



**BOARD OF DIRECTORS**

RAJINDER MIGLANI
 RAMESH MIGLANI
 PRAVEEN MIGLANI
 Dr. N.S.DATAR
 S.T.PARIKH
 P. G. KAKODKAR
 NIMESH SHAH
 M.S. NATARAJAN
 V. N. P. NAIR
 N. M. AMBADE

COMPANY SECRETARY

BHASKAR P YERUNKAR

REGISTERED OFFICE:

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

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 Sarani Raod,
 Calcutta: 700 001.

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

**CHAIRMAN & MANAGING DIRECTOR
DIRECTOR****NOMINEE ICICI****NOMINEE LIC****NOMINEE IDBI (up to 30.7.2001)****NOMINEE IDBI (w.e.f. 1.8.2001)****BANKERS**

State Bank of India
 Canara Bank

SOLICITORS

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

WORKS

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

Khopoli - Pali Road,
 Village - Dahivali, Khopali Pali Road
 Taluka - Khalapur,
 Dist - Raigad,
 Maharashtra

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Uttam Steel Limited

NOTICE

NOTICE is hereby given that 16th Annual General Meeting of the Company will be held at MC Ghia Hall, 18/20 K Dubhash Marg, Mumbai: 400 001 on Saturday 10th November, 2001 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 2001 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. P G Kakodkar, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Dr. N S Datar, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri. Ramesh Miglani, who retires by rotation and being eligible, offers himself for re-election.

SPECIAL BUSINESS

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

1. As SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. Yogesh B Mehta, Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting up to the conclusion of the next Annual General Meeting of the Company at such remuneration plus out of pocket expenses as may be decided by the Board of Directors of the Company".

2. As 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 2,00,00,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs.10 each and 3,00,00,000 Equity Shares of Rs. 10 each accordingly the revised Authorised Share 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 10,50,00,000 (Ten Crores Fifty Lacs) Equity Shares of Rs.10 each and 2,00,00,000 (Two Crores) Optionally Cumulative Convertible Redeemable Preference Shares (OCCRPS) of Rs.10 each."

3. As 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.125,00,00,000 (Rupees One Hundred Twenty Five Crores only), divided into

10,50,00,000 (Ten Crores Fifty Lacs) Equity Shares of Rs.10 each (Rupees Ten Only) and 2,00,00,000 (Two Crores) Optionally Cumulative Convertible Redeemable Preference Shares (OCCRPS) of Rs.10 each (Rupees Ten Only), with power to increase or reduce the Share Capital with the right, privileges and conditions, attaching thereto as are provided by the Articles of Association of the Company for the time being into 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 entire CONVERSION of OCCRPS into Equity Shares 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.125,00,00,000 (Rupees One Hundred Twenty Five Crores Only) divided into 12,50,00,000 (Twelve Crore Fifty Lacs) Equity Shares of Rs. 10 each (Rupees Ten Only).

RESOLVED THAT in the event of partial conversion and corresponding partial non-conversion of aggregate 2,00,00,000 (Two Crores) OCCRPS of Rs.10 each into Equity, the number of Equity Shares over and above 10,50,00,000 (Ten Crores Fifty Lacs) shall stand correspondingly enhanced by actual number of converted OCCRPS and the number of OCCRPS shall stand correspondingly reduced and in the financial analysis, clause V in Memorandum of Association shall be read correspondingly so as to conform consistently and proportionately the contingent events of conversion and non conversion.

4. As 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.125,00,00,000 (Rupees One Hundred Twenty Five Crores Only) divided into 10,50,00,000 (Ten Crores Fifty Lacs) Equity Shares of Rs.10 each (Rupees Ten Only) and 2,00,00,000 (Two Crores) 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 into 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 for the time being."

FURTHER RESOLVED that in the event of entire CONVERSION of OCCRPS into Equity Shares 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.125,00,00,000 (Rupees One Hundred Twenty Five Crores Only) divided into 12,50,00,000 (Twelve Crore Fifty Lacs) Equity Shares of Rs.10 each (Rupees Ten Only).

