

THE AMALGAMATED ELECTRICITY COMPANY LIMITED

1998-99

64th Annual Report

1998-99

THE AMALGAMATED ELECTRICITY COMPANY LIMITED

DIRECTORS

Shri R. P. AIYER, *Chairman*

Shri G. V. SIRUR

Shri P. R. ROY

Shri B. P. SINHA

Shri C. C. GANDHI

Shri M. B. DALAL

BANKERS

ANDHRA BANK
MUMBAI

CITI BANK N.A.
MUMBAI

AUDITORS

Messrs. BATLIBOI & PUROHIT

Report  Junction.com

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 FOURTH 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 Tuesday the 28th September 1999 at 3.30 p.m. to transact the following business:

1. To consider and adopt the audited Balance Sheet as at 31st March 1999 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 B.P. Sinha who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification, the following resolutions as Ordinary Resolutions:

"RESOLVED that M/s Ganesh & Rajendra Associates, Chartered Accountants, Mumbai be and are hereby appointed as Auditors of the Company to audit the accounts for the financial year 1999-2000 from the conclusion of this meeting till the conclusion of the next Annual General Meeting at such remuneration as may be decided by the Board of Directors in consultation with them and that they be entitled to out of pocket expenses and other charges in respect of services rendered by them in other capacity".

4. To appoint a Director in place of Shri C.C. Gandhi, who was appointed as an additional Director and who holds office upto the date of this Annual General Meeting as per Section 262(2) of the Companies Act, 1956. and to consider and if deemed fit, to pass the following resolution as an Ordinary Resolution in respect of which notice of intention to propose his appointment as Director alongwith the resolution to that effect has been received by the Company from a member as required under Section 257 of the Companies Act, 1956.

"RESOLVED that Shri C.C. Gandhi be and is hereby appointed as a Director of the Company."

5. To appoint a Director in place of Shri Milan B. Dalal, who was appointed as an additional Director and who holds office upto the date of this Annual General Meeting as per Section 262(2) of the Companies Act, 1956. and to consider and if deemed fit, to pass the following resolution as an Ordinary Resolution in respect of which notice of intention to propose his appointment as Director alongwith the resolution to that effect has been received by the Company from a member as required under Section 257 of the Companies Act, 1956.

"RESOLVED that Shri Milan B. Dalal be and is hereby appointed as a Director of the Company."

By Order of the Board of Directors

For THE AMALGAMATED ELECTRICITY COMPANNY LIMITED

Registered Office:

17-B, Horniman Circle,

Fort, Mumbai 400 023

Dated: 13th August 1999

B. P. SINHA

Director

THE AMALGAMATED ELECTRICITY COMPANY LIMITED

- 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 26th September, 1999 to 28th September, 1999 both days inclusive.

ANNEXTURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(3) of the Companies Act, 1956

Item No. 3

M/s Batliboi & Purohit, Chartered Accountants, Mumbai, the present Auditors of the Company have expressed their unwillingness to continue as Auditors of the Company after conclusion of this Annual General Meeting due to their other engagements. M/s Ganesh & Rajendra Associates, Chartered Accountants, Mumbai have given their consent for appointment as Auditors of the Company for the financial year 1999-2000. Members' approval is required for appointment of M/s Ganesh and Rajendra Associates Chartered Accountants, Mumbai as Auditors of the Company.

The Directors recommend the resolution for Members' approval.

None of the Directors of the Company is interested in this resolution.

Item No. 4

Shri C.C. Gandhi who was appointed as an additional Director on 18th Jan., 1999, holds office as a Director upto the date of this Annual General Meeting.

The Company has received a Notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose the appointment of Shri C.C. Gandhi as a Director of the Company at this Annual General Meeting and also a resolution as set out in item 4 of the Notice. Shri C.C. Gandhi is associated with some Companies as a Director and also as Share and Administrative Executive. His association with the Company will be beneficial. Therefore, the Board recommends his appointment as a Director of the Company.

None of the Directors of the Company is interested in this resolution except Shri C.C. Gandhi.

Item No. 5

Shri Milan B. Dalal who was appointed as an additional Director on 28th July, 1999, holds office as a Director upto the date of this Annual General Meeting.

The Company has received a Notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose the appointment of Shri Milan B. Dalal as a Director of the Company at this Annual General Meeting and also a resolution as set out in item 5 of the Notice. Shri Milan B. Dalal is associated with a number of Companies as a Director and his association with the Company will be beneficial. Therefore, the Board recommends his appointment as a Director of the Company.

None of the Directors of the Company is interested in this resolution except Shri Milan B. Dalal.

By Order of the Board of Directors

For THE AMALGAMATED ELECTRICITY COMPANY LIMITED

Registered Office:

17-B, Horniman Circle,

Fort, Mumbai 400 023

Dated: 13th August, 1999.

B. P. SINHA

Director

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DIRECTORS' REPORT

The Directors submit their Sixty Fourth Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 1999.

