



bajaj electricals limited

58TH

ANNUAL REPORT

1996-97





C O V E R

The white 'Bindu' in the centre depicts source of energy which generates power.

Power, when converted into electricity, makes things move to make life more meaningful.

At Bajaj, we tap this core element to transform wishes into realities.

We continue to be inspired by this energy source.

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bajaj electricals limited

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		D.V	✓
TR	✓		AC	✓
AM	✓		SHL	✓
W	✓			

Board of Directors

Shekhar Bajaj, Chairman & Managing Director

Harsh Vardhan Goenka

A.K.Jalan

Ajit Gulabchand

M.R.Pai

V.B.Haribhakti

Madhur Bajaj

S.P.Subhedar

Dakshesh B.Dhruv

Adviser

R.P.Nevatia

Secretary

Bharat Thakkar

Auditors

Dalal & Shah, Chartered Accountants

Bankers

State Bank of Bikaner & Jaipur

The Bank of Rajasthan Limited

Registered Office

45-47, Veer Nariman Road, Mumbai 400 023

Factory

Off Nagar Road, Pune 411 014

Branches

Ahmedabad, Bangalore, Bhubaneshwar, Calcutta, Chandigarh, Chennai, Cochin, Coimbatore, Delhi, Guwahati, Hyderabad, Indore, Jaipur, Lucknow, Mumbai, Patna, Pune, Raipur & Wardha.

Depot

Sahibabad

Management

Shekhar Bajaj, Chairman & Managing Director

N. Kishore, Vice President (Luminaires)

T. N. Sharma, Vice President (International)

G. K. Aithal, Sr. General Manager (Service)

L. K. Mehta, Sr. General Manager (Engineering Projects Division)

R. J. Shah, Sr. General Manager (Fans)

P. S. Tandon, Sr. General Manager (Appliances)

S. G. Gunjekar, Sr. General Manager (Finance)

S. Roy Chowdhury, Sr. General Manager

(Lighting Design & Marketing Services)

S. Ramprasad, Sr. General Manager (South)

Rajiv Misra, Sr. General Manager (North)

G. C. Thakur, General Manager (West)

P. Chaudhuri, General Manager (Operations)

S. G. Kapasi, General Manager (EDP)

Gautam Basu, General Manager (Luminaires)

K. H. Jagtiani, General Manager (Corporate Planning)

Harsh Mittal, General Manager (Lighting)

C. R. Ravindranath, General Manager (Development)

Sunil Sikka, General Manager (Irons/Rooms Heaters)

C. Srinivasan, General Manager (Human Resources & Administrations)

S. M. Koradia, General Manager (Fans)

P. K. Mukherjee, General Manager (East)

P. P. Vyas, General Manager (Co-ordination)

M. L. Narayanacharyulu, General Manager (Service)

Matchwel Unit

R.A.R.Prasad, Sr.General Manager

K.R.Subramanian, General Manager (Materials)

A request

The practice of distributing 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 to the Meeting.

bajaj electricals limited

Registered Office : 45-47, Veer Nariman Road, Mumbai 400 023.

NOTICE

NOTICE is hereby given that Fifty eighth Annual General Meeting of the Shareholders of Bajaj Electricals Limited will be held at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal Bajaj Marg, Nariman Point, Mumbai 400 021 on Tuesday, the 5th day of August, 1997 at 4.30 P.M. (I.S.T.) to transact the following business:

1. To consider and adopt the Directors' Report, the Auditors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1997.
2. To declare dividend.
3. To appoint a Director in place of Shri Ashok Kumar Jalan who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri V.B.Haribhakti who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Shri Harsh Vardhan Goenka who retires by rotation and being eligible offers himself for reappointment.
6. To appoint Auditors and fix their remuneration and in that connection to consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED that the retiring Auditors, Messrs Dalal & Shah be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs.5,00,000/- plus out-of-pocket expenses"

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that the Clause No.5 of the Memorandum of Association of the Company be substituted by the following Clause:

5. The Authorised Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- each."

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED that the existing Article No.8(i) of the Articles of Association of the Company be substituted by the following Article:

- 8 (i). The Authorised Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- each."

9. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED

- (a) that subject to the provisions of the Companies Act, 1956 and the Guidelines of the Securities and Exchange Board of India (SEBI) with respect to the Bonus Shares issued vide PMD Circular 4545/92, dated 11.6.1992 as amended and pursuant to Article No.186 of the Articles of Association of the Company, a sum of Rs.10,15,055.63 (Rupees Ten lacs fifteen thousand fifty five and paise sixty three only) being the Capital Reserve Account of the Company as on 31.3.1997 and that a sum of Rs.1,33,89,744.37 (Rupees One crore thirty three lacs eighty nine thousand seven hundred forty four and paise thirty seven only) forming part of the Share Premium Account as on 31.3.1997, aggregating to Rs.1,44,04,800/- (Rupees One crore forty four lacs four thousand eight hundred only) be capitalised and that the Board of Directors be and are hereby authorised to transfer the said amounts aggregating to Rs.1,44,04,800/- (Rupees One crore forty four lacs four thousand eight hundred only) to the Share Capital account and apply the same in paying up in full, at par, 14,40,480 equity shares of Rs.10/- each in the Capital of the Company to be allotted and distributed as fully paid bonus shares to those persons, who shall be the holders of the existing 28,80,960 equity shares, on such date as may be determined by the Board of Directors of the Company, in proportion of 1 (One) new equity share for every 2 (Two) existing equity share(s) held by them on the said date, on footing that they become entitled thereto for all the purposes as Capital and not as income;
- (b) that the said 14,40,480 new equity shares shall be subject to Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with the existing equity shares and shall be entitled to the full dividend for the financial year during which the said bonus shares are allotted and thereafter;
- (c) that the certificates in respect of the said new equity shares shall be completed and be ready for delivery within three months from the date of allotment thereof or such extended period as may be approved by the Stock Exchange authorities;
- (d) that if as a result of implementation of this resolution, any member becomes entitled to a fraction of equity share to be allotted as bonus shares the Company shall not issue any certificate or coupon in respect of such fractional share but the total number of such new equity shares representing such fractions shall be allotted by the Board to a nominee or nominees to be selected by the Board who would hold them as trustee/s for the shareholders who would have been entitled to such fractions, in case the same were issued. Such nominee/s will as soon as possible sell such equity shares allotted to him/them at the prevailing market rate and the net sale proceeds of such shares after defraying the cost and expenses in respect thereof be distributed among such members who are entitled to such fractions in the proportion of their respective holding;
- (e) that the issue and allotment of fully paid new equity shares as bonus shares or payment against any fractional share/s to the extent that they relate to Non-resident Members of the Company, shall be subject to the approval of the Reserve Bank of India, under the Foreign Exchange Regulation Act, 1973 or any amendment/ replacement thereof;
- (f) that the Board of Directors of the Company be and hereby authorised to take all steps and give directions as they may deem necessary to settle any question or difficulty that may arise in connection with the aforesaid issue."

10. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED that the existing Article No.5 of the Articles of Association be substituted by the following Article along with the margin note:-

Purchase of own shares 5. The Company shall have power, subject to and in accordance with all applicable provisions of the Companies Act, 1956 as amended from time to time to purchase any of its own partly or fully paid equity or preference shares and/or any instruments representing equity shares and/or securities convertible into equity shares and/or securities linked to equity shares or any such instruments or securities being either with detachable warrants or naked warrants entitling the warrant holders to equity shares/instruments or securities representing equity shares whether or not the said purchase of shares shall result into reduction of capital under the provisions of the Companies Act, 1956 as amended from time to time."

11. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED that the existing Article No.127 of the Articles of Association of the Company be substituted by the following Article:-

127. No Director will be required to hold any share as Qualification Share."

12. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 370 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to give any guarantee or provide any security in connection with the loans made by any other person to or to any other person by any body corporate upto Rs.50 Crores including guarantees or securities, if any, already given."

13. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that in supersession of the resolution passed at the Annual General Meeting of the Company held on Tuesday, the 21st day of August, 1990, the consent of the Company under section 293(1)(d) of the Companies Act, 1956 be and is hereby accorded to Board Of Directors of the Company to borrow, moneys from time to time together with the moneys already borrowed by the Company upto a limit of Rs.50 Crores (Rupees Fifty Crores only), (exclusive of interest), in excess of aggregate of paid-up capital and free reserves (i.e. reserves not set apart for any specific purpose) at any time for the purposes of the Company (apart from temporary loans obtained from and/or to be obtained from the Company's bankers in the ordinary course of business) from the Company's bankers or from any person or persons, firms, body corporate or financial institutions, by way of deposits, advances or other loans, whether unsecured or secured by mortgage, charge, hypothecation, or pledge of all or any of the Company's assets and properties including the whole or substantially the whole of undertaking or undertakings of the Company on such terms and conditions as the Board of Directors may deem fit, and that the Consent be and is hereby given to the Board of Directors for executing if and when necessary such instruments and documents as they may deem fit for mortgage, charge, hypothecation or pledge or otherwise, in connection with the borrowings of the Company."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd day of July, 1997 to 5th day of August, 1997, both days inclusive.
3. Payment of dividend, if sanctioned, will be made on or after the 21st day of August, 1997 to the Shareholders whose names stand on the Register of Members on the 5th day of August, 1997.
4. Pursuant to Section 205A of the Companies Act, 1956 unclaimed dividends upto the financial year 1992-93 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not encashed the dividend warrants upto the said year, are requested to claim the same from the Registrar of Companies, Maharashtra, Mumbai.
5. An Explanatory Statement pursuant to section 173 of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.



By Order of the Board of Directors
For Bajaj Electricals Limited

Bharat Thakkar
Secretary

Mumbai, June 2, 1997

bajaj electricals limited

Registered Office : 45-47, Veer Nariman Road, Mumbai 400 023

Annexure to the NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956;

Re: Items Nos.7 & 8

The present Authorised Share Capital of the Company is Rs.5,00,00,000/- divided into 50,00,000 Equity Shares of Rs.10/- each. It is proposed to increase the Authorised Capital of the Company to Rs.10.00 Crores comprising of 1,00,00,000 equity shares of Rs.10/- each to accommodate any increase in the Paid-up Capital of the Company in future.

In view of this, consequential amendments in the Memorandum and Articles of Association of the Company are proposed.

None of the Directors is interested in this Resolution.

Re: Item No.9

As on 31st March, 1997, the existing paid-up capital of the Company is Rs. 2,88,09,600/-. In order to bring this paid-up capital of the Company more in line with the capital employed in the business, the Directors, at their meeting held on 2nd June, 1997, have recommended issue of 14,40,480 shares of Rs.10/- each as bonus shares to be allotted in proportion of 1 (One) new equity share for every 2 (Two) existing equity shares held. For this purpose, it is proposed to capitalise a sum of Rs.10,15,055.63 being the Capital Reserve Account of the Company and a sum of Rs.1,33,89,744.37 standing against the Share Premium Account as at 31st March, 1997 aggregating to Rs.1,44,04,800/- to be applied for the issue of 14,40,480 equity shares of Rs.10/- each as fully paid bonus shares to the holders of existing 28,80,960 equity shares on such date as the Board of Directors may determine for this purpose.

The new equity shares shall rank pari-passu in all respects with the existing equity shares and shall be entitled to full dividend declared by the Company for the financial year in which the bonus shares are allotted.

The Directors of the Company be deemed to be interested in the proposed resolution to the extent of their respective shareholdings in the Company.

Re: Item No.10

The existing Article No.5 of the Articles of Association prohibits the Company from purchase of its own shares. The Working Group on Companies Act, 1956 set up by the Central Government has recommended a provision in the Act for buy back of shares, subject to certain conditions. The Central Government has accepted the said recommendation. It is, therefore, proposed to provide for such buy back/purchase of its own shares by the Company in the Articles, in the event, the said recommendation is incorporated in the Act.

None of the Directors is interested in this Resolution.