RESOLVED THAT in the event of partial conversion and corresponding partial non-conversion of entire OCCRPS of Rs.10 each into Equity; the number of Equity Shares over and above 10,50,00,000 (Ten Crores Fifty Lacs) shall stand correspondingly enhanced by actual number of converted OCCRPS and the number of OCCRPS shall stand correspondingly reduced and in the financial analysis; Article No. 3 in Articles of Association shall be read correspondingly so as to conform consistently and proportionately the contingent events of conversion and non conversion.

5. **As 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 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 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, 4th August, 2000 as updated up to date relating to Preferential Allotment and other applicable SEBI guidelines, as may be applicable and as per Restructuring Scheme(s) of IIBI, LIC and IFCL (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) 96,42,857 Equity Shares of Rs.10/- each at a premium of Rs.18/- per Equity Share for an aggregate amount of Rs. 27,00,00,000/- in conformity with rules and guidelines prevailing in this regard to and in favour of Promoters' Associate Companies a) Sanjug Trading Co. Ltd., b) Uttam Exports P. Ltd., and the

same shall be set off against their respective Inter Corporate Deposits equally and to that extent, the Inter Corporate Deposits be treated as repaid to Sanjug Trading Company Ltd ; and Uttam Exports Private Limited.

ii) 41,60,500 Equity Shares of face value of Rs.10/- each for cash at par for an aggregate amount of Rs. 4,16,05,000/- in conformity with rules and guidelines prevailing in this regard to and in favour of LIC IIBI, and IFCL as detailed in the Terms and Conditions in their respective Letters of Intent (LOI).

On preferential basis, as more detailed in the explanatory statement attached to this notice, subject to the following terms and conditions:

- a) The aforesaid equity shares to be allotted under Convertibility Clauses in Loan Agreements with LIC, IIBI and IFCL in terms of their respective LOIs , shall be subject to the Memorandum of Association and Articles of Association of the Company and Buy Back Agreements to be entered into with all or any one of these FI's and shall rank pari-passu in all respects with the existing equity shares of the Company.
- 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, if applicable.

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 Terms of 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 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 , 4th August, 2000 as updated issued by Securities and Exchange Board of India (hereinafter referred to as "SEBI") as may be applicable, 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 issue and allot 53,68,469 Optionally Convertible Cumulative Redeemable Preference Shares ("OCCRPS") of face value of Rs.10/- each of aggregate value of Rs. 5,36,84,690/- (Rupees Five Crores Thirty Six Lacs Eighty Four Thousand Six Hundred Ninety Only) to IDBI in terms of its LOI No. 167/IDBI/MBO/CFD(F) dt. 16.04.2001 on preferential allotment basis as set out in the Explanatory Statement attached to this Notice.

Uttam Steel Limited

RESOLVED FURTHER that the OCCRPS, when converted into Equity, in terms of SEBI Guidelines relating to preferential allotment as may be applicable, the same shall rank pari-passu with existing equity shares of the Company.

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 terms of issue and allotment of the said instruments.

8. As SPECIAL RESOLUTION :

"RESOLVED that pursuant to the provisions of Section 81(1A) wherever applicable and other applicable provisions, if any, of the Companies Act, 1956, and other enactments / Laws, Rules and Regulations governing the issue of and allotments of Bonds; OCCRBs; and Convertible Loan Document(s) 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, 4th August, 2000 as updated, relating to Preferential Allotment and other applicable SEBI guidelines, as may be applicable and as per Restructuring Scheme(s) of ICICI, IDBI, IFCI, IIBI and LIC (hereinafter referred to as "the FIs" 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 consider, treat and deem total outstanding Term Loan of FIs as on 1st October, 2000 partly repaid / adjusted / reduced in terms of respective Letter of Intent (LOIs) except the Debt against which fresh Loan Agreements / Debt Instruments including Optionally Convertible Debt Instruments are to be issued as under :

