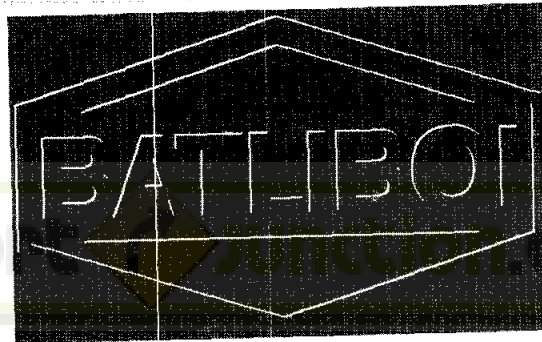


Annual Report **1998-99**



Batliboi Ltd.

**BOARD OF DIRECTORS**

Mr. Pratap Bhogilal - Executive Chairman
 Mr. Nirmal Bhogilal - Managing Director
 Dr. K. K. Anand
 Dr. S. M. Patil
 Mr. Vijay R. Kirloskar
 Mr. S.D.S. Mongia

CORPORATE MANAGEMENT

Mr Pratap Bhogilal	Executive Chairman	
Mr Nirmal Bhogilal	Managing Director	
Mr G. S. Sawhney	Group C.F.O.	
Mr C. Balaraman	C.E.O.	Environmental Engineering Group
Mr Jagdish P Malik	C.E.O.	Machine Tool Group
Mr George Verghese	C.E.O.	Textile Engineering Group & Air Conditioning and Refrigeration Group
Mr V. S. Puri	CEO	Industrial Marketing Group
Mr V. P. Caszo	V.P.	HRD/Organisational Development

**VICE PRESIDENT (LEGAL) &
 COMPANY SECRETARY**

Mr. B. B. Vanwari

REGISTERED OFFICE

Bharat House, 5th Floor, 104, Mumbai Samachar Marg,
 Fort, Mumbai - 400 001. INDIA.

CORPORATE OFFICE

Bharat House, S. V. Road, Jogeshwari (W),
 Mumbai - 400 102. INDIA.

FACTORY

A) P.O. Fateh Nagar, Surat Navsari Road, Udhna - 394 220.
 B) Srv. No. 185/1/1, Plot No. 19, Village Amli, Silvassa - 396 230.

AUDITORS

V. Sankar Aiyar & Co.

**REGISTRAR & SHARE
 TRANSFER AGENTS**

Datamatics Financial Services Ltd., Plot No. A/16 & 17, MIDC,
 Part-B, Cross Lane, Marol, Andheri (E), Mumbai - 400 093.

BANKERS

Bank of Baroda
 Corporation Bank
 Dena Bank
 Punjab National Bank
 Syndicate Bank
 Union Bank of India

Batliboi Ltd.**56TH ANNUAL GENERAL MEETING****NOTICE**

NOTICE is hereby given that the Fifty Sixth Annual General Meeting of BATLIBOI LTD., will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, K. Dubash Marg, Mumbai 400023 on Tuesday the 15th February 2000 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Report of Directors, the Audited Profit and Loss Account for the 18 months period ended September 30, 1999, the Balance Sheet as at that date and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. S.D.S Mongia who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. V. R. Kirloskar who retires by rotation and being eligible, offers himself for reappointment
4. To consider and if thought fit, to pass with or without any modification, the following as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Messrs. V. Sankar Aiyar & Co. Chartered Accountants be and are hereby appointed as Auditors of the Company, to hold, office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.

RESOLVED FURTHER that the remuneration payable to the aforesaid Auditors, appointment of and remuneration to Branch Auditors shall be mutually agreed upon between the concerned Auditor/s and the Board of Directors."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without any modification, the following as a **SPECIAL RESOLUTION**:

" RESOLVED that in accordance with the provisions of Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, the Company hereby accords its approval to the re-appointment of Mr. Pratap Bhogilal as Executive Chairman for a period of 5 years with effect from August 17, 1999 upon the terms and conditions set out in the draft Agreement, submitted to this meeting and signed by the Chairman for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed between the Directors and Mr. Pratap Bhogilal."

