

# THE AMALGAMATED ELECTRICITY COMPANY LIMITED

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1997-98

63rd Annual Report

1997-98

# THE AMALGAMATED ELECTRICITY COMPANY LIMITED

## **DIRECTORS**

Shri R. P. AIYER *Chairman*

Shri G. V. SIKUR

Shri P. R. ROY

Shri B. P. SINHA

## **BANKERS**

ANDHRA BANK  
MUMBAI

CITI BANK N.A.  
MUMBAI

## **AUDITORS**

Messrs. BATLIBOI & PUROHIT

## **REGISTERED OFFICE**

17-B, HORNIMAN CIRCLE, FORT  
MUMBAI 400 023

## **A REQUEST**

The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing. You are, therefore, requested to bring your copy of the Annual Report at the Meeting. Please bring with you the Entrance Pass duly completed.

THE AMALGAMATED ELECTRICITY COMPANY LIMITED

**NOTICE**

NOTICE is hereby given that the SIXTY THIRD ANNUAL GENERAL MEETING of the Members of The Amalgamated Electricity Company Limited will be held at M.C. Ghia Hall, Association of Merchants & Manufacturers of Textile Stores & Machinery (India), Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubash Marg (Old Rampart Row), Mumbai-400 001 on Thursday the 24th September 1998 at 3.30 p.m. to transact the following business:

1. To consider and adopt the audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri G.V. Sirur, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri P.R. Roy, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors,

For THE AMALGAMATED ELECTRICITY COMPANY LIMITED

*Registered Office:*

17-B, Horniman Circle,  
Fort, Mumbai 400 023

*Dated: 5th August, 1998.*

B.P. SINHA  
*Director*

**NOTES:** 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

2. The Register of Members and Transfer Books of the Company will remain closed from 18th September, 1998 to 24th September, 1998 both days inclusive.

## THE AMALGAMATED ELECTRICITY COMPANY LIMITED

**DIRECTORS' REPORT**

The Directors submit their Sixty Third Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 1998.

	1997-98		1996-97	
	Rupees	Rupees	Rupees	Rupees
<b>FINANCIAL RESULTS:</b>				
Profit for the year .. .. .		2,04,171		5,67,783
Add/Less: Amount brought forward. .		(-) 73,88,784		(-) 77,14,359
		(-) 71,84,613		(-) 71,46,576
 Add: Depreciation .. .. .	26,797		36,244	
Provision for Taxation .. .. .	1,04,564	1,31,361	2,05,964	2,42,208
Balance to be carried forward ..		(-) 73,15,974		(-) 73,88,784

**PENDING LEGAL DISPUTES:**

- The Appeal filed in Rajasthan High Court by a consumer of the Company's erstwhile Ajmer undertaking involving a claim of Rs. 78,600/- is still pending.
- The last dispute which was pending before Karnataka High Court dealing with the absorption of 29 workmen of the Company's erstwhile Belgaum undertaking by the Karnataka Electricity Board has been decided in favour of the workmen.

The Karnataka Electricity Board has appealed to Supreme Court by Special Leave Petition in the above matter, which has been admitted for hearing by the Court. Although the Company is not involved, it has been bracketed as a party to the Petition. Appropriate steps will be taken to put forward the Company's case when the matter comes up for hearing.

**DEPOSITS ACCEPTED FROM PUBLIC:**

Rs. 11,400/- relating to 7 Depositors has either not been claimed or for which disposal instruction has not been received upto 31st March, 1998.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO:**

The information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is Nil both in respect of Conservation of Energy and Technology absorption, as the Company is not engaged in manufacturing activities. In respect of Foreign Exchange earnings/outgo, the particulars are also none.

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**PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956, READING WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975:**

There were no employees falling within these provisions.

Two of your Directors, Shri G.V. Sirur and Shri P.R. Roy retire by rotation and being eligible, offer themselves for re-appointment.

You are requested to appoint Auditors and to fix their remuneration.