- a) Term Loan of Rs. 121.6783 Crores (ie. Non Convertible Loan from ICICI-Rs.97 Crores, LIC-Rs.8.97 Crores, IIBI-Rs.2.8083 Crores and IFCI Rs.12.90 Crores) in conformity with rules and guidelines prevailing in this regard to and in favour of ICICI, LIC, IIBI and IFCI as per Terms and Conditions stipulated in their respective Letter of Intent(s).
- b) Optionally Fully Convertible Loan (OFCL) of Rs.9.663 Crores to be Converted into Equity Shares at par at any time during the currency of Loan and 0% Optionally Fully Convertible Loan (OFCL) of Rs.90.60 Crores (ie. Convertible Loan) in conformity with rules and guidelines prevailing in this regard to and in favour of ICICI and IFCI as per Terms and Conditions in the Letter of Intents bearing nos.03U/1610 dated 26th April, 2001 and MuRO/ Engg / 734 / 2001 – 10360 dt. 19.9.2001)
- c) 2,37,000–15% Optionally Fully Convertible Redeemable Bonds (OFCRB) of Rs. 100 each for an aggregate amount of Rs. 2.37 crores in conformity with rules and guidelines prevailing in this regard to and in favour of IIBI as per Terms and Conditions in the

Letter of Intent bearing no. IIBI : WZO: LOI : 2 : 2091 : 2001 dated 27th June, 2001.

- d) 7,73,000 – 0% Optionally Fully Convertible Bonds (OFCB) of Rs. 100 each for an aggregate amount of Rs.7.73 crores in conformity with rules and guidelines prevailing in this regard to and in favour of LIC as per Terms and Conditions in the Letter of Intent dated 7th June, 2001.

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 condition(s) :

- 1) All the above Debt Instruments and/or Securities to be allotted to ICICI, IDBI, IIBI, LIC and IFCI are in terms of their respective LOIs, and shall be subject to the Memorandum of Association and Articles of Association of the Company.
- 2) The issuance of above Debt Instruments / Loan Agreements (Convertible and/or Non Convertible) / Securities shall governed by guidelines, if any, issued by the Securities and Exchange Board of India, the Financial Institutions or the Stock Exchanges or any other authority as the case may be, or any modifications thereto, if applicable.

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 allotment of above Debt Instruments/ Loan Agreement(s) (Convertible and/or Non Convertible) / Securities 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 or Authorities."

9. As ORDINARY RESOLUTION

"RESOLVED THAT the Consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other provisions, if any, of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors of the Company of all or any part of the immovable properties of the Company wheresoever situate both present and future of every nature and kind whatsoever and/or creating a floating charge on all or any of the immovable properties of the Company and the whole of the undertaking of the Company together with the power to take over the management of the business and concern of the Company in certain events, to or in favour of the following Institutions :

- | | |
|--|---------|
| 1. ICICI Limited | (ICICI) |
| 2. Industrial Development Bank of India | (IDBI) |
| 3. Life Insurance Corporation of India | (LIC) |
| 4. Industrial Investment Bank of India Ltd., | (IIBI) |
| 5. Industrial Finance Corporation of India Ltd., | (IFCI) |

In connection with the Restructuring Schemes approved by them and accepted by the Board earlier and in order to Secure Non Convertible Loan of Rs.121.6783 Crores; OFCL (Convertible



into Equity) of Rs.9.663 Crores 0% OFCL of Rs.90.60 Crores 15% OFCRB of Rs.2.37 Crores; and 0% OFCB of Rs.7.73 [with buy back clauses / arrangements, if and wherever applicable] Crores; and interest at agreed rates, compound / additional interest, premium or repayment or on redemption, costs, charges, expenses, and all other moneys payable by the Company to the aforesaid Financial Institutions in terms of their respective terms and conditions as mentioned in LOIs and Term Loan Agreements / Buy Back Agreements to be entered into by the Company in respect of facilities sanctioned by the aforesaid Financial Institutions .

AND RESOLVED THAT any one of the Directors of the Company be authorised to finalise the aforesaid mortgages and/or charges and/or Loan Agreement(s) (Convertible and/or Non Convertible both) and/or Bond Certificates / Buy Back Agreement(s), or any other documents, undertakings, papers, and writings and to do all such acts and things as may be necessary for giving effect to the above Resolutions to implement the full intent and purpose of respective LOIs.

