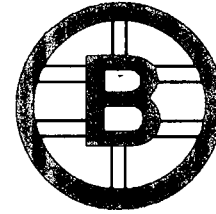


MD			BKC	✓
CS			DPY	✓
RC			DIV	✓
TRA			AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

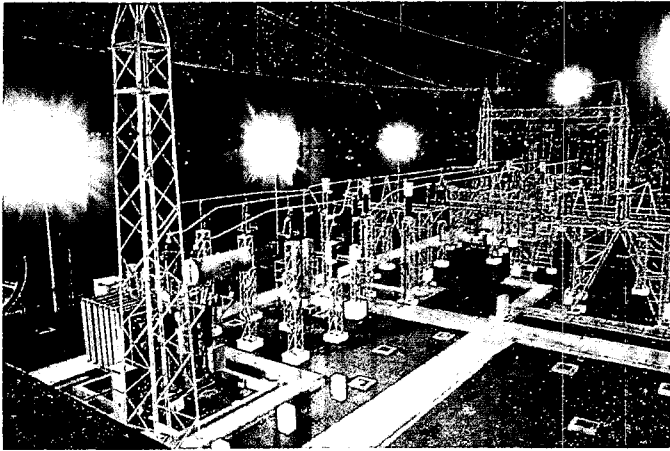


Report  junction.com

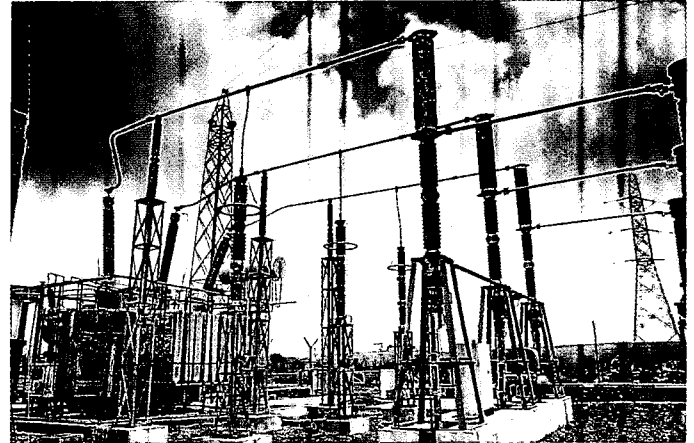
Bharat Bijlee Limited

50th ANNUAL REPORT

Year Ended March 1997



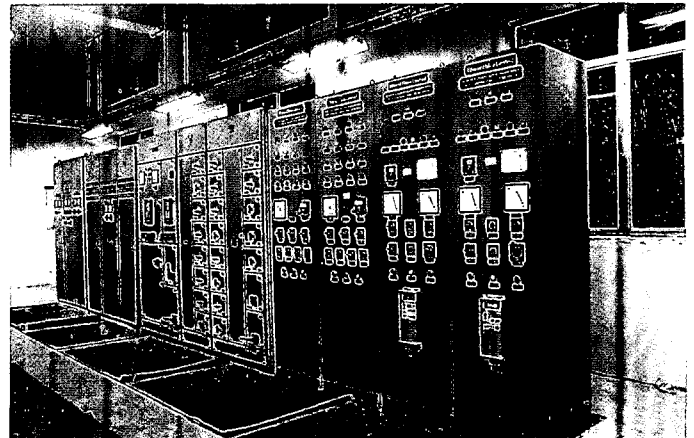
132 kV Switchyard designed, engineered and supplied at Mahindra & Mahindra's Ford plant, Nashik.



220 kV Transformer installed at Raymond Steel, Nashik.



Winding of Cane Unloader Motor developed for the Sugar Industry.



Control panels installed at Mahindra & Mahindra's Ford plant, Nashik.

DIRECTORS

Mr. Bansi S. Mehta (Chairman)
Mr. Nikhil J. Danani
(Vice Chairman & Managing Director)
Mr. Nakul P. Mehta
(Vice Chairman & Managing Director)
Mr. Jaisingh R. Danani
Mr. Mukul Harkisondass
Dr. Boman S. Chothia
Mr. Prakash V. Mehta
Mr. Keshav V. Natoo
Mr. Werner Kummer
Mr. Anand J. Danani
Mr. Franz Rüttimann
(Alternate to Mr. Werner Kummer)
Mr. Deepak S. Parekh
(Alternate to Mr. Anand J. Danani)

REGISTERED OFFICE

Electric Mansion, 6th Floor,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai 400 025.

