanced by actual number of converted OCCRPS and the number of cumulative redeemable preference shares shall stand correspondingly reduced and in the financial analysis; clause V in Memorandum of Association shall read so as to conform consistently and proportionately the contingent events of conversion and non-conversion

4. As a **SPECIAL RESOLUTION** :

"RESOLVED that pursuant to Section 31 and other applicable provisions if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted and substituted by the following Article 3:

Article 3 :

The Authorised Capital of the Company is Rs.225,00,00,000 (Rupees Two Hundred Twenty Five Crores Only), divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs.10 each (Rupees Ten Only) and 12,50,00,000 (Twelve Crores and Fifty Lacs) Optionally Convertible Cumulative Redeemable Preference Shares of Rs.10 each (Rupees Ten Only), with power to increase or reduce the share capital with the rights, privileges and conditions, attaching thereto as are provided by the Articles of Association of the Company for the time being such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or statutory modification thereof or provided by the Articles of Association of the Company for the time being."

FURTHER RESOLVED in the event of **Conversion** of OCCRPS within the stipulated period, the aforesaid Article 3 of the Memorandum of Association shall stand deleted and substituted by the following :

"The Authorised Capital of the Company is Rs.225,00,00,000 (Rupees Two Hundred Twenty Five

Crores Only), divided into 22,50,00,000 (Twenty Two Crores and Fifty Lacs) Equity Shares of Rs.10 each (Rupees Ten Only)"

That in the event of **Non-Conversion** of OCCRPS within the stipulated period, the aforesaid Article 3 of the Articles of Association shall stand deleted and substituted by the following :

"The Authorised Capital of the Company is Rs.225,00,00,000 (Rupees Two Hundred Twenty Five Crores Only), divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs.10 each (Rupees Ten Only) and 12,50,00,000 (Twelve Crores and Fifty Lacs) Cumulative Redeemable Preference Shares of Rs.10 each (Rupees Ten Only)"

RESOLVED that in the event of partial conversion and corresponding partial non-conversion of aggregate 12,50,00,000 OCCRPS of Rs. 10/- each into Equity; the number of Equity Shares over and above 10 crores (Ten Crores), shall stand correspondingly enhanced by actual number of converted OCCRPS and the number of cumulative redeemable preference shares shall stand correspondingly reduced and in the financial analysis, Article 3 in Articles of Association shall read so as to conform consistently and proportionately the contingent events of conversion and non-conversion

5. As a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the following Article numbered as 5B (3) be inserted after the existing Article 5B(2) as follows :

Article 5B (3) :

5B(3): Subject to the provisions of the Companies Act, 1956, the Company shall be entitled to issue Optionally Convertible Cumulative Redeemable Preference Shares and/or Cumulative Redeemable Preference Shares on such terms and conditions including dividend, redemption period etc. as may be decided by the Board as they may deem fit subject to the provisions of the Companies Act, 1956 and other applicable laws and Rules including SEBI guidelines in that behalf as amended and updated."

6. As a **SPECIAL RESOLUTION** :

"RESOLVED that pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and in accordance with the Memorandum of Association and Articles of Association of the Company and subject to Securities and Exchange Board of India (SEBI) guidelines dated 4th August, 1994



relating to Preferential Allotment and other applicable SEBI guidelines, as may be applicable and subject to the approval of the ICICI Limited (hereinafter referred to as "the Financial Institution" for the sake of brevity) and other approvals, including those of the Stock Exchanges where the Company's shares are listed as well as of the SEBI, if any, as may be required, and also subject to such terms and conditions, stipulations and modifications, if any, required by them while granting such approvals, permissions and sanctions and which the Board of Directors of the Company ("the Board", which term shall be deemed to include any duly authorised Committee of Directors) is hereby authorised and empowered to accept, the consent of the Company be and is hereby accorded to the Board, to issue the following equity shares :

i) upto 2,50,00,000 Equity Shares of Rs.10/- each for cash at par for an aggregate amount of Rs.25,00,00,000 in conformity with rules and guidelines prevailing in this regard to and in favour of the following Promoters Sanjug Trading Co. Ltd., Uttam Exports P. Ltd., Uttam Investments Pvt. Ltd., Shri. Rajinder Miglani, Shri. Praveen Miglani Shri. Anuj Miglani and Shri. Ankit Miglani as may be mutually agreed amongst themselves and with consent and approval of Sanjug Trading Co. Ltd. and Uttam Exports Pvt. Ltd. and by adjustment(s) of equivalent amount and set off against their respective Inter Corporate Deposits and to that extent, the Inter Corporate Deposits, be treated as repaid.