AND RESOLVED THAT any one of the Directors of the Company be and is hereby authorised to execute any, and all documents required by any and all the above Financial Institutions and Common Seal of the Company be affixed on any and all documents, wherever required by the aforesaid Financial Institutions, in the presence of any one of the Directors of the Company and Counter signed by the Company Secretary or an Official duly authorised by the Board in this behalf in terms of Articles No.34 of Articles of Association of the Company".

10. As ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 293(1) (d) and other applicable provisions if any, of the Companies Act, 1956, and in supersession of the Resolution passed at the 14th Annual General Meeting of the company held on 10th September, 1999, Consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum(s) of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up Share Capital of the Company and its Free Reserves, (i.e. Reserves not set apart for any specific purpose), provided that the aggregate of the monies borrowed and to be borrowed and outstanding at any one time shall not exceed Rs.1500 Crores".

11. As SPECIAL RESOLUTION

"RESOLVED THAT subject to the approval of Central Government under the provisions of Section 314 (1B) of the Companies Act, 1956, the Company hereby accords its consent to Mr. Anuj Miglani, son of Shri Rajinder Miglani, Chairman & Managing Director, holding an office or place of profit as Chief Executive Officer (CEO) in the Company for a period of Five Years with effect from such date as may be allowed by the Central Government on the following Terms and Conditions.

1. Salary : Rs.75000/- per month
2. Provident Fund : 12% of the Salary per month
3. Superannuation : 15% of the Salary per month.

The Conditions of Provident Fund and Superannuation are

subject to any change effected in the schemes / rules of the respective funds or rules of the Company.

4. Car : The Company shall provide him car with chauffeur for official business.
5. Telephone : Provisions of telephone at residence for official business.
6. Gratuity : Benefits in accordance with the rules and regulations in force in the Company from time to time but shall not exceed a half month's salary for each completed year of service.
7. Leave : Leave on fully pay and allowance at the rate of one month for every eleven months of Service with liberty to accumulate such leave for a period of six months. Leave encashment for a maximum of six months accumulated leave to be permitted at the end of the term, after obtaining such approvals as may be necessary.
8. Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.

The Company shall pay to or reimburse the CEO and he shall be entitled to be paid and or / to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

The scope and quantum of remuneration specified hereinabove, may be subject to such guidelines as may be announced by the Central Government from time to time and will be subject to such modification as the Central Government may suggest or require which the Directors are hereby authorised to accept on behalf of the Company and which may be acceptable to Mr. Anuj Miglani and not less favourable to the Company".

12. As SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 21 read with Section 23 of the Companies Act, 1956 and subject to the approval of Central Government, name of the Company be changed from UTTAM STEEL LIMITED to UTTAM GALVA STEELS LIMITED.

RESOLVED FURTHER THAT the name clause of Memorandum and Articles of Association of the Company be altered suitably.

FURTHER RESOLVED THAT Shri. Rajinder Miglani (CMD) and/ or Shri. Bhaskar Yerunkar, (CS) be and are hereby severally and / or Jointly authorised to take necessary steps in the matter."

By Order of the Board

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

Date : October 12th, 2001

Sd/-

Bhaskar 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 1st November, 2001 to 9th November, 2001 (both days inclusive).
3. Explanatory Statement under section 173 (2) of the Companies Act, 1956 in respect of Item Nos. 1 to 12 in respect of Special Business is enclosed herewith.
4. Copies of LOIs of Restructuring Schemes issued by ICICI Ltd. bearing no. 03U/1610 dt. April 26, 2001, IDBI bearing no. 167 / IDBI / MBO / FCD(F) dt. June 27, 2001, LIC dt. June 7, 2001, IBI bearing no. WZO : UTTAM.LOI:2:2091:2001 dt. June 27, 2001 and IFCI bearing no. MuRO/Engg/734/2001-10360 dt. 19.9.2001 are kept for inspection for the Member(s) / Beneficial Owner(s) on any Working Day between 11.00 a.m to 1.00 p.m and on Saturday 11.00 a.m to 1.00 p.m. All LOI's are accepted by the Board except IDBI's LOI which is acceptable to USL to the extent of Issue of OCCRPS valued at Rs. 5,36,84,690/- against Overdue Interest until 30.09.2000.
5. All queries relating to Share Transfer and allied subjects should be addressed to M/s. Mondkar Computers Private Limited, 21, Shakil Niwas, Opp. Saibaba Mandir, Mahakali Caves Road, Andheri (East), Mumbai - 400 093.
6. Members desirous 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.
7. 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.
8. The Registrar of Companies (Maharashtra) Mumbai, vide its letter dated 21.06.2001 has granted extension of time for holding 16th Annual General Meeting of the Company for a period upto 15th November, 2001. A copy of the aforesaid letter is available for inspection at the Registered Office of the Company between 11.00 a.m to 1.00 p.m on any working days.
9. The Company's Shares are listed on Stock Exchanges at Mumbai / Delhi / Calcutta and Ahmedabad including National Stock Exchange, Mumbai and Listing Fees are paid up to date.
10. Registrar of Companies Maharashtra, Mumbai, has already granted the approval to the Change in name of the Company vide its Letter No. AN/1115616 dated 27th September, 2001. The Original Letter is kept for inspection at the Registered Office of the company between 11.00 a.m. to 1.00 p.m. on any working day.