On behalf of the Directors

*Mumbai: 5th August, 1998*

R.P. Aiyer  
Chairman



## THE AMALGAMATED ELECTRICITY COMPANY LIMITED

**REPORT OF THE AUDITORS  
TO THE SHAREHOLDERS**

We have audited the Balance Sheet of The Amalgamated Electricity Company Limited as at 31st March, 1998 and the Profit & Loss Account of the Company for the year ended on that date annexed thereto and report as under:—

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
  - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - (iii) The Balance Sheet and Profit & Loss Account dealt with by this Report are in agreement with the books of account and returns.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view:

- (i) in the case of the Balance Sheet, of the state of the Company's affairs as at 31st March, 1998; and
- (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

For BATLIBOI & PUROHIT  
Chartered Accountants  
K. K. KSHIRSAGAR  
Partner

Mumbai, Dated: 5th August, 1998

**Annexure referred to in paragraph 1 of our Report of even date**

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that :—

1. The provisions of Paragraphs 4 (c) and 4 (d) of the Manufacturing and Other Companies (Auditor's Report) Order, 1988, are not applicable.
2. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that the Assets have been physically verified by the Management at the year end. No material discrepancies, we are given to understand, have been noticed therein on verification by the Company.
3. None of the Assets have been revalued during the year.
4. There was no stock of stores during and at the close of the year.

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5. The Company has not obtained any loans from the Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, or the Companies under the same Management.
6. The Company has given interest free loan of Rs. 2,02,634/- to its Subsidiary viz. Future Electronics Limited. There are no stipulations as regards its repayment. The said loan is doubtful of recovery. Necessary provision has been made in this respect in the accounts.

The Company has given interest free loans from time to time to its wholly owned Subsidiary viz. Khandesh Investments Limited without any stipulations for repayment of the principal amount and the balance due from the said Company at the close of the year is Rs. 23,312/-.

The Company has not given any loans to and/or deposits with the Companies listed in the Register maintained under Section 301 of the Companies Act, 1956.

7. There are no purchases of Plant and Machinery, Equipments and other assets and also stores and raw materials including components during the year.
8. In our opinion and according to the information and explanations given to us, no transactions of purchases, sales of goods or materials and services aggregating during the year to Rs. 50,000/- or more are made with the parties falling under Section 301 of the Companies Act, 1956.
9. The Company is now neither accepting deposits from the public nor renewing the same. In our opinion, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the unclaimed deposits.
10. The Company has not introduced internal audit system in view of the limited operations during the year.
11. As the Company is not engaged in any manufacturing activity, the provisions of Section 209(1)(d) of the Companies Act, 1956 in respect of maintenance of Cost Records are not applicable.
12. There are no employees covered under the Provident Fund Act and Employees' State Insurance dues have generally been deposited regularly with the appropriate authorities.
13. The Computer Division of the Company is being operated by its wholly owned Subsidiary — Amalgamated Investments Limited on an appropriate charge. Consequently the provisions of Clauses (ii), (iii), and (iv) of paragraph 4 (B) of the Manufacturing and Other Companies (Auditor's Report) Order, 1988, are not applicable.
14. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31st March, 1998, for a period of more than six months from the date they became payable.
15. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to Revenue Account other than those payable under contractual obligations or in accordance with generally accepted business practice.
16. The Sick Industrial Companies (Special Provisions) Act, 1985 is not applicable to the Company, as it is not an Industrial Undertaking.

For BATLIBOI & PUROHIT  
Chartered Accountants  
K. K. KSHIRSAGAR  
Partner

Mumbai, Dated: 5th August, 1998

## THE AMALGAMATED ELECTRICITY COMPANY LIMITED

**BALANCE SHEET  
AS AT 31ST MARCH, 1998**

	Schedule No.	Rupees	Rupees	Previous Year Rupees
<b>SOURCES OF FUNDS:</b>				
SHARE CAPITAL .. .. .	(A)		1,38,82,560	1,38,82,560
<b>LOANS:</b>				
Unsecured .. .. .	(B)		—	14,258
<b>TOTAL ..</b>			<u>1,38,82,560</u>	<u>1,38,96,818</u>
<b>APPLICATION OF FUNDS:</b>				
Fixed Assets .. .. .	(C)		1,86,956	2,15,644
Investments .. .. .	(D-1)		3,14,040	3,14,040
CURRENT ASSETS, LOANS AND ADVANCES ..	(D-2)	70,55,747		70,15,125
Less: CURRENT LIABILITIES AND PROVISIONS ..	(D-3)	<u>9,90,157</u>		<u>10,36,775</u>
			60,65,590	59,78,350
PROFIT AND LOSS ACCOUNT DEBIT BALANCE ..			<u>73,15,974</u>	<u>73,88,784</u>
<b>TOTAL ..</b>			<u>1,38,82,560</u>	<u>1,38,96,818</u>

This is the Balance Sheet referred to in our Report of even date.