ii) upto 3,50,00,000 Equity Shares of the face value of Rs.10/- each for cash at par for an aggregate amount of Rs.35,00,00,000 in conformity with rules and guidelines prevailing in this regard to and in favour of ICICI Ltd., and such other Financial Institutions like IDBI, IFCI, LIC, IIBI, UTI, GIC, NIA, UII, as may be mutually decided among themselves on collective basis and by adjustment of equivalent amount and set off against outstanding of Term Loans and to that extent the outstanding of Term Loans, be treated as repaid.

On preferential basis, as more detailed in the explanatory statement attached to this notice, as the Board may in its absolute discretion consider fit and proper subject to the following terms and conditions :

a) The equity shares to be issued and allotted by the Company, shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank pari-passu in all respects with the existing equity shares of the Company, save and except that the dividend thereon shall be paid pro-rata from the date of allotment of such new equity shares;

b) The issue of new equity shares shall be governed by guidelines, if any, issued by the Securities and Exchange Board of India the Financial Institution or the Stock Exchanges or any other authority as the case may be, or any modifications thereto.

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to take all such actions and to give all such directions, or to do all such, deeds, matters and things as may be necessary or desirable and to settle any question or difficulty that may arise in regard to the issue and allotment of equity shares and to accept any variation, alteration and/or modification as the Board in its absolute discretion thinks fit and proper and to execute all such deeds, documents and writings as may be necessary and which may be imposed, required or suggested by any statutory or regulatory authority."

7. As a SPECIAL RESOLUTION :

"RESOLVED that in supersession of earlier Resolution passed at the 12th Annual General Meeting of the Company held on 13th September, 1997 and in accordance with the provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company and subject to SEBI guidelines relating to Preferential Allotment dated 4th August, 1994 issued by Securities and Exchange Board of India (hereinafter referred to as "SEBI"), and such approvals, permissions, sanctions and consents as may be necessary and required under applicable laws, rules, regulations and consents on such terms, conditions, alterations, modifications, changes and variations, if any, that may be stipulated under such approvals, permissions, sanctions and consents, the Board of Directors of the Company be and is hereby authorised to offer, issue and allot, in parts or in full or in various tranches upto 12,50,00,000 Optionally Convertible Cumulative Redeemable Preference Shares ("OCCRPS") of face value of Rs.10/- each of aggregate value of Rs. 125,00,000,000 (Rupees One Hundred Twenty Five Crores Only) to ICICI Ltd., IDBI, IFCI, IIBI, LIC, UTI, GIC, NIA, UII, as they may mutually decide amongst themselves on collective basis by adjustment of equivalent amount and set off against their respective outstandings of Term Loans and to that extent, the outstandings of Term Loans be treated as repaid or by cash wherever possible. which may be acceptable to the Board carrying such rate of dividend / period of redemption and on other terms and conditions that may be mutually finalised between the prospective Allotees and the Board of Directors on preferential allotment basis as per terms stipulated in the explanatory statement enclosed and in such manner as the Board at its absolute discretion deems fit.

Uttam Steel Limited

RESOLVED FURTHER that the equity shares so converted shall rank pari-passu with existing equity shares of the Company except that they shall be entitled to dividend w.e.f. the date of allotment on pro-rata basis, for the financial year in which they are allotted and on the capital time being paid-up thereon.

ALSO RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take steps and to do all such acts, deeds, matters and things and accept any alteration(s) or modification(s) as they may deem fit and appropriate and give such directions as may be necessary to settle any question or difficulty that may arise in regard to offer, issue and allotment of the said instruments, including power to allot the un-subscribed instrument(s), if any, in such manner as may be deemed fit and appropriate to the Board of Directors and/or to any legal/regulatory body to be most beneficial to the Company."