6. To consider and if thought fit, to pass with or without any modification, the following as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, the Company hereby accords its approval to the re-appointment of Mr. Nirmal Bhogilal as Managing Director for a period of 5 years with effect from August 17, 1999 upon the terms and conditions set out in the draft Agreement, submitted to this meeting and signed by the Chairman for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed between the Directors and Mr. Nirmal Bhogilal."

7. To, Consider and, if thought fit, to pass, with or without any modifications, the following as an **ORDINARY RESOLUTION**

RESOLVED THAT, pursuant to the provisions of Section 257 and other applicable provisions, sections, if any, of the Companies Act, 1956, Shri J. P. Malik be and be is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 269 309 and other applicable provisions, if any, of the Companies Act, 1956 including Schedule XIII to the said Act as amended up-to date and subject to the approval of Central Government and such other approvals as may be required, consent be and is hereby accorded to the appointment of Mr. J.P. Malik as a Whole - time Director of the Company for a period of three years with effect from 20th December 1999, upon the terms and conditions as set out in the draft Agreement submitted to this meeting and initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites including the monetary value thereof as specified in the said draft agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with the provisions of the Companies Act, 1956 for the time being in force, and the terms of the aforesaid Agreement between the Company and Mr. J.P. Malik shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. J.P. Malik as Whole - time Director, the remuneration and perquisites set out in the aforesaid draft



Agreement be paid or granted to Mr. J.P. Malik as minimum remuneration and prerequisites."

8. To consider and, if though fit, to pass, with or without any modifications, the following as an **ORDINARY RESOLUTION**

"RESOLVED THAT, pursuant to the provisions of Section 257 and other applicable provisions, sections, if any, of the Companies Act, 1956, Mr. George Verghese be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including, Schedule XIII to the said Act as amended up-to date and subject to the approval of Central Government and such other approvals as may be required, consent be and is hereby accorded to the appointment of Mr. George Verghese as a Whole-time Director of the Company for a period of five years with effect from 20th December 1999, upon the terms and conditions as set out in the draft Agreement submitted to this meeting and initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT THE Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites including the monetary value thereof as specified in the said draft agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with the provisions of the Companies Act, 1956 for the time being in force, and the terms of the aforesaid Agreement between the Company and Mr. George Verghese shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy or profits in any financial year of the Company during the terms of office of Mr. George Verghese as Whole-time Director, the remuneration and perquisites set out in the aforesaid draft Agreement be paid or granted to Mr. George Verghese as minimum remuneration and prerequisites."

9. To consider and, if though fit, to pass, with or without any modification, the following as an **ORDINARY RESOLUTION**

"RESOLVED THAT, pursuant to the provisions of Section 257 and other applicable provisions, sections, if any, of the Companies Act, 1956, Shri C. Balaraman be and is hereby appointed as a Director of the Company liable to retire by rotation."

10. To consider and if thought fit, to pass with or without any modification, the following as a **SPECIAL RESOLUTION**:

RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or enactments thereof for the time being in force and as may

be enacted hereinafter), Securities Contract (Regulation) Act, 1956, and the Rules framed thereunder, Listing Agreements and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), be and is hereby authorised to agree to if acceptable to the Board, the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Stock Exchange at Ahmedabad, Delhi and Chennai."

11. To consider and, if though fit, to pass, with or without any modifications, the following as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval, wherever necessary of the Central Government, in addition to the investments in the shares of any body or bodies corporate which the Board of Directors of the Company is entitled to make up to the limits prescribed under Section 372A of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to further invest, in excess of the said limits, in the shares of a company as under:

Name of the Company	BATLIBOI ENVIRONMENTAL ENGINEERING LTD.
Amount of Investment	Rs. 4 crores
Number of shares to be acquired	4000000
Face value of each share	Rs.10/-
Rate at which to be acquired	Rs.10/-
Mode of acquisition	By way of conversion of 400000 (zero %) unsecured convertible Debentures of Rs.100/- each of Batliboi Environmental Engineering Ltd., into 4000000 Equity Shares of Rs.10/- each fully paid up at par..

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by the Directors to be in the best interests of the Company."

Batliboi Ltd.

