

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DEV	NA
TRA	NA		ACC	✓
AGM	✓	✓	SHI	✓
YE	✓			

86th
Annual Report
1997-98

Best & Crompton Engineering Limited



Best & Crompton Engineering Limited

Registered Office : 39, Industrial Estate (North), Ambattur, Chennai 600 098

Directors, Bankers and Auditors

Board of Directors

S. VENKITARAMANAN I.A.S. (Retd.)
Chairman

M. ARUNACHALAM
Director

S.K. MAHAJAN
President & Director

B. VISWANATHAN
Director - Finance

V. SUBRAMANIAM
Director - Operations

Bankers

ANZ Grindlays Bank
The Hongkong & Shanghai
Banking Corporation Ltd.
Standard Chartered Bank
ABN Amro Bank
UCO
Corporation Bank
Bank of Madura Ltd.
Indian Overseas Bank
Syndicate Bank
Canara Bank
Allahabad Bank
State Bank of India
Bharat Overseas Bank

Auditors

Fraser & Ross,
Chartered Accountants
Chennai

Overseas

KPMG
Chartered Accountants
Ghana

Overseas

The Hongkong & Shanghai
Banking Corporation, Malaysia
The British Bank of
The Middle East, Qatar
Standard Chartered Bank, Accra, Ghana

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BEST & CROMPTON ENGINEERING LIMITED

Registered Office:
39, Industrial Estate (North), Ambattur, Chennai-600 098.

Notice of Annual General Meeting

NOTICE is hereby given that the Eightysixth Annual General Meeting of the Shareholders of the Company will be held on Thursday, September 24, 1998 at 10.30 A.M. at Anna Auditorium of the Association of Surgeons of India, No.18, Swamy Sivananda Salai, Chepauk, Chennai - 600 005, to transact the following business:-

1. Consideration of Accounts.

To receive, consider and adopt the Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.

2. To appoint Auditors and fix their remuneration.

The retiring Auditors M/s Fraser & Ross, Chartered Accountants, Chennai, are eligible for reappointment. In this connection, to consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

ORDINARY RESOLUTION

"RESOLVED that M/s Fraser & Ross, Chartered Accountants, be and are hereby reappointed as Auditors of the Company to hold Office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company for the financial year ending March 31, 1999 or any other date as may be decided by the Board at a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) exclusive of travelling and out-of-pocket expenses plus fees as agreed upon for any other professional services rendered."

3. Appointment of Auditors for the Overseas Branch.

To appoint Auditors under Section 228 of the Companies Act, 1956 for the Company's Branch Office in Ghana for the financial year ending March 31, 1999 or any other date as may be decided by the Board and accord authority to the Board of Directors to fix the remuneration of such Auditors and the terms and conditions subject to which they will hold the appointment.

ORDINARY RESOLUTION

"RESOLVED that M/s KPMG, Chartered Accountants, be and are hereby reappointed under Section 228 of the Companies Act, 1956 as Auditors of the Company's Branch Office in Ghana to hold Office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company for the financial year ending March 31, 1999 or any other date as may be decided by the Board and that the Board of Directors be authorised to fix the remuneration of the Auditors and the terms and conditions subject to which they will hold the appointment.

SPECIAL BUSINESS**4. To appoint Mr. S. Venkitaramanan I.A.S (Retd.) as Director.****ORDINARY RESOLUTION**

"RESOLVED that Mr. S. Venkitaramanan I.A.S. (Retd.) be and is hereby appointed as a Director of the Company."

5. To appoint Mr. M. Arunachalam as Director.**ORDINARY RESOLUTION**

"RESOLVED that Mr. M. Arunachalam be and is hereby appointed as a Director of the Company."

6. To appoint Mr. S. K. Mahajan as Director.**ORDINARY RESOLUTION**

"RESOLVED that Mr.S.K. Mahajan be and is hereby appointed as a Director of the Company."