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

Over-all View on Items 1 to 7 of Special Business.

You are aware that Resolutions at Item No.1 to 7 in the Notice for 15th AGM were passed on 26th August, 2000. The said resolutions were however ineffective for want of Specifics directions and could not be implemented. In consequence, the Company's Share Capital as at 31st March 2000 remained unchanged and unaltered.

The FIs, except Unit Trust of India (UTI) and Industrial Development Bank of India Limited (IDBI) have now finalised Restructuring Schemes. Some of the Special Resolutions may need amendments in case IDBI revises its Scheme except conversion of overdue Interest into OCCRPS and UTI also finally intimates its stand about Restructuring its Debt Profile before 10th November 2001.

ITEM NO 1

The Shareholding of the Public Financial Institution in the Company namely ICICI Limited stands at 25.3599%. Pursuant to Section 224A of the Companies Act, 1956, a Special Resolution is required for appointment of Auditors if the Public Financial Institution singly or any combination of FIs holds as described in the said Section not less than 25% of the Subscribed Share Capital and accordingly the Special Resolution is proposed for the appointment of M/s. Yogesh B Mehta, Chartered Accountant, Mumbai as Statutory Auditors of the Company.

None of your Directors are concerned or interested in this resolution. Your Board commends the Resolution.

ITEM NO 2

Your Board has decided to reclassify the structure of Authorised Share Capital by issuing 2 crores of OCCRPS of Rs. 10/- each and also additional issue of 3 crores Equity shares of Rs. 10/- each in place of unissued existing Cumulative Redeemable Preference Shares. This is being done to enable the Company to issue required number of OCCRPS and or Equity Shares as per the requirements of FIs.

Your Board has powers to issue OCCRP Shares under Section 80 and 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, and SEBI Guidelines as updated on 4th August 2000. Such further Shares could be offered either to existing or non-existing Shareholders. Your Board would further decide parameters of the Issue like the amount of Issue; rate of Dividend; period of redemption and other Terms and Conditions and related matters, inter alia.

None of your Directors are concerned or interested in this resolution. Your Board commends the Resolution.

ITEM NO 3 & 4

The amendment in the Capital Clause of Memorandum and Articles is consequential to a decision to reclassify the Company's Authorised Capital from Cumulative Redeemable Preferential Shares into Additional 3 Crores Equity Shares and 2 Crores OCCRPS is contemplated at Item No.7.

None of your Directors are concerned or interested in this resolution. Your Board commends the Resolution.

ITEM NO 5 (New Article 5B(3))

The Company can alters its Articles pursuant to section 31 and other applicable provisions of the said Act, by a Special Resolution.

Subject to applicable provisions of the Companies Act, 1956, and SEBI Guidelines regarding Preferential Allotment dated as updated on 4th August, 2000 and other applicable laws, Rules and Regulations, it is decided to issue and allot in favour of IDBI, OCCRP Shares as per item no. 7, and hence this amendment by New Article 5B(3) has become imperative.



None of your Directors are concerned or interested in this resolution. Your Board commends the Resolution.