	1998-99		1997-98	
	Rupees	Rupees	Rupees	Rupees
FINANCIAL RESULTS:				
Profit for the year		4,20,973		2,04,171
Add/Less: Amount brought forward		(-) 73,15,974		(-) 73,88,784
		(-) 68,95,001		(-) 71,84,613
Add: Depreciation	18,658		26,797	
Provision for Taxation	1,97,448	2,16,106	1,04,564	1,31,361
Balance to be carried forward		(-) 71,11,107		(-) 73,15,974

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 Appeal filed by The Karnataka Electricity Board before Supreme Court against the order of Karnataka High Court dealing with the absorption of 29 workmen of the Company's erstwhile Belgaum undertaking, by the said Board, which was decided in favour of the workmen, without any liability upon the Company, is pending for hearing. Although the company is not involved, it has been bracketed as a party to the Appeal. Appropriate steps will be taken to put forward the company's case when the matter comes up for hearing.

Y2K COMPLIANT:

The Company is maintaining Accounts manually due to limited activities at present. Necessary steps have been taken for Y2K compliant for software used in respect of Share Holders' record, which is likely to be completed by 31st October 1999 and its estimated cost is not expected to be significant.

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, 1999.

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.

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.

DIRECTORATE:

The Director Shri R.P. Aiyer retires by rotation and he is not seeking reappointment. The Board have recorded its deep appreciation of the valuable services rendered by him during the tenure of office as Director and Chairman of the Company.

The Director Shri B.P. Sinha retires by rotation and being eligible, offers himself for reappointment.

Shri C.C. Gandhi and Shri M.B. Dalal were appointed as additional Directors on 18th January '99 and 28th July 1999 respectively. They hold office upto the date of this meeting.

Notice has been received from a Member of the Company in each case separately signifying his intention to propose Shri C.C. Gandhi and Shri M.B. Dalal as a Director of the Company alongwith a resolution to that effect.

AUDITORS:

M/s Batliboi & Purohit Chartered Accountants, Mumbai, the present Auditors of the Company have expressed their unwillingness to continue as Auditors of the Company due to their other engagements and hence the Board of Directors recommend to the members for appointment of M/s Ganesh & Rajendra Associates, Chartered Accountants as Auditors of the Company.

For and on behalf of the Board.

M.B. DALAL
B.P. SINHA } Directors

Mumbai: 13th August, 1999

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, 1999 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.
 - (iv) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to the Section 211 (3c) of the Companies Act, 1956, wherever applicable.

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, 1999;
- and
- (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

Mumbai, Dated: 13th August, 1999

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

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.

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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.
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. 2,03,234/- 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. 24,997/-.

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, 1999, 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: 13th August, 1999

THE AMALGAMATED ELECTRICITY COMPANY LIMITED

**BALANCE SHEET
AS AT 31ST MARCH, 1999**

	Schedule No.	Rupees	Rupees	Previous Year Rupees
SOURCES OF FUNDS:				
SHARE CAPITAL	(A)	1,38,82,560		1,38,82,560
TOTAL ..		<u>1,38,82,560</u>		<u>1,38,82,560</u>
APPLICATION OF FUNDS:				
Fixed Assets	(B)	1,68,298		1,86,956
Investments	(C-1)	3,14,040		3,14,040
CURRENT ASSETS, LOANS AND ADVANCES	(C-2)	74,21,468	—	70,55,747
Less: CURRENT LIABILITIES AND PROVISIONS	(C-3)	<u>11,32,353</u>	—	<u>9,90,157</u>
		62,89,115		60,65,590
PROFIT AND LOSS ACCOUNT DEBIT BALANCE ..		71,11,107		73,15,974
TOTAL ..		<u>1,38,82,560</u>		<u>1,38,82,560</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: 13th August, 1999

For and on behalf of the Board

M. B. DALAL
B. P. SINHA } Directors

SIXTY FOURTH ANNUAL REPORT 1998-99

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 1999**

	Schedule No.	Rupees	Rupees	Previous Year Rupees
INCOME:				
Interest	(D-1)		6,38,575	5,14,084
Computer Usage Charges			48,000	48,000
Other Income	(D-2)		24,000	24,000
			<u>7,10,575</u>	<u>5,86,084</u>
EXPENDITURE:				
Depreciation		18,658		26,797
Repairs & Maintenance	(D-3)	1,957		3,671
Administrative and other Expenses	(D-4)	2,81,895		3,73,992
Directors' Fees		5,750		4,250
Provision for Taxation (including Rs. 56,424/- being adjustment of previous year)		1,97,448		1,04,564
			<u>5,05,708</u>	<u>5,13,274</u>
PROFIT FOR THE YEAR			<u>2,04,867</u>	<u>72,810</u>
Less: Balance Brought Forward from last year's Account			(-) <u>73,15,974</u>	(-) <u>73,88,784</u>
LOSS CARRIED TO BALANCE SHEET			<u>(-)<u>71,11,107</u></u>	<u>(-)<u>73,15,974</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: 13th August, 1999

For and on behalf of the Board

M. B. DALAL }
B. P. SINHA } Directors

THE AMALGAMATED ELECTRICITY COMPANY LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF
THE BALANCE SHEET AS AT 31ST MARCH, 1999

	Rupees	Rupees	Previous Year Rupees
(A) SHARE CAPITAL:			
(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) ISSUED AND SUBSCRIBED:			
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)			