



Bharat Bijlee Limited

53rd ANNUAL REPORT

Year Ended March 2000

NOTICE

Notice is hereby given that the 53rd 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 Wednesday, 9th August, 2000 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, 2000 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anand J. Danani who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Bansi S. Mehta who retires by rotation and is eligible for re-appointment.
4. 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

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution: "RESOLVED that in terms of Section 31, and all other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered in the following manner.

- I. Definition of shareholder or member given in Article 3 be deleted and the following be substituted.

"Shareholder" or "Member" means a duly registered holder from time to time of a share in the Company and includes the Subscribers of the Memorandum of the Company and the beneficial owner(s) as defined in Clause (a) of Sub Section (1) of Section 2 of the Depositories Act, 1996.

- II. The existing Article 11 be deleted along with its marginal notes and in place thereof the following Article 11 along with marginal notes be substituted:

Register and Index of Members :

11. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also deemed to be the Register and Index of Members for the purpose of the Companies Act, 1956 and any amendment or re-enactment thereof.

- III. The existing Article 12 be deleted and in place thereof the following Article 12 be substituted:

12. The shares in the capital shall be numbered progressively according to their several classes, provided that nothing contained herein shall apply to shares held with a Depository.

- IV. The existing Article 23 be altered as follows :

After the words "Every member or allottee of shares shall be entitled", and before the words "without payment", the following words be added :

"unless such member or allottee opts to hold shares with a Depository"

- V. The following new Articles along with marginal notes as indicated be inserted as Article 55A and 55B after the existing Article 55 :

Nomination :

- 55A 1. Every shareholder of the Company, may at anytime, nominate, in the prescribed manner, a person to whom his shares of the Company shall vest in the event of his death.
2. Where the shares of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares of the Company as the case may be, shall vest in the event of death of all the joint holders.
3. Notwithstanding anything contained in any other law for the time being in force or in any disposition whether testamentary or otherwise, in respect of such shares of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares of the Company, the nominee shall, on the death of the shareholder or, as the case may be, on the death of the joint holders become entitled to all the rights in such shares or, as the case may be, all the joint holders, in relation to such shares, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.
4. Where the nominee is a minor, it shall be lawful for the holder of the shares to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares of the Company, in the event of his death, during the minority.

Transmission of Securities by Nominee :

- 55B A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided elects, either

1. to be registered himself as holder of the share
2. to make such transfer of the share as the deceased shareholder could have made;
3. if the nominee elects to be registered as holder of the share himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.

All the limitations, restrictions and provisions of the Companies Act, 1956 relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if

the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder.

4. a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share except that he shall not, before being registered as a member in respect of his share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share until the requirements of the notice have been complied with.

VI: The following new Article 66A with marginal note as indicated be inserted after the existing Article 66 :

For the purposes of this Article, unless the context otherwise requires :

Dematerialisation of Securities :

66A Definitions :

1. Depositories Act : 'Depositories Act' means the Depositories Act, 1996, and any statutory modification or re-enactment thereof for the time being in force;
 Depository : 'Depository' means a company formed and registered under the Companies Act, 1956 (1 of 1956) ('the Act') and which has been granted a certificate of registration under sub section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);
 Bye-laws : 'Bye-laws' mean bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.
 SEBI : 'SEBI' means the Securities and Exchange Board of India;
 Regulations : 'Regulations' means the regulations made by SEBI;
 Record : 'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;
 Security : 'Security' means such security as may be specified by SEBI from time to time;
 Beneficial Owner : 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996;
 Shareholder or member : 'Shareholder' or 'member' means the duly registered holder, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares and/or Preference Shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository;
2. Dematerialisation of Securities :
 Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, and other securities (both existing and future) held by it with the Depository and to offer its shares, and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules and/or Regulations framed thereunder, if any;
3. Option for Investors :
 Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a Depository.
 Where a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security;
4. Securities in Depositories to be in fungible form :
 All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners;
5. Rights of Depositories and Beneficial Owners :
 - i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner;
 - ii. Save as otherwise provided in (1) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it;
 - iii. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.
 - iv. The beneficial owner may with the previous approval of the depository create a pledge or hypothecation in respect of security owned by him through a depository and shall give intimation of such pledge or hypothecation to the depository and such depository shall thereupon make entries in its records accordingly. Any entry in the records of a depository shall be evidence of a pledge or hypothecation.

6. Depository to furnish information :

Notwithstanding anything to the contrary contained in the Act or these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies and discs.