ITEM NO 6

This Resolution seeks the consent of Shareholders and Beneficial Owners in terms of Section 81 (1A) of the Companies Act, 1956, to offer, Issue and Allot Equity Shares to Promoters' Associate Companies, and the Financial Institutions viz; LIC, IIBI and IFCI for the purpose of restructuring financials and to achieve a profitable performance as per restructuring proposal as approved by Financial Institutions namely ICICI, IDBI (to the extent of conversion of overdue interest into OCCRPS), IFCI, IIBI and LIC.

The Issue will be subject to guidelines of SEBI regarding "Preferential Allotment" announced on 4th August 1994, updated on 4th August 2000 and as may be applicable and / or other approvals of any other Authorities such as Stock Exchange(s).

The Company specifically proposes as under: -

- a) To appropriate/adjust convert Inter Corporate Deposits (ICDs) (Unsecured Loans) from Sanjug Trading Co.Ltd and Uttam Exports Private Limited by Offer, Issue and Allotment of 96,42,857 Equity Shares of Rs.10 each at a premium of Rs.18 per Share for an aggregate amount of Rs.27,00,00,000/- to Sanjug Trading Company Limited and Uttam Exports Private Limited as set out under the heading "A" hereunder. To the extent of conversion, unsecured loans of Sanjug Trading Co. Ltd., and Uttam Exports Pvt. Ltd., be deemed to be extinguished and shall be treated as repaid by the Company on equal basis i.e 48,21,428 Equity Shares to Sanjug Trading Co.Ltd. and 48,21,429 Equity Shares to Uttam Exports Pvt. Ltd. FI's have however decided that Equity Shares valued at Rs.27 Crores with premium of Rs.18/- per equity share be issued and allotted by the Company immediately after passing of this Resolution. The balance ICDs valued at Rs.10 Crores at a premium of Rs.18/- per equity share be converted by or before 30th June, 2002.
- b) To appropriate, adjust and convert Simple Over Due Interest, of Rs.4,16,05,000 on outstanding Term Loans from LIC,IIBI and IFCI as on 30th September, 2000 into Equity Shares and to offer, issue and allot aggregately 41,60,500 equity shares of Rs.10 each for cash at par in terms of their respective LOIs as set out under the heading "B" hereunder.

A. LIST OF PROMOTERS' ASSOCIATE COMPANIES (ALLOTTEES)

SR.NO	NAME & ADDRESS OF PROMOTERS	NO OF SHARES IN THE CAPITAL OF USL	% OF HOLDING IN THE CAPITAL OF USL	NO OF SHARES IN THE CAPITAL OF USL	% OF HOLDING IN THE CAPITAL OF USL
		(PRIOR TO ISSUE)	(PRIOR TO ISSUE)	(AFTER THE ISSUE)	(AFTER THE ISSUE)
1.	Sanjug Trading Company Limited 101, Abhay Steel House, 59-E, Baroda Street, Mumbai : 400 009.	158600	0.30	4980028	07.43
2.	Uttam Exports Private Limited A-40, Mohan Co-Operative Ind. Area, Main Mathura Road, New Delhi.	2502950	4.70	7324379	10.93
	TOTAL	2661550	5.00	12304407	18.36
		=====	=====	=====	=====

Shri Rajinder Miglani and Shri. Praveen Miglani are Directors of Sanjug Trading Company Limited and hold NIL Equity Share(s). They are Shareholders of Uttam Exports Private Limited and each of them holds, 10.30% and 8.43% in its paid-up capital respectively. They are therefore interested in this Resolution.

No other Promoters / Directors / Key Management Persons are concerned and shall not be subscribing to this preferential offer.