WORKS

Plot No. 2, MIDC Industrial Estate,
Belapur Road, Kalwa,
Thane 400 601.
Maharashtra.

AUDITORS

Messrs Dalal & Shah
Messrs Rashmi Zaveri & Co.

SOLICITORS

Messrs Daphtary, Ferreira & Divan
Messrs Malvi Ranchoddas & Co.

BANKERS

Bank of India
The Hongkong & Shanghai Banking Corporation
Syndicate Bank
The Saraswat Co-operative Bank Limited
Indian Bank
ANZ Grindlays Bank plc.

REGIONAL OFFICES**Western Regional Offices**

Electric Mansion, 6th Floor,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai 400 025.

Swastik Chambers, 5th Floor,
Junction of Sion Trombay Road and C.S.T. Road,
Chembur, Mumbai 400 071.

Northern Regional Office

Milap Niketan, 4th Floor,
8-A, Bahadur Shah Zafar Marg,
New Delhi 110 002.

Eastern Regional Office

Mansarowar, 2nd Floor,
3B, Camac Street,
Calcutta 700 016.

Southern Regional Offices

Marriam Centre, 1st Floor,
751, Anna Salai,
Madras 600 002.

Ramanashree Chambers,
37, Lady Curzon Road,
Bangalore 560 001.

NOTICE

Notice is hereby given that the 50th Annual General Meeting of Bharat Bijlee Limited will be held at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai 400 020, on Tuesday, the 26th August, 1997 at 4.00 p.m. to transact the following business:

1. To receive and adopt the audited Profit and Loss Account for the year ended 31st March, 1997 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Mukul Harkisondass who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Prakash V. Mehta who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Keshav V. Natoo who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration. Pursuant to Section 224A(1) of the Companies Act, 1956 special resolutions will be proposed for their re-appointment.

SPECIAL BUSINESS

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

"RESOLVED that the accounts for the year ending 31st March, 1998 of the Company's branches at New Delhi, Calcutta, Madras and Bangalore be audited otherwise than by the Company's Auditors and that for the audit of the accounts of these branches the Company hereby authorises the Board of Directors to appoint as Branch Auditor or Branch Auditors in consultation with the Company's Auditors, a person or firm of persons for appointment as auditors of the Company under Section 226 of the Companies Act, 1956 and to fix the terms and conditions of appointment and remuneration of such Branch Auditors."

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

"RESOLVED that the existing Authorised Share Capital of the Company of Rs. 10,00,00,000/- (Rupees ten crores) comprising of and divided into 30,000 (thirty thousand) 15% Redeemable Cumulative Preference Shares of Rs. 100 each and 9,70,000 (Nine lakhs seventy thousand) Equity

Shares of Rs. 100 each be re-classified and divided into 2,00,000, 12% Cumulative Convertible Preference Shares of Rs. 100 each and 8,00,000, Equity Shares of Rs. 100 each."

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

"RESOLVED that pursuant to Section 16 and 94 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum of Association of the Company be altered in the following manner:

Para 1 (one) of Clause 5 of the Memorandum of Association be deleted and replaced by —

5. The authorised capital of the Company is Rupees Ten Crores divided into 2,00,000, 12% Cumulative Convertible Preference Shares of Rs. 100 each, and 8,00,000 Equity Shares of Rs. 100 each as hereinafter provided and in accordance with the regulations of the Company and the legislative provisions for the time being in force. Subject to the provisions of the said Act, the shares in the capital of the Company for the time being, whether original or increased or reduced may be divided into classes, with any preferential, deferred, qualified, or other rights, privileges, conditions or restrictions attached hereto, whether in regard to dividend, voting, return of capital or otherwise."

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

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

Para 1 (one) of Clause 4 of the Articles of Association be deleted and replaced by —

4. The authorised capital of the Company is Rupees Ten Crores divided into 2,00,000, 12% Cumulative Convertible Preference Shares of Rs. 100 each, 8,00,000 Equity Shares of Rs. 100 each as hereinafter provided and in accordance with the regulations of the Company and the legislative provisions for the time being in force. Subject to the provisions of the said Act, the shares in the capital of the Company for the time being, whether original or increased or reduced may be divided into classes, with any preferential, deferred, qualified, or other rights, privileges, conditions or restrictions attached hereto, whether in regard to dividend, voting, return of capital or otherwise."