8. As a Special Resolution :

"RESOLVED that pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended, altered and/or substituted in the manner and to the extent as is set out hereinbelow:

I. DEMAT/REMAT OF SECURITIES

- (a) Definition - In Article 2 definition of 'member' is to be inserted :-

"Members" means the duly registered holders from time to time of the shares of the Company and includes subscribers to the Memorandum of Association of the Company as beneficial owners as defined in Clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

- (b) After Article 5 (C) following Article and heading are to be added :

Dematerialisation of Securities :

5 (D) Definitions :

For the purpose of this Article :-

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities & Exchange Board of India.

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; and 'Security'

means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold its Security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be fungible form

All securities held by a depository shall be dematerialised and be fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners

1. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of documents



1. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

2. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of securities dealt with in a depository

3. Notwithstanding anything in the Act, or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive numbers of Securities held in a depository

4. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of beneficial owners

5. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and

Index of Members and Security holders for the purposes of these Articles."

- II. The following new Articles be inserted after Article 9 and be numbered as Article 9 (A) and 9 (B) :

9 A Nomination of Shares

Notwithstanding anything contained in any Articles, everyholder(s) of shares in or holder(s) of debentures of the Company, holding either singly or jointly, may, at any time, nominate a person in the prescribed manner to whom the shares and/ or the interest of the member in the shares of the Company or debentures of the Company shall vest in the event of his/her death. Such holder(s) may revoke or vary his/her nomination, at any time, by notifying the same to the Company to that effect. Such nomination shall be governed by the provisions of Sections 109A and 109B of the Act, or such other regulations governing the matter from time to time."

9 B Transmission of shares by Nominee

- (i) A nominee may upon production of such evidence as may be required by the Board and subject as hereinafter provided elect, either -

- (1) to be registered himself as holder of the share ; or
- (2) to make such transfer of the share as the deceased shareholder, could have made.

- (ii) If the nominee elects to be registered as holder of the share himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.

- (iii) A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share except that he shall not, before being registered as a member in respect of his share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share, until the requirements of the notice have been complied with.

9. As a Special Resolution :

"RESOLVED that the approval of the Company be and is hereby accorded to the delisting of the Shares of the Company from any one or more of the Stock Exchanges where the Company's shares are presently listed and in particular Ahmedabad, Delhi, and Calcutta at such time as the Board of Directors (whether acting through Board, a Committee of the Board or any other person authorised by the Board) may, in their absolute discretion, consider appropriate and on the terms and conditions as may be stipulated and mutually agreed to in the best interests of the Company, after taking into account various factors such as but not limited to the incidence, impact or burden of the cost of listing fee payable to Stock Exchange(s) and volume of trading on the relevant Stock Exchange(s)."

Date : 26th July, 2000

By Order of the Board

Registered Office :
Uttam House,
69, P.D'Mello Road,
Mumbai : 400 009.

Bhaskar P. Yerunkar
COMPANY SECRETARY

Uttam Steel Limited

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ALSO ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Register of Members and Share Transfer Books of the Company shall remain Closed from 24th August, 2000 to 25th August, 2000 (both days inclusive).
3. i) In terms of Notification No.SMDRP/POLICY/CIR-9 dated 16th February, 2000 of the Securities and Exchange Board of India (SEBI), shareholders may kindly make a note that trading in equity shares for the Institutional Investors of the Company are under compulsory dematerialisation with effect from 26th June, 2000 and vide its Notification No.SMDRP/POLICY/CIR- /2000 dated 29th May, 2000, the Company has been asked to dematerialise all the Investors Securities from 28th August, 2000.
 ii) The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). This will enable members to select the depository of their choice holding and dealing in shares in electronic form. ISIN INE699A01011.
4. All queries relating to Share Transfer and allied subjects should be addressed to M/s. Mondkar Computers Pvt.Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai : 400 093.
5. Members desirous of obtaining any information concerning the Accounts and operations of the Company are requested to address their queries to the Company Secretary, so as to reach him at least seven days before the date of meeting.
6. Members/Proxies attending the Meeting are requested to bring the Attendance Slip sent herewith duly filled-in and also their copies of the Annual Report.
7. Members may kindly make a note that dividend warrants which remain unclaimed / unencashed for a period of 7 (seven) years from the date they became due for payment will be transferred to Investor Education and Protection Fund set up by the Central Government u/s. 205C of Companies Act.