7. To consider and if, thought fit, to pass, with or without modification, the following Resolutions as Ordinary Resolutions :-

"RESOLVED that subject to the provisions of the Schedule XIII and other applicable provisions of the Companies Act, 1956 or any statutory modification or re-enactment thereof, the appointment of Mr. S.K. Mahajan, as Whole-time Director, designated as President & Director, of the Company, effective April 24, 1998 for a period of five years, be and the same is hereby approved, on the following terms and conditions :-

1. Salary : Rs. 50,000/- per month in the scale of Rs. 50,000-5,000-75,000. This will include dearness allowance and all other allowances not otherwise specified herein.
2. Commission : Nil
3. Perquisites : Perquisites shall be restricted to an amount equal to the annual salary.

(i) Housing

- a) The expenditure incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary; or
- b) In case the accommodation is owned by the Company, ten per cent of the salary shall be deducted by the Company; or
- c) In case no accommodation is provided by the Company, Mr. S.K. Mahajan shall be entitled to house rent allowance of 60% of the salary.

The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.

(ii) Medical Reimbursement

Reimbursement of the expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

(iii) Leave Travel Concession

Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.

Explanation : Family for (ii) and (iii) means the spouse, the dependant children and dependant parents.

(iv) Club Fees

Fees of clubs subject to a maximum of two clubs.

(v) Personal Accident Insurance

Personal accident insurance of an amount, the annual premium of which does not exceed Rs. 6,000/- per annum.

- (vi) a. Company's contribution towards Provident Fund as per the rules of the Company.
- b. Gratuity as per the rules of the Company.
- c. Company's contribution towards Superannuation fund as per the rules of the Company.

The aforesaid perquisites stated in (vi) (a), (vi) (b) and (vi) (c) shall not be included in the computation of the aforesaid ceiling on perquisites

Best & Crompton Engineering Limited

to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(vii) Earned Leave

On full pay and allowances and perquisites as per the rules of the Company. Encashment of leave at the end of the tenure shall not be included in the computation of the aforesaid ceiling on perquisites and/or salary.

(viii) Car with Driver/Driver allowance for use on Company's business and telephone at residence shall not be considered as perquisites.

"Provided that the remuneration payable to Mr. S. K. Mahajan (including salary, perquisites, benefits, amenities and facilities) does not exceed the limits laid down in Sections 198 and 309 and Schedule XIII of the Companies Act, 1956 or any other statutory provision, modification or re-enactment thereof."

"RESOLVED further that in the event of loss or inadequacy of profit in any financial year, during the currency of the tenure of appointment of Mr. S. K. Mahajan, he shall be paid a remuneration not exceeding the ceiling limit of Rs. 87,500/- per month or Rs. 10,50,000/- per annum or such other amount as may be prescribed by the Government of India in this regard."

"RESOLVED further that the remuneration specified above for Mr. S.K. Mahajan may, subject to overall ceiling specified above and subject to Schedule XIII of the Companies Act, 1956, be modified as may be agreed to by the Company and Mr. S. K. Mahajan, President & Director."

"RESOLVED further that the perquisites mentioned above be interchangeable within the overall ceiling of the annual salary of Mr. S.K. Mahajan, President & Director."

"RESOLVED further that the Board of Directors be and are hereby authorised to take such steps, as may be considered necessary, to implement the aforesaid Resolutions."

8. To appoint Mr. B. Viswanathan as Director.**ORDINARY RESOLUTION**

"RESOLVED that Mr. B. Viswanathan be and is hereby appointed as a Director of the Company."

9. To consider and if, thought fit, to pass, with or without modification, the following Resolutions as Ordinary Resolutions:-

"RESOLVED that subject to the provisions of the Schedule XIII and other applicable provisions of the Companies Act, 1956 or any statutory modification or re-enactment thereof, the appointment of Mr. B. Viswanathan, as Whole-time Director, designated as Director-Finance, of the Company, effective April 24, 1998 for a period of five years, be and the same is hereby approved, on the following terms and conditions:-

1. Salary : Rs. 25,000/- per month in the scale of Rs. 25,000-2,500-37,500. This will include dearness allowance and all other allowances not otherwise specified herein.
2. Commission : Nil
3. Perquisites : Perquisites shall be restricted to an amount equal to the annual salary.