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

"RESOLVED that subject to and in accordance with the provisions of Section 80, 80A and 81 and all other applicable provisions of the Companies Act, 1956 and the enabling provisions in the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the Stock Exchanges, where the shares of the Company are listed, and subject to the provisions and Guidelines of the Securities and Exchange Board of India and all other concerned authorities, Financial Institutions and bodies (hereinafter referred to as the Authorities) if any and to the extent necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them in granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the Board) and/or duly authorised Committee thereof, for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board, to issue and allot 12% Convertible Cumulative Preference Shares (hereinafter referred to as Preference Shares) of the nominal value not exceeding Rs. 2 crores to Financial Institutions, Non Banking Financial Companies, Other Bodies Corporate, Charitable Trusts and Mutual Funds through private placement at such time/s as the Board or Committee thereof may in its absolute discretion thinks fit *inter alia* on the following terms and conditions:

- (i) The Preference Shares to be allotted shall be subject to the Memorandum and Articles of Association of the Company.
- (ii) The Preference Shares shall be of the face value of Rs. 100 to be issued at par carrying preferential dividend at the rate of 12% per annum from the date of allotment until conversion or redemption thereof on the amount of the capital for the time being paid thereon.
- (iii) At any time after the expiry of 30 (thirty) days from the date of allotment and pending redemption as hereinafter provided for, the holder for the time being of the Preference Shares shall have the option to convert the Preference Shares held by him or any part thereof (hereinafter referred to as "the preference holding") into equity shares of the face and paid up value of Rs. 100 each on the following terms:

- (a) The value of the preference holding shall be taken to be the paid up value of such holding;
- (b) For the purpose of such conversion the fair value of an equity share shall be higher of the following two amounts —
 - (i) average of the weekly high and low of closing price of Equity Shares quoted on the Mumbai Stock Exchange during six months preceding the Relevant Date or
 - (ii) the average of the weekly high and low of the closing price of the Equity Shares quoted on Mumbai Stock Exchange during two weeks preceding the Relevant Date.
- (c) The number of equity shares into which the preference holding is to be so converted shall be worked out based on the values specified in (a) and (b) above, the excess of the value specified at (b) over the paid-up value of the equity shares being treated as equity share premium.
- (d) Such conversion shall be effected as on the last date of the calendar quarter in which the intimation is sent by the holder opting for such conversion and the said day shall be the "Relevant Date".
- (iv) If as a result of the conversion the holder of the Preference Share becomes entitled to fraction of Equity Shares such fractional entitlement shall be dealt with by the Board in such manner as it may deem fit provided that the holder of the Preference Share shall be entitled to *pro rata* benefit in respect of such fractional entitlement on such conversion.
- (v) On the date of allotment of Equity Shares on conversion of the Preference Shares there would be irrevocable constructive payment of the face value of the Preference Shares and the Preference Shares so converted would stand redeemed and would be constructive payment to the Company towards the allotment of the Equity Shares.
- (vi) The Equity Shares allotted on conversion of the Preference Shares shall rank *pari passu* in all respects with the then existing Equity Shares of the Company except that they shall be entitled to dividend, if any, only from the date of allotment and prorated for such period.



- (vii) The Preference Shares and the Equity Shares allotted on conversion thereof as aforesaid shall be subject to the Memorandum and Articles of Association of the Company and on the usual terms and conditions contained in the Letter of Offer, application form and Preference Share Certificate and Consent orders and permission of the Authorities.
- (viii) Application shall be made for listing of the Equity Shares to be issued and allotted on conversion to the Stock Exchanges at Mumbai and Delhi.
- (ix) The Preference Shares in respect of which the option to convert into Equity Shares has not been exercised shall be redeemed by the Company at the end of 5 years from the date of allotment.
- (x) The Board shall be entitled to vary, modify or alter any of the terms and conditions as aforesaid including the basis of the offer as they may deem expedient.

