

**THE AMALGAMATED
ELECTRICITY COMPANY
LIMITED**

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2008-2009

74th Annual Report

2008-2009

THE AMALGAMATED ELECTRICITY COMPANY LIMITED

DIRECTORS

MR. MILAN B. DALAL

MR. CHAMPAK KANABAR (up to 15th October 2008)

MR. SATYEN B. DALAL

MR. S.R. MISHRA (up to 15th October 2008)

MR. DEEPAK SHETH (from 15th October 2008)

MR. NITIN VELHAL (from 15th October 2008)

THE SOUTH INDIAN BANK LTD.

MUMBAI

AUDITORS

Messrs. GANESH & RAJENDRA ASSOCIATES

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.

SEVENTY FOURTH ANNUAL REPORT 2008-09**NOTICE**

NOTICE is hereby given that the **SEVENTY-FOURTH ANNUAL GENERAL MEETING** of the Members of **THE AMALGAMATED ELECTRICITY COMPANY LIMITED** will be held on Wednesday, 30th September, 2009 at 3.45 p.m. at "Orchid", 1st Floor, MVIRDC, World Trade Centre, Centre 1, Cuffe Parade, Mumbai 400 005, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account of the Company for the year ended on that date alongwith the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.Milan B.Dalal who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider, and, if thought, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr.Deepak Sheth, who, having been appointed earlier as an Additional Director, holds office till this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed Director liable to retire by rotation."

5. To consider, and, if thought, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr.Nitin Velhal, who, having been appointed earlier as an Additional Director, holds office till this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed Director liable to retire by rotation."

BY ORDER OF THE BOARD
Milan B. Dalal
DIRECTOR

Mumbai

Dated: 4th September, 2009

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The instrument appointing the proxy should be deposited with the Company at least 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed on Wednesday, 30th September, 2009.
4. Members are requested to intimate change of address, if any, to the Company.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following explanatory statement sets out in detail all material facts relating to the item of Special Business as mentioned in the accompanying Notice convening the Seventy-Fourth Annual General Meeting of the Company.

Item Nos.4 and 5

Mr.Deepak Sheth and Mr.Nitin Velhal were appointed Additional Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and hold office till the forthcoming Seventy-Fourth Annual General Meeting of the Company.

Notices proposing the candidatures for the appointments of Mr.Deepak Sheth and Mr.Nitin Velhal as Directors liable to retire by rotation have been received from members alongwith deposits of Rs.500/- each.

Hence the Ordinary Resolution.

Mr.Deepak Sheth and Mr.Nitin Velhal are deemed to be interested or concerned in the above resolution to the extent of their respective appointments.

BY ORDER OF THE BOARD

Milan B. Dalal
DIRECTOR

Mumbai

Dated: 4th September, 2009

THE AMALGAMATED ELECTRICITY COMPANY LIMITED

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors present the SEVENTY-FOURTH ANNUAL REPORT of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

	Year ended 31 st March, 2009	Amount (Rs.) Year ended 31 st March, 2008
Profit/(Loss) for the year	47,722	(35,173)
Less: Provision for Taxation	-	-
	<u>47,722</u>	<u>(35,173)</u>
Add/Less: Deferred Tax Provision	2,999	(2,716)
Prior year taxes	<u>44,723</u>	<u>(37,889)</u>
	(53,44,919)	(53,07,030)
Add: Deficit brought forward from last year	(53,00,196)	(53,44,919)
Deficit carried to Balance Sheet		

PENDING LEGAL DISPUTES

The Appeal filed in the Hon'ble Rajasthan High Court by a consumer of the Company's erstwhile Ajmer undertaking involving a claim of Rs.78,600/- is still pending.

DIVIDEND

In view of the accumulated losses, your Directors do not recommend any dividend for the year under report.

FIXED DEPOSITS

As on 31st March, 2009, there were no fixed deposits remaining overdue.