12. To consider and if thought fit, to pass with or without any modification, the following as a **SPECIAL RESOLUTION**:

RESOLVED THAT in supersession of the earlier resolution and subject to the provisions of sections 372A and all other applicable provisions, if any of the Companies Act, 1956 or any amendment or modification thereof and subject to the approval of the Central Government and / or Financial Institutions, Banks, if necessary, consent of the Company be and is hereby granted to the Board of Directors of the Company to give from time to time any guarantee(s) / facilities made by or granted by any other person(s) to Batliboi International Ltd., and Batliboi Environmental Engineering Ltd., provided that the aggregate of guarantees given or securities so provided shall not at any time exceed Rs.6 crores and Rs.30 crores respectively.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the total amount upto which security can be provided or guarantee(s) can be given and to do all such acts and things as may be necessary to implement this resolution."

By Order of the Board of Directors

B. B. VANWARI
Vice President (Legal)
& Company Secretary

Mumbai.

December 20, 1999

Registered Office
Bharat House, 5th Floor
104 Bombay Samachar Marg
Mumbai 400001

NOTES:

1. The relative Explanatory Statements pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the business under items 5 to 12 set out above are annexed hereto.
2. 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.
3. The Register of Members and the Transfer Books of the Company were closed from Wednesday the 1st December 1999 to Wednesday the 15th December 1999, both days inclusive.

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

The following Explanatory Statement sets out all materials facts relating to the Special Business mentioned in the accompanying Notice dated 20.12.1999.

Item Nos. 5 and 6:

The earlier terms of appointment of Mr. Pratap Bhogilal, Executive Chairman and Mr. Nirmal Bhogilal, Managing Director has expired on August 16, 1999. The Board of Directors have subject to the approval of the Share Holders re- appointed Mr. Pratap Bhogilal as Executive Chairman and Mr. Nirmal Bhogilal as Managing Director for a further period of 5 years each from August 17, 1999. The remuneration payable to each of them on their re- appointment is as detailed below:

Period of Agreement:

Mr. Pratap Bhogilal : Five years with effect from August 17, 1999.

Mr. Nirmal Bhogilal: Five years with effect from August 17, 1999.

Remuneration Payable:**(a) Salary**

Mr. Pratap Bhogilal: Rs.30,000/- per month.

Mr. Nirmal Bhogilal: Rs.50,000/- per month.

(b) Perquisites

- (i) In addition to the salary payable, the Executive Chairman/ Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, together with reimbursement of expenses of allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, club fees and leave travel concession for himself and his family; medical reimbursement and such other perquisites and allowances including performance incentive in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Appointee; such perquisites and allowances will be subject to a maximum of Rs.4,50,000/- per annum.
- (ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per



Income- tax Rules, wherever applicable, in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

- (iii) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- (iv) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-Tax Act, gratuity payable as per the rules of the company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

c. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where, in any financial year, during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary, perquisites and allowances as specified in the draft Agreement.

- d. The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Whole- time Directors in accordance with Schedule XIII to the Companies Act, 1956 or any amendments thereto made hereinafter in this regard.
- e. The Agreement may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.
- f. If at any time the Appointee ceases to be a Director of the Company for any reason whatsoever, he shall also cease to be Executive Chairman/ Managing Director of the Company.
- g. The Appointee shall not inter alia, have the following powers:
 - (i) the power to make calls on Members in respect of monies unpaid on shares in the company.
 - (ii) the power to issue debentures; and
 - (iii) the power to invest the funds of the Company in shares, stocks and securities.

FOLLOWING ARE THE OTHER TERMS OF APPOINTMENT:

The Executive Chairman and Managing Director shall:

- a) exercise such powers and authorities and carry out such duties and responsibilities from time to time as may be entrusted to them by the Board and subject to supervision, control and directions of the Board, shall have substantial powers of management.
- b) promote the interest and welfare of the Company to the best of their ability and conform and comply with the practices and requirements of the Company and also all such orders and directions as may be given by the Board from time to time.
- c) The Executive Chairman/ Managing Director shall not become interested or otherwise concerned, directly or indirectly through his wife and minor children, in any selling agency of the Company without prior approval of the Central Government so long as they function as Executive Chairman/ Managing Director, respectively.

The resolutions as set out in Item Nos. 5 and 6 of the annexed notice are, therefore, recommended for your approval.