(i) Housing

- a) The expenditure incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary; or
- b) In case the accommodation is owned by the Company, ten per cent of the salary shall be deducted by the Company; or
- c) In case no accommodation is provided by the Company, Mr. B. Viswanathan shall be entitled to house rent allowance of 60% of the salary.

The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.

(ii) Medical Reimbursement

Reimbursement of the expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

(iii) Leave Travel Concession.

Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.

Explanation : Family for (ii) and (iii) means the spouse, the dependant children and dependant parents.

(iv) Club Fees

Fees of one club

(v) Personal Accident Insurance

Personal accident insurance of an amount, the annual premium of which does not exceed Rs. 4,000/- per annum.

(vi) a. Company's contribution towards Provident Fund as per the rules of the Company

b. Gratuity as per the rules of the Company.

c. Company's contribution towards Superannuation fund as per the rules of the Company.

The aforesaid perquisites stated in (vi) (a), (vi) (b) and (vi) (c) shall not be included in the computation of the aforesaid ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(vii) Earned Leave

On full pay and allowances and perquisites as per the rules of the Company. Encashment of leave at the end of the tenure shall not be included in the computation of the aforesaid ceiling on perquisites and/or salary.

(viii) Car with Driver/Driver allowance for use on Company's business and telephone at residence shall not be considered as perquisites.

"Provided that the remuneration payable to Mr. B. Viswanathan (including salary, perquisites, benefits, amenities and facilities) does not exceed the limits laid down in Sections 198 and 309 and Schedule XIII of the Companies Act, 1956 or any other statutory provision, modification or re-enactment thereof."

"RESOLVED further that the remuneration specified above for Mr. B. Viswanathan may, subject to overall ceiling specified above and subject to Schedule XIII of the Companies Act, 1956 be modified as may be agreed to by the Company and Mr. B. Viswanathan, Director - Finance."

"RESOLVED further that the perquisites mentioned above be interchangeable within the overall ceiling of the annual salary of Mr. B. Viswanathan, Director - Finance."

"RESOLVED further that the Board of Directors be and are hereby authorised to take such steps, as may be considered necessary, to implement the aforesaid Resolutions."

10. To appoint Mr. V. Subramaniam as Director**ORDINARY RESOLUTION**

"RESOLVED that Mr. V. Subramaniam be and is hereby appointed as a Director of the Company."

11. To consider and if, thought fit, to pass, with or without modification, the following Resolutions as Ordinary Resolutions:-

"RESOLVED That subject to the provisions of the Schedule XIII and other applicable provisions of the Companies Act, 1956 or any statutory modification or re-enactment thereof, the appointment of

Best & Crompton Engineering Limited

Mr. V. Subramaniam, as Whole-time Director, designated as Director-Operations, of the Company, effective August 24, 1998 for a period of five years, be and the same is hereby approved, on the following terms and conditions:-

1. Salary : Rs. 25,000/- per month in the scale of Rs. 25,000-2,500-37,500. This will include dearness allowance and all other allowances not otherwise specified herein.
2. Commission : Nil
3. Perquisites : Perquisites shall be restricted to an amount equal to the annual salary.

(i) Housing

- a) The expenditure incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary; or
- b) In case the accommodation is owned by the Company, ten per cent of the salary shall be deducted by the Company; or
- c) In case no accommodation is provided by the Company, Mr. V. Subramaniam shall be entitled to house rent allowance of 60% of the salary.

The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.

(ii) Medical Reimbursement

Reimbursement of the expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

(iii) Leave Travel Concession

Leave Travel Concession for self and family once in a year, incurred in accordance with the rules of the Company.

Explanation : Family for (ii) and (iii) means the spouse, the dependant children and dependant parents.

(iv) Club Fees

Fees of one club.

(v) Personal Accident Insurance

Personal accident insurance of an amount, the annual premium of which does not exceed Rs. 4,000/- per annum.

- (vi) a. Company's contribution towards Provident Fund as per the rules of the Company.
- b. Gratuity as per the rules of the Company.
- c. Company's contribution towards Superannuation fund as per the rules of the Company.