DIRECTORS

During the year under report, Mr. Deepak Sheth and Mr. Nitin Velhal were appointed Additional Directors on the Board of Directors of the Company. Resolutions for their respective appointments, pursuant to Section 257 of the Companies Act, 1956, as Directors liable to retire by rotation form part of the accompanying Notice.

Your Directors recommend the appointments of Mr. Deepak Sheth and Mr. Nitin Velhal as Directors liable to retire by rotation.

Further, during the year under report, Mr. Champak Kanabar and Mr. S.R. Mishra resigned as Directors from the Board of Directors of the Company. Your Directors place on record their deep sense of appreciation of the valuable advice rendered by Mr. Champak Kanabar and Mr. S.R. Mishra during their respective tenures as Director of the Company.

Mr. Milan B. Dalal retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself re-appointment.

PARTICULARS OF EMPLOYEES

During the year under report, there was no employee of the category mentioned in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and hence information in this regard is not required to be furnished.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the

Directors hereby confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year covered under this Report and of the profit of the Company for the year.
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Accounts have been prepared on a going concern basis.

COMPLIANCE CERTIFICATE

A compliance certificate received from M/s Sanjay Soman & Associates, Practising Company Secretaries, pursuant to Section 383A(1) of the Companies Act, 1956, read together with the Companies (Compliance Certificate) Rules, 2001, is attached hereto and forms part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company is not engaged in any manufacturing activity, furnishing of information in respect of conservation of energy and technology absorption as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 does not arise for your Company.

Further, the Company neither used nor earned any foreign exchange during the year under report.

SUBSIDIARY COMPANY

Statement pursuant to Section 212 of the Companies Act, 1956 in respect of your Company's Subsidiary is annexed and forms part of this Report.

AUDITORS

M/s Ganesh Rajendra & Associates, Chartered Accountants, Mumbai, hold office as Auditors of the Company upto the conclusion of the forthcoming Annual General Meeting. A certificate has been obtained from them pursuant to Section 224(1-B) of the Companies Act, 1956 to the effect that their appointment, if made, would be within the limits prescribed thereunder.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the co-operation and diligent efforts of the employees of the Associate Companies.

FOR AND ON BEHALF OF THE BOARD

Milan B. Dalal
DIRECTOR

Nitin Velhal
DIRECTOR

Mumbai
Dated: 4th September, 2009

SEVENTY FOURTH ANNUAL REPORT 2008-09

COMPLIANCE CERTIFICATE**THE MEMBERS OF****Amalgamated Electricity Company Limited**

We have examined the registers, records, books and papers of **Amalgamated Electricity Company Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31st March, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid Financial Year:

1. The Company is registered under CIN U31100MH1936-PLC002497 with the Registrar of Companies, Maharashtra and having its Registered Office at Dena Bank Building, 1st Floor, 17-B, Horniman Circle, Fort, Mumbai 400023 has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns prescribed under the Act and the rules made thereunder as stated in Annexure 'B' to this certificate with the Registrar of Companies, Maharashtra or other authorities within the time prescribed under the Act.
3. The Company is a Public Limited Company, comments are not required.
4. The Board of Directors duly met 4 (four) times on the under mentioned dates:
 28th April, 2008
 29th July, 2008
 15th October, 2008
 29th January, 2009
 in respect of which Meetings, proper Notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members on September 30, 2008 and necessary compliance of Section 154 of the Act has been made.
6. The 73rd Annual General Meeting for the Financial Year ended on 31st March, 2008 was held on September 30, 2008 after giving due Notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book of the Company.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has entered into certain contracts/arrangements for services sold which were of special nature, which are outside the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.