7. Option to opt out in respect of any security :

Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities.

If a beneficial owner seeks to opt out of a Depository in respect of any security; the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

8. Sections 83 and 108 of the Act not to apply :

Notwithstanding anything to the contrary contained in the Articles —

- i. Section 83 of the Act shall not apply to the shares with a Depository.
- ii. Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

9. Applicability of the Depositories Act :

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

10. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any shares, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonuses or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof."

6. 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, 2001 of the Company's branches at New Delhi, Calcutta, Chennai 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."

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 Monday, 24th July, 2000 to Wednesday, 9th August, 2000 (both days inclusive).
- (C) The Explanatory Statement is annexed to this notice as regards items 5 & 6 of the business as required under section 173 and other Sections of the Companies Act, 1956.
- (D) It is notified for the information of shareholders concerned that the unclaimed dividends on equity and preference shares upto the year ended 31-3-1995 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. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 as amended with effect from 31st October, 1998 dividend for the financial year ended 31-3-1996 and thereafter, which remain unclaimed for a period of 7 years from the date of transfer of the same under sub-section(1) of the Section will be transferred to the Investor Education and Protection Fund of the Central Government established under Section 205C of the Act.
- (E) The Company has admitted its Equity Shares in the Depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) and has offered investors the facility to hold shares in demat form and to carry out scripless trading of these shares.

- (F) The Registrar and Transfer activity of shares held in physical and demat form continue to be carried out by our Registrars, M/s Intime Spectrum Registry Pvt. Ltd., 260A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai 400 080.
The Register of Members continue to be maintained at the Registered Office of the Company.
- (G) Pursuant to the provisions of Section 109A of the Companies Act, 1956, shareholders may file nomination in respect of their shareholdings. Any shareholder willing to avail of this facility may submit to the Company the prescribed form 2B, if not already filed.
- (H) The Equity Shares of the Company are listed in the following stock exchanges :
- | | |
|--|---|
| 1. The Stock Exchange, Mumbai
Pheroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001 | 2. The Delhi Stock Exchange Association Ltd.
3&4/4B, Asaf Ali Road,
New Delhi 110 002 |
|--|---|
- The listing fee to the above Exchanges has been paid.

REQUEST TO THE MEMBERS

- Members desiring any information on the Accounts of 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

D.N. NAGARKARAsst. Company Secretary &
Secretarial & Legal Manager

Registered Office :

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

Dated : 30th May, 2000.

EXPLANATORY STATEMENT**Item No. 5 :**

Consequent upon the enactment of the Depository Act, 1996 and the Securities and Exchange Board of India making compulsory dematerialisation trading of the Company's shares, the Company has signed an Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) to enable shareholders to dematerialise their shareholding in the Company. The Depositories Act, 1996 over-rides some of the provision of the Companies Act, 1956 pertaining to issue, holding, transfer, transmission and dealing on shares and other securities as also issue of relevant share certificates thereof so as to facilitate the introduction and implementation of the Depository System. In view of the same, the Articles of Association need alteration.

Further as per provision of Section 109A and 109B of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999 the holders of securities of the Company have been given an option to nominate a person to whom the rights of the security holders of the Company shall vest in the event of his death. It would be beneficial if such nomination clause is included in the Articles of Association of the Company.

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

A copy of the Memorandum and Articles of Association of the Company together with the proposed alteration is available for inspection by the Members of the Company at its Registered Office between 11.00 a.m. and 1.00 p.m. on any working day.

Item No. 6 :

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, Chennai 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.

By Order of the Board

D.N. NAGARKARAsst. Company Secretary &
Secretarial & Legal Manager

Registered Office :

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

Dated : 30th May, 2000.

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
Mr. Prakash V. Mehta
Mr. Anand J. Danani
Mr. Deepak S. Parekh
(Alternate to Mr. Anand J. Danani)
Mr. N. Balakrishnan

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 Malvi Ranchoddas & Co.

BANKERS

Bank of India
The Hongkong & Shanghai Banking
Corporation Limited
The United Western Bank Limited
Syndicate Bank
Indian Bank



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

Millap 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,
Chennai 600 002.

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

REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors present their 53rd Annual Report together with Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2000.