B. LIST OF ALLOTTEES (FI's)

SR.NO	NAME & ADDRESS OF INSTITUTIONS	NO OF SHARES IN THE CAPITAL OF USL	% OF HOLDING IN THE CAPITAL OF USL	NO OF SHARES IN THE CAPITAL OF USL	% OF HOLDING IN THE CAPITAL OF USL
		(PRIOR TO ISSUE)	(PRIOR TO ISSUE)	(AFTER THE ISSUE)	(AFTER THE ISSUE)
1.	L I C Of India Yogakshema, Jeevan Bima Marg, Mumbai : 400 02	586000	01.10	2586000	03.86
2.	IIBI Earnest House, 11 th Floor, Nariman Point, Mumbai : 400 021	NIL	NIL	1253500	01.87
3.	IFCI Limited Earnest House, Nariman Point Mumbai : 400 021	435700	00.82	1342700	02.00
	TOTAL	1021700	01.92	5182200	07.73
		=====	=====	=====	=====

No Promoters / Directors / Key Management Persons except concerned FIs as stated above will be subscribing to this Preference Offer.

Uttam Steel Limited

The Equity Shares Issued and/or to be issued and will be in accordance with SEBI guidelines as may be applicable on "Preferential Issue" dated 4th August 1994, 4th August 2000, as updated viz. at a price not less than the higher of the following :

- I) The average of weekly high and low of closing prices of related shares quoted on the stock exchanges during 6 Months preceding the relevant dates or
- II) The average of weekly high and low of closing prices of the related shares quoted on stock exchange during 2 Weeks preceding the relevant dates.

Explanation :

- a) "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, 1956 to consider the proposed issue; and
- b) "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.

Pursuant to SEBI Guidelines, the price of Equity Shares is determined at below Rs.10/- per share; however, the Preferential Allotment in favour of Promoters Associate Companies are at a price of Rs.28/- per Share (which includes Premium of Rs.18/- per equity share). The present allotment of Equity Shares in favour of LIC, IIBI and IFCI will be effected at Rs.10 per share.

Shareholding pattern of USL after Allotment of Equity Shares valued at Rs.27 crores to Promoters' Associate Companies (Conversion of Unsecured Loan into Equity) and Rs.4,16,05,000/- Lacs to LIC, IIBI and IFCI shall be as under :- (Conversion as per Convertible clause, Outstanding Term Loan and Overdue Interest on cut off date 30.09.2000)

Sr. No.	Category	Holding as on 30.09.2001		After Proposed Issue.	
		Nos	%	Nos.	%
1.	Individual	3661800	06.8787	3661800	05.4623
2.	Associate Co's.	9330550	17.5274	18973407	28.3027
3.	NRI Associates	378000	00.7101	378000	00.5638
4.	OCB's	3114700	05.8509	3114700	04.6462
	Total	16485050	30.9671	26127907	38.9751
5.	ICICI Ltd.,	13500100	25.3599	13500100	20.1381
6.	IFCI	435700	00.8185	1342700	02.0029
7.	IDBI	3120	00.0059	3120	00.0046
8.	LIC	586000	01.1008	2586000	03.8575
9.	UTI	1213700	02.2799	1213700	01.8104
10.	IIBI	NIL	NIL	1253500	01.8698
11.	GIC	10000	00.0188	10000	00.0149
12.	Mutual Funds	134600	00.2529	134600	00.2007
13.	Nationalised Banks	23700	00.0446	23700	00.0353
14.	NRI/FIIs	2884360	05.4183	2884360	04.3026
15.	Corporate Bodies	3036661	05.7044	3036661	04.5294
16.	Indian Public	14921025	28.0289	14921025	22.2577
	Total	36748966	69.0329	40909466	61.0248
	Grand Total	53234016	100.0000	67037373	100.0000

The Company is of the view that SEBI Take over Regulations will not apply to the proposed Issue in terms of Regulation 3(1)(c) for this preferential allotment. On allotment of Equity Shares, to promoters' associate companies, as well as LIC, IIBI, and IFCI, the Board of Directors of the Company will not be re-constituted nor there will be any change of control. No Directors of the Company is in anyway concerned or interested in this Resolution except Shri. Rajinder Miglani, Shri. Praveen Miglani and Shri. Ramesh Miglani. Shri. M S Natarajan (LIC – Nominee) in his capacity as Nominee of LIC and Shri. N M Ambade (IDBI – Nominee) in his capacity as Nominee – IDBI are interested in respect of Preferential Allotment to LIC and IDBI respectively. Other details of Promoters' Companies are as under :-