Mr. Pratap Bhogilal and Mr. Nirmal Bhogilal who are proposed to be re-appointed and being related to each other, may be regarded as concerned with, or interested in, the said resolutions. No other Director of the Company is interested in the resolutions.

The above statements may be regarded as an abstract of the terms of appointment and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

The Agreement between the Company and Mr. Pratap Bhogilal and Mr. Nirmal Bhogilal is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

Item No. 7

The Board of Directors at their meeting held on 20th December 1999 has appointed Mr. J. P. Malik as an Additional Director of the Company with effect from 20th December 1999 and in the same meeting, he was appointed as a Whole- time Director of the Company on the terms and conditions as contained in the Agreement as per the draft placed before this meeting and initialled by the Chairman for the purpose of identification. Pursuant to the provisions of Section 260 of the Companies Act, 1956, read with Article 144 of the Articles of Association of the Company, Mr. J. P. Malik holds office as a Director of the Company upto the date of this Annual General Meeting. The Company has

Batliboi Ltd.

received a Notice pursuant to Section 257 of the Companies Act 1956, from a Member proposing Mr. J. P. Malik's candidature for the office of the Director of the Company.

Mr. J. P. Malik (57) is a B. E. (Mech.) 1963 from PEC, Chandigarh and has varied experience of more than 30 years in the field of Machine Tools Business. Prior to his appointment as Whole-time Director, Mr. Malik was CEO (BMTG) of the Company. Before joining Batliboi Ltd., in June '98, Mr. J. P. Malik was Director (MT) - HMT Ltd.

The Board is of the opinion that it is in the interests of the Company that Mr. J. P. Malik be appointed as a Whole-time Director of the Company. The Board recommends to the Members his appointment as a Whole-time Director of the Company on the following terms and conditions.

The draft Agreement between the Company and Mr. J. P. Malik (the appointee) contains the following principal terms and conditions:

Period of Appointment: 3 years with effect from 20th Dec. 1999.

Remuneration:

- a. Salary Rs.58,000/- p.m.

In the scale of Rs.58,000/- to Rs.1,00,000/- per month with authority to the Board of Directors to determine his salary within the above limit from time to time. The annual increments will be merit based and shall take into account the Company's performance.

- b. Perquisites & Allowances

(i) In addition to the salary payable, the appointee shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, together with reimbursement of expenses of allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, club fees and leave travel concession for himself and his family; medical reimbursement and such other perquisites and allowances including performance incentive in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Appointee; such perquisites and allowances will be subject to a maximum of 75% of the basic salary.

(ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable, in the absence of any such Rules, perquisites and allowances shall be

evaluated at actual cost.

(iii) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

(iv) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-Tax Act, gratuity payable as per the rules of the company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

- c. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where, in any financial year, during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary, perquisites and allowances as specified in the draft Agreement.

- d. The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Whole-time Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments thereto made hereinafter in this regard.

- e. The Agreement may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.

- f. If at any time the Appointee ceases to be a Director of the Company for any reason whatsoever, he shall also cease to be a Whole-time Director of the Company.

- g. If at any time the Appointee ceases to be a Whole-time Director of the Company for any reason whatsoever, he shall also cease to be a Director of the Company.

- h. The Appointee is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283 (1)(1) of the Act. If at any time, the Appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director of the Company.

- i. The Appointee shall not be entitled to supplement his income under the Agreement with any buying or selling commissions. He shall not become interested or otherwise concerned



directly or through his spouse and/or minor children, if any, in any selling agency of the Company, without the prior approval of the Central Government.

j. The Appointee shall not inter alia, have the following powers:

- (i) the power to make calls on Members in respect of monies unpaid on shares in the company.
- (ii) the power to issue debentures; and
- (iii) the power to invest the funds of the Company in shares, stocks and securities.

In accordance with the provisions of Section 309 of the Act, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.

The Agreement between the Company and Mr. J. P. Malik is available for inspection by the Members of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m on any working day of the Company.

Mr. J. P. Malik may be regarded as concerned or interested in the said Resolution as it pertains to his own appointment. No other Director is concerned or interested in the said Resolution.