FINANCIAL RESULTS

	Year ended 31st March, 2000 Rupees in lakhs	Year ended 31st March, 1999 Rupees in lakhs
Sales and Other Income	15199.52	14555.53
Profit before Interest & Financial Charges,		
Depreciation and Tax	325.64	562.30
Less : Interest & Financial Charges	532.08	388.14
Less : Depreciation	150.38	145.77
Loss(—)/Profit Before Tax	(-)-356.82	28.39
Less : Tax Provision for the year	3.67	6.50
Loss(—)/Profit for the year	(-)-360.49	21.89
Add : Excess Provision of tax for previous years	5.16	—
	(-)-355.33	21.89
Add : Transfer from General Reserve	355.33	—
Profit Brought Forward	24.10	64.94
Net Surplus available for Appropriation	24.10	86.83
Appropriation		
Proposed Equity Dividend	—	56.52
Tax on proposed Equity Dividend	—	6.21
General Reserve	—	—
Profit Carried Forward	24.10	24.10

DIVIDENDS

The Directors discussed the issue of payment of Dividend by draws from the General Reserves. However, the Directors regret that it is not possible to do so due to the conditions laid down under the Companies (Declaration of Dividend out of Reserves) Rules, 1975.

OPERATIONS

Several sectors of the electrical equipment industry, to which your Company belongs, continue to face recessionary conditions arising out of sluggish demand and delayed investment decisions. For another year the power sector remained paralysed by tardy financial closures, limited progress on initiatives relating to reform of transmission and distribution management, and the cash strapped state of many SEBs. In consequence, despite achieving a sales and other income level of Rs. 151.99 crores (about Rs. 6.44 crores more than the

previous year) and ongoing cost reduction initiatives, poor price realisation and unavoidable cost escalations led to a loss of Rs. 3.55 crores.

MOTOR DIVISION

The year under review was perhaps the worst for the electric motor industry. Ridiculously low price levels necessitated by over capacities created in earlier periods severely affected margins. However, the ensuing year holds some promise of prices moving marginally upwards.

TRANSFORMER DIVISION

The continued low demand for transformers led to fiercely competitive market conditions, resulting in orders with negative margins. Added to this, delays in realisation from customers created a tremendous strain on liquidity. However, a timely strategy to enlarge the Division's clientele and to enhance customers' trust in the quality of our products helped in maintaining a reasonable level of production and sales.

LIFT DIVISION

Although increased activity in the real-estate industry resulted in visible demand growth for lifts, market conditions were highly competitive and margins remained under pressure. However the Division once again registered significant growth in completed installations, sales turnover and order inflow.

The emphasis on systematic initiatives towards ongoing improvement in the responsiveness, quality and effectiveness of customer service - for both new installations and the maintenance portfolio - continues.

PROJECTS DIVISION

Rescheduling of projects by our clients due to adverse economic conditions affected the execution of ongoing projects. Market conditions have become extremely competitive since very few new projects are coming up. The Division successfully completed its first Power Plant project and expects more orders from this growing sector in the current year.

INDUSTRIAL ELECTRONICS AND INSTRUMENTATION DIVISION

The Division consolidated its position in the sugar industry. Profitability has improved and the order booking was 15% higher than in the previous year. Prospects for the current year are encouraging in terms of both sales and profitability.

Y2K COMPLIANCE

The Company achieved a smooth transition to Y2K compliance at all locations during the year by appropriately upgrading software and hardware. There was no adverse impact due to the Y2K changeover on the company's operations. The approximate cost incurred was Rs. 25 lakhs.

FINANCE

As on 31st March, 2000, the Company had Fixed Deposits aggregating to Rs. 685.79 lakhs. Out of the Fixed Deposits which matured for payment prior to 31st March, 2000, 146 deposits aggregating to Rs. 13.63 lakhs were neither renewed nor claimed till 31st March, 2000. Of these 19 deposits aggregating to Rs. 2.15 lakhs have since been renewed or refunded on receipt of requests from the deposit holders. The balance of 127 deposits aggregating to Rs. 11.48 lakhs have been neither claimed nor renewed till date of this Report, in spite of the Company's intimation to the deposit holders. There has been no default or delay in meeting any maturity payment obligations.

Cost of financing went up substantially to take care of mismatches in operations, slower realisation of receivables and some strategic investments.

DEMATERIALIZATION OF SHARES

During the year, your Company has signed agreements with National Security Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) for joining the Depository System to provide a platform to investors to trade in scripless mode. The adoption of this electronic system of trading necessitates alterations to the provisions of the Articles of Association of the Company for which an appropriate Special Resolution is being proposed at the ensuing Annual General Meeting for shareholder's approval.

HUMAN RESOURCES

The relationship with the employees at all locations was healthy and cordial. The three year term of Wage & Productivity Agreement signed with the Union in September, 1998 ended on 31-12-1999.