The aforesaid perquisites stated in (vi) (a), (vi) (b) and (vi) (c) shall not be included in the computation of the aforesaid ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(vii) Earned Leave

On full pay and allowances and perquisites as per the rules of the Company. Encashment of leave at the end of the tenure shall not be included in the computation of the aforesaid ceiling on perquisites and/or salary.

- (viii) Car with Driver/Driver allowance for use on Company's business and telephone at residence shall not be considered as perquisites.

"Provided that the remuneration payable to Mr. V. Subramaniam (including salary, perquisites, benefits, amenities and facilities) does not exceed the limits laid down in Sections 198 and 309 and Schedule XIII of the Companies Act, 1956 or any other statutory provision, modification or re-enactment thereof."

"RESOLVED further that the remuneration specified above for Mr. V. Subramaniam may, subject to overall ceiling specified above

and subject to Schedule XIII of the Companies Act, 1956, be modified as may be agreed to by the Company and Mr. V. Subramaniam, Director - Operations."

"RESOLVED further that the perquisites mentioned above be interchangeable within the overall ceiling of the annual salary of Mr. V. Subramaniam, Director - Operations."

"RESOLVED further that the Board of Directors be and are hereby authorised to take such steps, as may be considered necessary, to implement the aforesaid Resolutions."

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

SPECIAL RESOLUTION

"RESOLVED that subject to the approval of the Central Government under Section 21 and other applicable provisions, if any, of the Companies Act, 1956, the name of the Company be changed from "Best & Crompton Engineering Limited" to "Best & Crompton Engg. Ltd", with or without the style's and the name "Best & Crompton Engineering Limited" wherever it appears in the Memorandum and Articles of Association and in all other records of the Company be substituted accordingly.

13. **Alteration of Memorandum of Association (Registered Office Clause)**

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

SPECIAL RESOLUTION

"RESOLVED that the Memorandum of Association of the Company be altered in the following manner :-

In Clause 2, the word "Madras" shall be substituted with the word "Chennai".

14. **Alteration of Articles of Association**

To consider, and if, thought fit, to pass, with or without modification the following resolutions as Special Resolutions:-

SPECIAL RESOLUTION

- A. "RESOLVED that the Articles of Association of the Company be altered in the following manner :-

After existing sub-clause 23 of Article 2 of the Articles of Association of the Company, the following new sub-clause shall be inserted as sub-clause 24:-

- (i) 'Depositories Act 1996' shall mean the Depositories Act, 1996 and include any statutory modification or re-enactment thereof and
- (ii) 'Depository' shall mean a Depository as defined under Depositories Act, 1996.
- (iii) 'Beneficial Owner' shall mean the beneficial owner as defined in the Depositories Act, 1996."

- B. The existing Article 11 be deleted and the following be substituted therefor as Article 11:-

"11. Save as herein otherwise provided, the Company shall be entitled to keep the person whose name appears in the Register of Members as the holder of any share or whose name appears as the beneficial owner of any share in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami, trust 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."

After the existing Article 73(A), the following main heading, marginal heading and the new Article be inserted as Article 73(B) :-

"73(B), Procedures pursuant to Depositories Act, 1996, notwithstanding anything contained in these Articles, the Company

Best & Crompton Engineering Limited

shall be entitled to dematerialise/rematerialise all or some of its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer all or some of its shares, debentures and other securities for subscription or holding thereof in a dematerialised form and to rematerialise any or all of them as the Directors may decide. The provisions in these Articles regarding certificates or other documents evidencing shares/debentures/other securities of the Company; transfer/transmission; or any matter relating to the shares/debentures/ other securities, which are in a materialised form, shall, either not apply or apply only to the extent and in the manner required in terms of the provisions of the Depositories Act, 1996 to such of those shares/debentures/other securities, which have been dematerialised and/or held in electronic and fungible form."

- C. Wherever the word "Madras" with the meaning of the city of Madras appears in the Articles of Association, the same be substituted with the word "Chennai."

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

ORDINARY RESOLUTION

"RESOLVED that pursuant to the requirements of Section 372 and other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government and such other bodies, as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for the investment of the Company's funds upto Rs. 5 crores by subscriptions in the Equity Shares in the Share Capital of the Company under incorporation under the name "Beacon Holding & Investments Limited" or such other name as may be registered, notwithstanding that the said investment may exceed the limits prescribed in the provisions of Section 372 of the Companies Act, 1956.