The above statement may be regarded as an abstract of the terms of appointment and memorandum of interest pursuant to section 302 of the Companies Act, 1956.

Item No. 8

The Board of Directors at their meeting held on 20th December 1999 has appointed Mr. George Verghese as an Additional Director of the Company with effect from 20th December 1999 and in the same meeting, he was appointed as a Whole- time Director of the Company on the terms and conditions as contained in the Agreement as per the draft placed before this meeting and initialled by the Chairman for the purpose of identification. Pursuant to the provisions of Section 260 of the Companies Act, 1956, read with Article 144 of the Articles of Association of the Company, Mr. George Verghese holds office as a Director of the Company upto the date of this Annual General Meeting. The Company has received a Notice pursuant to Section 257 of the Act, from a Member proposing Mr. George Verghese's candidature for the office of the Director of the Company.

Mr. George Verghese (50) holds a degree in Textile Engineering and has over 27 years' experience in Textile Air Engineering. Before his appointment as Whole- time Director, he was CEO with the Company for Textile Machinery, Textile Air Engg. & Airconditioning & Refrigeration Divisions.

The Board is of the opinion that it is in the interests of the Company that Mr. George Verghese be appointed as a Whole-time Director of the Company. The Board recommends to the Members his appointment as a Whole - time Director of the Company on the following terms and conditions.

The Agreement between the Company and Mr. George Verghese (the appointee) contains the following principal terms and conditions:

Period of Appointment: 5 years with effect from 20th Dec. 1999.

Remuneration:

- a. Salary Rs.56,000/- p.m.

In the scale of Rs.56,000/- to Rs.1,00,000/- per month with authority to the Board of Directors to determine his salary within the above limit from time to time. The annual increments will be merit based and shall take into account the Company's performance.

- b. Perquisites & Allowances

(i) In addition to the salary payable, the appointee shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, together with reimbursement of expenses of allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, club fees and leave travel concession for himself and his family; medical reimbursement and such other perquisites and allowances including performance incentive in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Appointee; such perquisites and allowances will be subject to a maximum of 75% of the basic salary.

(ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income- tax Rules, wherever applicable, in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

(iii) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

(iv) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these

Batliboi Ltd.

either singly or together are not taxable under the Income-Tax Act, gratuity payable as per the rules of the company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

c. **Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where, in any financial year, during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary, perquisites and allowances as specified above.

d. The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Whole-time Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments thereto made hereinafter in this regard.

e. The Agreement may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.

f. If at any time the Appointee ceases to be a Director of the Company for any reason whatsoever, he shall also cease to be a Whole-time Director of the Company.

g. If at any time the Appointee ceases to be a Whole-time Director of the Company for any reason whatsoever, he shall also cease to be a Director of the Company.

h. The Appointee is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283 (1) (1) of the Act. If at any time, the Appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director of the Company.

i. The Appointee shall not be entitled to supplement his income under the Agreement with any buying or selling commissions. He shall not become interested or otherwise concerned directly or through his spouse and/or minor children, if any, in any selling agency of the Company, without the prior approval of the Central Government.

j. The Appointee shall not inter alia, have the following powers:

- (i) the power to make calls on Members in respect of monies unpaid on shares in the company.
- (ii) the power to issue debentures; and

- (iii) the power to invest the funds of the Company in shares, stocks and securities.

In accordance with the provisions of Section 309 of the Act, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.

The draft Agreement between the Company and Mr. George Verghese is available for inspection by the Members of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m on any working day of the Company.

Mr. George Verghese may be regarded as concerned or interested in the said Resolution as it pertains to his own appointment. No other Director is concerned or interested in the said Resolution.

The above statement may be regarded as an abstract of the terms of appointment and memorandum of interest pursuant to section 302 of the Companies Act, 1956.

Item No.9

The Board of Directors at their meeting held on 20th December 1999 has appointed Mr. C. Balaraman as an Additional Director of the Company with effect from 20th December 1999. Pursuant to the provisions of Section 260 of the Companies Act, 1956, read with Article 144 of the Articles of Association of the Company, Mr. C. Balaraman holds office as a Director of the Company upto the date of this Annual General Meeting. The Company has received a Notice pursuant to Section 257 of the Act, from a Member proposing Mr. C. Balaraman's candidature for the office of the Director of the Company. The Board recommends to the Members his appointment as a Director of the Company.