For BATLIBOI & PUROHIT,  
Chartered Accountants

K.K. KSHIRSAGAR  
Partner

Mumbai, Dated: 5th August, 1998

For and on behalf of the Board

R. P. AIYER *Chairman*

B. P. SINHA *Director*



## SIXTY THIRD ANNUAL REPORT 1997-98

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 1998**

	Schedule No.	Rupees	Rupees	Previous Year Rupees
<b>INCOME:</b>				
Interest .. .. .	(E-1)		5,14,084	6,69,626
Computer Usage Charges .. .. .			48,000	48,000
Other Income .. .. .	(E-2)		24,000	2,12,820
			<u>5,86,084</u>	<u>9,30,446</u>
<b>EXPENDITURE:</b>				
Depreciation .. .. .		26,797		36,244
Repairs & Maintenance .. .. .	(E-3)	3,671		3,220
Administrative and other Expenses .. .. .	(E-4)	3,73,992		3,56,193
Directors' Fees .. .. .		4,250		3,250
Provision for Taxation (including Rs. 40,486/- being adjustment of previous year) .. .. .		<u>1,04,564</u>		<u>2,05,964</u>
			5,13,274	6,04,871
<b>PROFIT FOR THE YEAR .. .. .</b>			72,810	3,25,575
<i>Less: Balance Brought Forward from last year's Account .. .. .</i>			<u>(-)73,88,784</u>	<u>(-)77,14,359</u>
<b>LOSS CARRIED TO BALANCE SHEET .. .. .</b>			<u><u>(-)73,15,974</u></u>	<u><u>(-)73,88,784</u></u>

This is the Profit and Loss Account referred to in our Report of even date.

For BATLIBOI & PUROHIT,  
Chartered Accountants

K.K. KSHIRSAGAR  
Partner

Mumbai, Dated: 5th August, 1998

For and on behalf of the Board

R. P. AIYER Chairman

B. P. SINHA Director

## THE AMALGAMATED ELECTRICITY COMPANY LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF  
THE BALANCE SHEET AS AT 31ST MARCH, 1998

	Rupees	Rupees	Previous Year Rupees
<b>(A) SHARE CAPITAL:</b>			
(a) AUTHORISED:			
14,00,000 Equity Shares of Rs. 10/- each .. .. .	1,40,00,000		1,40,00,000
6,00,000 Unclassified Shares of Rs. 10/- each .. .. .	60,00,000		60,00,000
25,000 10% (Free of Company's Income Tax but subject to deduction of tax at source and at the prescribed rates applicable) Cumulative Redeemable Preference Shares of Rs. 100/- each (Redeemable at par wholly or partly at the Company's option at any time after the expiry of four years from the date of allotment by giving three months' previous notice in writing and in any case redeemable at par wholly on the expiry of seven years from the date of allotment thereof) .. .. .	25,00,000		25,00,000
		2,25,00,000	2,25,00,000
<b>(b) ISSUED AND SUBSCRIBED:</b>			
13,88,256 Equity Shares of Rs. 10/- each fully paid up ..		1,38,82,560	1,38,82,560
(Of the above 2,65,948 Equity Shares of Rs. 10/- each are allotted pursuant to the amalgamation scheme without payment being received in cash and 3,47,064 Equity Shares of Rs. 10/- each are allotted as fully paid up Bonus Shares by capitalising Rs. 25,00,000/- and Rs. 9,70,640/- out of the Capital Redemption Reserve & General Reserve respectively)			
<b>(B) UNSECURED LOANS</b>			
(a) Fixed Deposits .. .. .		—	11,400
(b) Interest accrued and due on the above .. .. .		—	2,858
TOTAL .. .. .		—	14,258