11. The Company has obtained necessary approvals from the Board of Directors and Members pursuant to Section 314 of the Act wherever applicable.
12. The Share Transfer Committee, constituted by the Board of Directors, has approved the issue of duplicate share certificates and the Directors have ratified the same at the next Board Meeting.
13. The Company has:
 - (i) delivered all the certificates on lodgement thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) not declared dividend during the Financial Year ended 31st March, 2008.
 - (iii) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of Directors and Additional Directors have been duly made.
15. The Company has not appointed any Managing Director/Whole-time Director/ Manager during the Financial Year.
16. The Company has not appointed any sole-selling agents during the year.
17. During the year the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies, Maharashtra or such other authorities as are prescribed under the various provisions of the Act.
18. All the Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the section 299 Act and the rules made thereunder.
19. The Company has not issued any shares/debentures/other securities during the Financial Year.
20. The Company has not bought back any shares during the Financial Year.
21. The Company has no Preference Share Capital nor has it issued any debentures, hence there had been no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has neither invited nor accepted any deposits during the period under scrutiny.
24. The Company has not borrowed any amount from Directors, Members, public, financial institutions, banks and others during the financial year ended 31st March, 2009.
25. The Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate during the year under scrutiny.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the

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year under scrutiny.

29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against the Company nor were any show cause notices received by the Company and no fines or penalties or any other punishment has been imposed on the Company during the Financial Year for offences, if any, under the Act.
32. The Company has not received any money as security from its employees during the Financial Year.
33. The Company has deposited both employees and employers contribution of Provident Fund with the prescribed authorities.

For Sanjay Soman & Associates

Place: Mumbai

Date: 4th September, 2009

Sanjay Soman (CP 817)

Annexure- A**Registers as maintained by the Company**

1. Application for and Allotment of Shares Register
2. Register of Members under Section 150
3. Register of Charges under Section 143
4. Register of Transfers
5. Register of Directors, Managing Directors etc. under Section 303
6. Register of Directors' shareholdings under Section 307
7. Attendance Register
8. Register of Contracts under Section 301
9. Register of Contracts, Companies and Firms in which Directors are interested under Section under Section 301(3)
10. Board Minutes Book and General Body Minutes Book under Section 193
11. Books of Accounts under Section 209
12. Register of Deposits under Section 58A
13. Register of Investments under Section 49(7)
14. Index of Members under Section 151

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2009

1. Annual Return dated 30th September, 2008 – Not filed
2. Audited Statements of Accounts, Directors' and Auditors' Reports thereon – Not Filed.
3. Secretarial Compliance Certificate u/s 383 A(1) --Not Filed

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AUDITORS' REPORT

To The Members of

THE AMALGAMATED ELECTRICITY COMPANY LIMITED

1. We have audited the attached Balance Sheet of THE AMALGAMATED ELECTRICITY COMPANY LIMITED as at 31st March 2009, Profit and Loss Account and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Indian auditing standards issued by the Institute of Chartered Accountants of India. Our audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates and judgements made by the management in the preparation of financial statements and evaluating the overall financial statement presentation. We planned and performed our audit, so as to obtain all the informations and explanations which we considered necessary in order to provide us the sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements and to provide a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a Statement on the matters specified in the paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph (3) above, we report that :
 - a) 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;
 - b) 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 the books;
 - c) the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
 - d) in our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Company, 1956 in so far as they apply to Company ;
 - e) in our opinion and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2009 from being appointed as directors in terms of clause (g) of subsection (1) of section 274 of Companies Act 1956 ;
 - f) in our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;

- ii) in the case of the Profit and Loss Account, of the profit for year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For GANESH & RAJENDRA ASSOCIATES
CHARTERED ACCOUNTANTS

(GANESH MEHTA)
PARTNER
(Membership No. 32939)