Mr. C. Balaraman (53) holds a degree in Chemical Engineering from IIT and Marketing Management from a premier institute in India, has over 29 years' experience in Marketing, Business Development, Project and General Management.

The Board is of the opinion that it is in the interests of the Company that Mr. C. Balaraman be appointed as a Director of the Company.

Mr. C. Balaraman may be regarded as concerned or interested in the said Resolution as it pertains to his own appointment. No other Director is concerned or interested in the said Resolution.

Item No. 10:

Presently the Company's Equity Shares are listed on the following four Stock Exchanges:

- i) Stock Exchange, Mumbai (BSE)
- ii) Stock Exchange, Ahmedabad



iii) Stock Exchange Association, Delhi

iv) Chennai Stock Exchange

Due to the extension of BSE Terminals to other cities as well, investors have access to on-line dealings in the Company's securities across the country. The Bulk of the trading in the Company's securities in any case takes place on the Stock Exchange, Mumbai.

As a part of cost reduction measure, the Company has proposed this resolution, which will enable it to delist the equity shares listed on the Stock Exchange Ahmedabad, Delhi and Chennai, as the trading volume at these exchanges is very low.

In line with SEBI regulations members' approval is being sought by a special resolution for enabling voluntary delisting of its securities from the said Stock Exchanges.

The proposed delisting of the Company's securities from the said Stock Exchanges as and when the same takes place, will not adversely affect the investors. The Company's securities will continue to be listed on the Stock Exchange, Mumbai. The delisting will take place after all approvals, permissions and sanctions are received. The exact date on which delisting will take place will be suitably notified at that time.

Your Directors recommend the said resolution for approval of the members,

None of the Directors of the Company is, in any way concerned or interested in this resolution except to the extent of their respective shareholdings.

Item No.11:

Pursuant to the Resolution passed by the Shareholders at an extra ordinary General Meeting held on 24.3.1998, the Company's Divisions consisting of:

- a) Air Pollution Control Division
- b) Project Engineering Division
- c) Industrial Fans Division
- d) Process & Power Engineering Division

were transferred and/ or assigned in favour of Company's Subsidiary viz. BATLIBOI ENVIRONMENTAL ENGINEERING LIMITED (BEEL) with effect from 31.3.1998.

Pursuant to the Agreement dated 25.3.98 between the Company and BEEL, in part payment of the consideration for acquisition of the said Divisions, BEEL has allotted Rs.4 lacs (zero %)

unsecured convertible Debentures of Rs.100/- each which were to be converted into 4000000 Equity Shares of Rs. 10/- each fully paid-up at par on or before 31.3.1999.

Pursuant to the Supplementary Agreement dated 1.3.99 between BEEL and the Company, it was agreed that pending the approval of shareholders for further investment of Rs.400 lacs in terms of provisions of Section 372A of the Companies Act 1956, the conversion of 400000 zero percent unsecured convertible debentures of Rs.100/- each into 4000000 Equity Shares of Rs.10/- each fully paid should be deferred.

As per Section 372A of Companies Act 1956, a Special Resolution is required for the acquisition of the said further shares by the Company by way of conversion of Debentures at a future date.

The Directors recommend this Resolution for passing the same as a **SPECIAL RESOLUTION**.

None of the Directors of the Company is interested in the said Special Resolution except to the extent of their Shareholding/ Directorship in the respective Companies.

Item No. 12

The Directors of the Company feel that on account of on-going business relations with Batliboi International Ltd. and Company's Subsidiary i.e. Batliboi Environmental Engineering Ltd. It is expedient to give guarantees / securities on their behalf.

As per Section 372A of the Companies Act, 1956 a special resolution is required for giving guarantee or providing security in excess of the limits prescribed thereunder.

None of the Directors of the Company is interested in the said Special Resolution except to the extent of their Shareholding/ Directorship in the respective Companies.

By Order of the Board of Directors

B. B. VANWARI

Vice President (Legal)
& Company Secretary

Mumbai.
December 20, 1999

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104 Bombay Samachar Marg
Mumbai 400001