The Directors are confident that all employees will co-operate with the Management in all possible ways to get over the present crisis.

DIRECTORS

Mr. Anand J. Danani and Mr. Bansi S. Mehta retire by rotation at the Annual General Meeting to be held on 9th August, 2000 but are eligible for re-appointment.

AUDITORS

M/s. Dalal & Shah and M/s. Rashmi Zaveri & Co. Auditors retire at the ensuing Annual General Meeting. Both have confirmed their eligibility and willingness to

be re-appointed pursuant to Section 224(1) of the Companies Act, 1956. Members will be requested to appoint the Auditors and to authorise the Board to appoint Branch Auditors and to fix the remuneration of the Auditors and Branch Auditors for the year ending 31st March, 2001. This special business is covered by item 6 of the accompanying Notice and Explanatory Statement.

COST AUDITORS

The Central Government has approved the appointment of M/s. P.M. Nanabhoy & Co. as Cost Auditors of the Company in respect of electric motors for the financial year ending 31st March, 2000.

The Board has appointed M/s. P.M. Nanabhoy & Co. as Cost Auditors of the Company in respect of electric motors for the financial year ending 31st March, 2001 and approval of the Central Government is being sought.

PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, and forming part of this Report are annexed to this Report. However, as per the provisions of Section 219(1)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company excluding the Statement of Particulars of Employees. Any shareholder interested in the Particulars of Employees may write to the Asst. Company Secretary at the Registered Office of the Company for a copy of the statement.

Additional information as required by the Department of Company Affairs is presented on page 5 of this Annual Report.

ACKNOWLEDGEMENT

Your Directors would like to place on record their appreciation to the Company's employees, customers, shareholders, vendors, bankers, and financial institutions.

For and on behalf of the Board of Directors

Bansi S. Mehta
Chairman

Dated: 30th May, 2000

ADDITIONAL INFORMATION

(In terms of Notification No. 1029 of 31-12-1988 issued by the Department of Company Affairs)

A. Conservation of energy**(1) Measures :**

- Phased replacement of fluorescent tube lamps with high pressure mercury lamps and copper chokes with electronic chokes.
- Periodic maintenance of luminair reflectors and air pipelines for leakages.
- Maintenance of chilled water pipelines, condensers and ovens.
- Improved utilisation of drying oven.
- Elimination of baking of varnished Einleiter winding in oven by use of air drying varnish.
- Drying of transformer core by natural air circulation instead of oven for curing of air drying varnish.
- Rewinding of Motors of all the Air Circulators.

(2) Impact of the measures :

- Saving in energy consumption.

B. Technology absorption**Research and Development****(1) Specific areas in which R&D is carried out :**

- Ongoing development of lift components, assemblies and systems to meet specific market requirements.
- Development of on-line testing facility/simulator in temperature controlled environment for a complete sugar centrifuge drive.

(2) Benefits derived :

- Improved productivity and quality control.
- Conservation of power, energy and reduction in power factor, high starting current and pollution of power supply.

(3) Future plan of action :

- Continued emphasis on development of cost-effective components and processes and import substitution.
- Development of motors for compressors used on Electric Locomotives.
- Development of auxiliary motors and blowers used on the new class of AC Locomotives.

Technology absorption, adaptation and innovation :**(1) Efforts made :**

- Systematic reliability and accelerated life testing of lift machinery.
- Change of motor bodies to pressure diecast aluminium, presently upto 1 HP and progressively adapt this technology upto 5 HP.
- Import substitution of lift machinery components.

(2) Benefits derived :

- Product improvements.
- Reduction in labour cost as well as better aesthetics and better cooling.
- Substantial savings in cost and foreign exchange outgo.
- Controlled winding heights.

(3) Technology imported during the last five years :

- The Company had a collaboration with Inventio AG of Switzerland for lifts which expired on 25th December, 1996. The technology transferred has been fully absorbed.

C. Foreign exchange earning and outgo**(1) Export activities :**

- Our transformers continue to be exported directly and also through other registered exporters. Transformers have also been sold as deemed export to internationally aided projects. These orders were obtained against international competition.

(2) Foreign exchange earned :

- | | |
|------------------|-----------------|
| — Deemed exports | Rs. 46.75 lakhs |
| — Direct exports | Rs. 58.14 lakhs |
| — Services | Rs. 2.54 lakhs |

(3) Foreign exchange used : Rs. 545.87 lakhs