MUMBAI,

DATED : 4th September 2009

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 3 of our Report of even date.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of the fixed assets during the year,
- (ii) Considering the activity carried out during the year, in our opinion the provision of clause 4(ii) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- (iii) The Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the registered maintained U/s. 301 of the Act. Hence the provision of clause 4 (iii) (a), (b), (c), (d), (e) & (f) of the Companies (Auditors Report) Order 2003 are not applicable.
- (iv) In our opinion and according to the information and explanations given to us and in view of the activities carried on by the Company, the provision of clause 4(iv) of the Companies (Auditors Report) Order , 2003 are not applicable to the Company.
- (v) According to the information and explanations given to us, we are of the opinion that there were no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Hence the provision of clause 4(v) (a) & (b) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public during the year, therefore, in our opinion the question of applicability of directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under does not arise.
- (vii) As informed to us, the Company did not have formal internal audit system during the year.
- (viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government U/s. 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the company.
- (ix) (a) The Company did not have to pay any undisputed statutory dues except Income Tax and Tax Deducted at source under Income Tax Act, 1961 as under :

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Nature of Dues	Assessment Year	Amount	Due Date
Income Tax	2001 – 02	5,792/-	08/08/2005
	2002 – 03	5,28,055/-	27/09/2005
		5,33,847/-	

However, the company has paid Rs. 4,50,000/- on account during the year.

- (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. The company has not incurred cash loss during the current financial year. However company has incurred cash loss of Rs. 32,794/- during the year and Rs. 2,098/- during immediate preceding year.
- (xi) The Company has no dues payable to financial institutions, banks or debenture holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company has maintained proper records of the transactions and contracts in respect of shares and debentures and other securities and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name except in case of

investments in Preference Shares of Rs. 66,11,200/- and we have been informed that the transfer is still in process.

- (xv) As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not taken term loans during the year.
- (xvii) The Company has not raised any fund either short term or long term during the year. Accordingly the clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained U/s. 301 of the Act during the year.
- (xix) The Company has not issued any debentures and hence the question of creating securities thereof does not arise.
- (xx) The Company has not raised money by public issue during the year.
- (xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **GANESH & RAJENDRA ASSOCIATES**
CHARTERED ACCOUNTANTS

(**GANESH MEHTA**)
PARTNER
(Membership No. 32939)

MUMBAI,

DATED : 4th September 2009

CERTIFICATE

We have examined the attached Cash Flow Statement of Amalgamated Electricity Company Limited for the period ended 31st March 2009. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with Bombay Stock Exchange and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of 4th September 2009 to the members of the Company.

For **GANESH & RAJENDRA ASSOCIATES**
CHARTERED ACCOUNTANTS

(**GANESH MEHTA**)
PARTNER
(Membership No. 32939)

MUMBAI,

DATED : 4th September 2009

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BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rupees	31st March 2009 Rupees	31st March 2008 Rupees
I SOURCES OF FUNDS :				
1 Shareholders funds :				
Capital	(1)		13,882,560	13,882,560
2 Deferred tax liability			19,706	16,707
			<u>13,902,266</u>	<u>13,899,267</u>
II APPLICATION OF FUNDS :				
1 Fixed assets :	(2)			
a) Gross block		432,163		432,163
b) Less : Depreciation		<u>395,524</u>		<u>390,597</u>
c) Net block			36,639	41,566
2 Investments	(3)		6,908,121	6,892,121
3 Current assets, loans & advances :				
a) Sundry debtors	(4)	663,241		773,174
b) Cash and bank balances	(5)	153,161		22,310
c) Loans and advances	(6)	<u>1,208,772</u>		<u>1,215,321</u>
		<u>2,025,174</u>		<u>2,010,805</u>
Less : Current liabilities & provisions :				
Liabilities	(7)	<u>367,864</u>		<u>390,144</u>
		<u>367,864</u>		<u>390,144</u>
Net current assets			1,657,310	1,620,661
4 Profit and loss account			<u>5,300,196</u>	<u>5,344,919</u>
			<u>13,902,266</u>	<u>13,899,267</u>
Notes to the accounts	(9)			

As per our report attached

For **GANESH & RAJENDRA ASSOCIATES**

Chartered Accountants

GANESH MEHTA

Partner

(Membership No. 32939)

MUMBAI,

DATED : 4th September 2009

For and on behalf of the Board

MILAN B. DALAL Director**NITIN VELHAL** Director