ANNEXURE TO THE NOTICE

Explanatory Statement in respect of Special Business as required under Section 173(2) of the Companies Act 1956.

ITEM NO. 1

In the light of latest trend in Financial Reconstruction prevalent in Corporates, your Company has been advised to issue Optionally Convertible Cumulative Redeemable Preference Shares face valued at Rs.125 crores, inter-alia.

Your Board would be able to go in for issue of Optionally Convertible Cumulative Redeemable Preference Shares under the provisions of Sections 80, 81 and other applicable provisions if any, of the Companies Act, 1956 and SEBI guidelines and such further Shares could be offered either to existing Shareholders or to non-existing Shareholders. Your Board would also decide the parameters of the issue, such as amount of the issue, rate of dividend, period of redemption, terms and conditions and the related matters inter-alia.

The earlier Special Resolution passed at AGM held on 13th September, 1997 has not been implemented and accordingly the said unissued Cumulative Redeemable Preference Shares are therefore nomenclatured as Optionally Convertible Cumulative Redeemable Preference Shares.

None of the Directors are concerned or interested in this Resolution.

Your Board recommends, the Resolution be passed.

ITEM NO. 2 TO 4

As a part of restructuring Capital Base, the Company has decided to increase the Authorised Share Capital from Rs.125 crores to Rs.225 crores by creation of additional 2,50,00,000 Equity Shares and 7,50,00,000 OCCRPS each of Rs.10. The amendment in the Capital Clause of Memorandum and Articles of Association are consequential.

None of the Directors is concerned or interested in the above Resolutions except as members to the extent of their shareholdings.

The Board recommends, the Resolution be passed.

ITEM NO. 5

Subject to applicable provisions of the Companies Act and SEBI guidelines relating to Preferential Allotment dated 4th August, 1994 and other applicable laws, it is decided to offer, issue and allot to ICICI and other Financial Institutions Optionally Convertible Cumulative Redeemable Preference Shares and/or Cumulative Redeemable Preference Shares as detailed at Item No.7 of the accompanying Notice dated 26th July, 2000. For this, the amendment in the Articles of



Association is merely to facilitate the issuance of Optionally Convertible Cumulative Redeemable Preference Shares or Cumulative Redeemable Preference Shares on such terms and conditions as the Board may deem fit. Pursuant to Section 31 and other applicable provisions if any, of the Companies Act, 1956, the Company can alter its Articles by passing a Special Resolution in the General Meeting.

None of the Directors are concerned or interested in the Resolution.

Your Board recommends the Resolution be approved.

ITEM NO.6

Special Resolution at Item No.6 seeks the consent of Shareholders as required under Section 81(1A) of the Companies Act, 1956 to offer, issue and allot equity shares to the Promoters Associate Companies, Individual Promoters, Financial Institutions, for the purpose of restructuring the financial base and to increase profitability of the Company.

This issue will be subject to the guidelines of SEBI in respect of Preferential Allotment, announced on 4 August, 1994 and/or approval of any other authority including Financial Institution(s) and subject to any other approvals, consents and sanctions, wherever necessary, under Section 81(1A) of the Companies Act, 1956, any issue of equity shares to any person other than the existing shareholders and to the existing shareholders on a basis other than, on a pro-rata basis, requires consent of the shareholders by a Special Resolution.

The Company specifically proposes as under :

- A) to appropriate/adjust/convert Inter Corporate Deposits from Sanjug Trading Co. Ltd. and Uttam Exports Pvt. Ltd. into Equity Shares and to offer, issue and allot upto 2,50,00,000 Equity Shares of Rs.10/- each for cash at par for an aggregate amount not exceeding Rs.25,00,00,000 to Sanjug Trading Co. Ltd., Uttam Exports P. Ltd., Uttam Investments Pvt. Ltd., Shri. Rajinder Miglani, Shri. Praveen Miglani Shri. Anuj Miglani, Shri. Ankit Miglani, in such proportion as these entities may decide amongst themselves and ICICI Ltd.
- B) to appropriate/adjust/convert outstanding Term Loans from Financial Institutions into Equity Shares and to offer, issue and allot upto 3,50,00,000 Equity Shares of Rs.10/- each for cash at par for an aggregate amount not exceeding Rs.35,00,00,000 to ICICI Ltd., IFCI, IDBI, IIBI, LIC, UTI, GIC, NIA, UII on aggregate basis in such proportion as these entities may decide amongst themselves.