FURTHER RESOLVED that the Board be and is hereby authorised to issue and allot to the shareholders of Preference Shares such number of Equity Shares as may be required to be issued in pursuance of the conversion as aforesaid.

FURTHER RESOLVED that the Board be and is hereby authorised at its discretion to modify the conditions of the issue and to accept such modifications, variations and alterations as the Authorities may prescribe while according their sanction or consent to the proposed issue of Preference Shares including variation in the number of Preference Shares/Equity Shares and amount of premium on the shares to be issued on conversion and to revise/adjust the value and/or number of Preference Shares or any portion or portions thereof or fractional entitlement in such manner as may be considered by the Board beneficial to the Company in the event of such variation being considered expedient as a result of any modification prescribed by the Authorities.

FURTHER RESOLVED that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised:

- (a) To settle any question or difficulty that may arise in regard to the issue and allotment of Preference Shares and Equity Shares on conversion of the Preference Shares including necessary adjustment in respect of fractional entitlements, if any.

- (b) To make requisite adjustments in regard to the issue and allotment of Preference Shares and Equity Shares on conversion of Preference Shares as the circumstances may require.
- (c) To prescribe forms of Applications, to determine the amount payable on application, on allotment and by way of further calls, if any, and provide for any other terms and conditions thereof in consultation with the Authorities.
- (d) To issue Letter of Offer/Statement in lieu of Prospectus.
- (e) To appoint Advisors, Consultants and Managers to the issue, Registrars to the issue, Bankers to the issue, Underwriters and/or Brokers to the issue and pay fees, charges, commission, underwriting commission and/or brokerage as may be lawful and reasonable.
- (f) To do all such acts, deeds, matters and things of whatever nature and to give such directions as may be considered necessary, expedient or desirable.

FURTHER RESOLVED that the Board be and is hereby authorised to delegate all or any of its powers and authorities hereby granted to a Committee of Directors or any one of the Directors as may be permissible under the law."

NOTES:

- (a) 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. INSTRUMENTS APPOINTING PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The Register of Members and the Share Transfer Books of the Company will remain closed from 6th August, 1997 to 26th August, 1997 (both days inclusive).
- (c) The Dividend on Equity Shares, if declared, will be payable on or before 7th October, 1997, to those shareholders whose names stand on the Company's Register of Members as holders of Equity Shares on 26th August, 1997.
- (d) The Explanatory Statement is annexed to this notice as regards items 7 to 11 of the business as required under Section 173 and other Sections of the Companies Act, 1956.

- (e) It is notified for the information of shareholders concerned that the unclaimed dividends on equity and preference shares for the year ended 31-3-1993 has been transferred by the Company to the General Revenue Account of the Central Government and the same can be claimed by such shareholders from the Registrar of Companies, Maharashtra, Everest, 100, Marine Drive, Mumbai 400 002 by submitting an application in the prescribed form No. II under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.
- (f) If the Shareholders wish to incorporate the names and address of their Bank and Account No. on the Dividend Warrants to prevent fraudulent encashment they are requested to intimate the Company of the same.

REQUEST TO THE MEMBERS

- Members desiring any information on the Accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.
- As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring the copy of the Annual Report to the Meeting.

By Order of the Board
J.T. Shah
Deputy General Manager: Finance
& Company Secretary

Registered Office:
Electric Mansion, 6th Floor,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025
Dated: 4th July, 1997

EXPLANATORY STATEMENT

Item No. 7:

It is obligatory on the part of the Company to have all its branches audited by the statutory auditors of the Company unless the Company in General Meeting decides to have any branches audited by persons qualified to be appointed as auditors of the

Company under Section 226 of the Companies Act, 1956. The Company has branches at Delhi, Calcutta, Madras and Bangalore. The necessary authorisation of the members is sought, in accordance with the provision of Section 226 of the Companies Act, 1956, to enable the Board of Directors to appoint branch auditors in consultation with the Company's auditors, to audit the accounts of the aforesaid branches and to fix terms, conditions and remuneration, as the Board may deem fit.

None of the Directors are concerned or interested in the Resolution.