<u>Name of the Company</u>	<u>Address</u>	<u>Directors</u>
Sanjug Trading Company Limited		
Nature of Business : General Merchants & Traders in Grain and Commodities ; Brokers, Importers, Exporters and to act as Manufacturers Representative.	101, Abhay Steel House 59-E, Barods Street, Mumbai : 400 009	Shri. Rajinder Miglani Shri. Praveen Miglani Shri. Rishi Miglani Shri. S C Kumar Shri. Brij B Handa
Uttam Exports Private Limited		
Nature Of Business : To Export and Promote the Export and otherwise deal in for the purpose of Of export in all types of Traditional and Non Traditional Manufactured Items / Machineries etc And to function as Recognised Export Hosue.	A-40, Mohan Co-Op.Ind.Area Main Mathura Road, Delhi, Pin : 110 004.	Shri. Rajat Miglani Shri. S C Kumar Shri.Brij B Handa

The proposed issue and allotment of Shares shall be completed on or before 9th February, 2002 which is within prescribed period under the SEBI preferential allotment guidelines dated 4th August 1994, 4th August 2000 as updated. In terms of the letter issued by the Stock Exchange, Mumbai, the price of the Equity Share(s) of the Company as on 12.10. 2001 is Rs.2.05.

Your Directors recommend the resolution.

ITEM NO 7

As a part of Restructuring Scheme approved by IDBI, your Board proposes to issue and allot 53,68,469 OCCRP Shares in favour of IDBI, pursuant to section 80 and 81(1A) of the Companies Act, 1956. The objective is to convert Overdue Interest as on 30.09.2000 due to IDBI. IDBI has agreed in principle to take up these OCCRPS and treat its overdue interest fully paid as on 30.09.2000.

Conversion ; IDBI will be entitled to convert OCCRP Shares into Equity Shares with 3 Months notice in writing to the Company, as per guidelines of SEBI on preferential allotment dated 4th August, 1994 as amended on 4th August, 2000 at a price not less than higher of the following.

- The average of weekly high and low of closing prices of related shares quoted on the stock exchanges during 6 Months preceding the relevant dates or
- The average of weekly high and low of closing prices of the related shares quoted on stock exchange during 2 Weeks preceding the relevant dates.

Explanations :

- "Relevant dates for this purpose means 30 Days prior to the dates on which the meeting of General Body of Shareholders is convened to consider the propose issue".
- "Stock Exchange shall mean any of the Stock Exchanges in which the Shares are listed and in which the highest trading volumes in respect of the Shares of the Company has been recorded during the preceding 6 Months prior to the relevant dates".

Other Terms and Conditions of OCCRPS :

- The OCCRPS will have to be converted into equity shares within the period of 18 months from the date of allotment, in terms of the guidelines issued by SEBI.
- In case, OCCRPS are not converted into equity shares within the 18months, from the date of issue, the same shall be treated as Cumulative Redeemable Preference Shares on expiry of 18 months from the date of allotment.
- In case, Financial Institutions choose not to exercise option of conversion of OCCRPS into equity shares, latest by 15 months from the date of allotment, the same (i.e OCCRPS) will be redeemed on expiry of permissible number of years.

The Company is of the view that SEBI Take-Over Regulations will not apply to the proposed offer/issue in terms of Regulation 3(1) (c) for this preferential allotment. Pursuant to Section 80 & 81 and other applicable provisions, if any, of the Companies Act, 1956, approval of the members is sought for implementing the above Offer, Issue and Allotment. The Company is of the view that the shareholding pattern after the hypothetical conditions of OCCRPS into Equity is too uncertain an issue at this stage and hence need not be accompanied in explanation.

Your Board will not be reconstituted nor there will be any change of control of the Company in case of the above allotment.

None of the Directors are interested or concerned in the above Resolution, except Shri. N M Ambade (IDBI-Nominee).

The Board recommends, the resolution.

ITEM NO 8

As a part of overall restructuring schemes approved by ICICI, LIC, IIBI, IDBI and IFCI the concerned FI's have taken a cut off date on 30th September, 2000 and have worked out the total outstanding liabilities of the Company into TWO parts :-

- Outstanding Loans by whatever name called in their previous nomenclatures.