A) LIST OF PROMOTERS

SR. NO.	NAME AND ADDRESS OF PROMOTERS	NO. OF SHARES IN THE CAPITAL OF USL
1.	Sanjug Trading Co. Ltd. 101Abhay Steel House, 59 – E, Baroda Street, Mumbai – 400 009.	158600
2.	Uttam Exports Pvt. Ltd. A-40, Mohan Co-operative Ind. Area, Main Mathura Road, New Delhi – 110 004.	2502950
3.	Uttam Investments Pvt. Ltd. Mulji House, Gr. Floor, Broach Street, Mumbai – 400 009.	933000
4.	Shri. Rajinder K. Miglani 21-B, Embassy Apts., 46 Nepeansea Rd., Mumbai – 400 036.	1029995
5.	Shri. Praveen K. Miglani 8/34, Shyam Niwas, Bhullabhai Desai Road, Mumbai – 400 026.	165000
6.	Shri. Anuj Miglani 21-B, Embassy Apts., 46 Nepeansea Rd., Mumbai – 400 036.	693000
7.	Shri. Ankit Miglani 21-B, Embassy Apts., 46 Nepeansea Rd., Mumbai – 400 036.	637500
	TOTAL	6120045

Uttam Steel Limited

B) LIST OF FINANCIAL INSTITUTIONS		
NAME OF INSTITUTIONS	ADDRESS	PRESENT HOLDING IN USL
ICICI	ICICI Towers, Bandra Kurla Complex, Bandra(E), Mumbai - 400 051	100
IFCI	Earnest House Nariman Point, Mumbai : 400 021	435700
IDBI	Nariman Bhavan 227 Vinay K Shah Marg, Nariman Point, Mumbai : 400 020	3120
UTI	Sir, V T Marg, New Marine Lines, Mumbai : 400 020	1650500
LIC	Yogakshma, Jeevan Bima Marg, Mumbai 400 021	586000
IIBI	Earnest House, Nariman Point, Mumbai – 400 021.	NIL
GIC	Suraksha, 170 J Tata Road, Churchgate, Mumbai : 400 020	NIL
NIA	The NIA Co. Ltd, 87, M G Road, Fort, Mumbai - 400 001.	NIL
UII	Stadium House Veer Nariman Road, Mumbai : 400 020	1000
TOTAL		2676420

The Equity Shares will be issued in accordance with SEBI guidelines on Preferential Issue dated 4th August, 1994, viz., at a price not less than the higher of the following :

- the average of the weekly high and low of the closing prices of the related shares quoted on Stock Exchanges during six months preceding the relevant date, or
- the average of the weekly high and low of the closing prices of the related shares quoted on Stock Exchanges during two weeks preceding the relevant date.

Explanation :

- "relevant date" for this purpose means the date thirty days prior to the date on which the meeting of general body of shareholders is convened in terms of section 81(1A) of the Companies Act to consider the proposed issue; and
- "stock exchange" shall mean any of the stock exchanges in which the shares are listed and in which the highest trading volume in respect of the shares of the Company has been recorded during the preceding six months prior to the relevant date.

Based on the above SEBI guidelines, the price of the equity shares is determined at below Rs.10/- per share. However, the preferential allotment of equity shares to the Promoters Associate Companies and Individual Promoters as well as to Financial Institutions will be effected at Rs. 10/- per share.

The present shareholding as well as after the proposed offer, issue and allotment the shareholding of the :

A) Individual Promoters will be as under :

Sr. No.	Names	Holding as 15.7.2000		After Proposed Issue (Allotment of 2.50 cr Equity Shares)	
		Nos.	%	Nos.	%
1.	Sanjug Trading Co. Ltd.	158600	0.40		