Item Nos. 8, 9 & 10:

The Authorised Share Capital of the Company at present is Rs. 10,00,00,000 divided into 9,70,000 Equity Shares of Rs. 100 each and 30,000, 15% Redeemable Cumulative Preference Shares of Rs. 100 each. The Company proposes to issue 12% Cumulative Convertible Preference Shares on Private Placement basis to Financial Institutions, Charitable Trusts, Non banking Finance Companies, Other Bodies Corporate and Mutual Funds to augment its medium term working capital requirements. The Board of Directors consider it appropriate to reclassify the existing Authorised Capital of the Company from 30,000 15% Redeemable Cumulative Preference Shares of Rs. 100 each and 9,70,000 Equity Shares of Rs. 100 each to 2,00,000 12% Cumulative Convertible Preference Shares of Rs. 100 each and 8,00,000 Equity Shares of Rs. 100 each. The alteration proposed in the Memorandum and Articles of Association of the Company are consequential to and reflect the proposed reclassification in the existing Authorised Share Capital of the Company. Since the proposed 12% Cumulative Convertible Preference Shares are being offered on private placement basis u/s 81(1-A) of the Companies Act, 1956, approval of members is sought.

A copy of the Company's Memorandum and Articles of Association is open for inspection to the shareholders at the Registered Office of the Company on any working day except Saturday and Sunday between 10.00 a.m. and 12.00 noon.

None of the Directors are concerned or interested in the Resolution except to the extent of their shareholding.

Item No. 11:

- (i) Having regard to the present state of market and liquidity crunch faced by the segments of the industry which form the core customer base of your Company relating to two of its products viz. transformers and elevators, the Company needs

funds for a medium term for increasing working capital requirements. The Company proposes to raise funds by way of issue of 12% Cumulative Convertible Preference Shares as set out in the resolution placed before the meeting.

- (ii) Section 81 of the Companies Act, 1956 provides *inter alia* that whenever the Company proposes to increase the issued share capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in proportion to the capital paid up unless the shareholders in General Meeting decide otherwise.
- (iii) Further the Listing Agreement entered into by the Company with the Mumbai and Delhi Stock Exchanges also provides *inter alia* that the Company in the first instance should offer all the shares to be issued by the Company for subscription *pro rata* to the existing shareholders unless the shareholders decide otherwise in General Meeting.
- (iv) Since the proposal before the shareholders is for the issue of 12% Cumulative Convertible Preference Shares through Private Placement, it is necessary for the members to pass a resolution under Section 81(1-A) of the Companies Act, 1956 as proposed.
- (v) The issue of 12% Cumulative Convertible Preference Shares will achieve the objective of the Company to raise medium term finance at a reasonable cost to the Company. By virtue of the recent amendments to the Income-tax Act, 1961 dividend payable by companies to its shareholders subject to 10% tax payable by the Company, is free from any tax payable by the recipient of the dividend. The financial consultants and bankers of the Company have advised that such Preference Shares with an option to the holder to convert into Equity Shares at a premium calculated in accordance with the guidelines issued by the Securities and Exchange Board of India would be an attractive instrument for financial institutions and other bodies corporate. As a result of such issue

the Company will be able to obtain funds at a very reasonable cost and if and when the holders of the Preference Shares convert them into Equity Shares depending upon the price of the Shares in the stock market, the Company will receive a premium on such conversion.

- (vi) On the basis of the formula stated in the resolution for determining the price of Equity Shares at the time of conversion as applied to the rate of shares upto the date of this notice the total Equity Shares that will be issued by the Company (as if all Preference Shares are converted), will not exceed in the aggregate 5% of the present issued, subscribed and paid up Equity Capital of the Company. By reason of the allotment of such Equity Shares the shareholding of none of the allottees (in case of existing shareholders holding less or more than 5% of the Equity Share capital) would increase to 5% or more. Nor will there be any change in the Board of Directors as a result of such allotment of Equity Shares following conversion.
- (vii) The Board of Directors consider the proposal beneficial to the Company and the Shareholders of the Company.
- (viii) As is evident, the intention is to offer these Preference Shares on Private Placement basis, and in the event that any person to whom such offer is made is a company or any other entity in which any director of the Company may be a director or have any financial interest, he may be regarded as concerned or interested in the resolution.

By Order of the Board

J.T. Shah

Deputy General Manager: Finance
& Company Secretary

Registered Office:
Electric Mansion, 6th Floor,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025
Dated: 4th July, 1997