"RESOLVED further that the Board of Directors be and is hereby authorised to take such steps, as may be considered necessary, for obtaining approvals, statutory, contractual, or otherwise in relation to such investment, to settle all matters arising out of and incidental thereto and to sign and execute all deeds, applications, documents and writings that may be required on behalf of the Company in connection with such investment and generally to do all acts, deeds and things that may be considered necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

16. To consider and if, thought fit, to pass with or without modification, the following as an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 :-

ORDINARY RESOLUTION

"RESOLVED that consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions of the Companies Act, 1956 to the Board of Directors of the Company to transfer/sell/otherwise dispose of the properties of the Company, as indicated hereunder, on such terms and conditions, as may be determined by the Board of Directors of the Company".

Details of Properties

The whole of the properties situate at 22, Cenotaph Road, II Lane and Plot No.16, Chitaranjan Road, Teynampet, Chennai - 600 018, within the Registration Office of Mylapore, Chennai.

"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to negotiate and finalize the aforesaid transaction in respect of the said property and to do all acts and deeds to give effect to the above Resolution."

17. To consider and if, thought fit, to pass with or without modification, the following as an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 :-

ORDINARY RESOLUTION

"RESOLVED that consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) other applicable provisions of the Companies

Act, 1956 to the Board of Directors of the Company for mortgaging and/or charging certain properties of the Company as indicated hereunder to the Agent and Trustee holders of 12.5% non-convertible debentures for a total nominal value of Rs. 20 Crores to the Hongkong and Shanghai Banking Corporation Limited, Chennai, on such terms and conditions, as may be determined by the Board of Directors of the Company, together with interest, costs, commitment charges and other charges, expenses, if any, payable by the Company in respect of such Debentures :-

- First legal mortgage, in favour of the Trustees, of the Company's immovable properties at Kalol in the State of Gujarat.
- A floating charge on all other assets of the Company subject to prior charges created in favour of Trustees in respect of debenture series VI and prior charges and/are to be created in favour of the Company's Bankers on the Company's stocks of raw materials, semi-finished and finished goods, consumable stores and such other movables as may be agreed to by the Trustees for securing the borrowings for working capital requirements in the ordinary course of business.

The mortgage and charge in respect of the Debenture issue aggregating to Rs. 20 Crores shall rank pari passu with the existing mortgage/charge in favour of the Trustees of VI Series Debenture of Rs. 19,06,10,000 and the Bankers towards guarantee issued by them and any future mortgage/charges to be created in favour of Bankers/Institutions/others towards overdraft, loans and or other non funded facilities.

"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to finalise with the Agent and Trustees, the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above Resolution".

By Order of the Board

V. P. THIRUMOORTHY
Company Secretary

Chennai
July 25, 1998.

NOTES:

- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the Meeting.
- The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
- The Register of Members and the Share Transfer Books of the Company will remain closed from September 10 to September 24, 1998 (both days inclusive).
- Members are requested to notify immediately any change in their addresses to the Company's Secretarial Department, 39, Industrial Estate (North), Ambattur, Chennai — 600 098.
- Members are requested to quote Register Folio Numbers in all their correspondence.
- Members holding Shares of the Company under more than one Register Folio are requested to send the details of all such Folios together with the Share Certificates for consolidating the Folios into one. The Share Certificates will be returned to the members after making the requisite endorsement thereon.
- Members attending the Annual General Meeting are requested to bring with them the following:
 - Copy of the Annual Report and Notice, as no copies thereof would be distributed at the Meeting.
 - The Attendance Slip of a person actually attending the Meeting either as a Member or as a duly registered proxy will be accepted.
- Shareholders desiring any information are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**Re. Item No. 4****Appointment of Mr. S. Venkitaramanan I.A.S. (Retd.) as Director**

Mr. S. Venkitaramanan I.A.S. (Retd.), who has been appointed as an Additional Director, effective April 3, 1998, pursuant to Section 260 of the Companies Act, 1956, holds office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment. Notice under Section 257 of the Companies Act, 1956 proposing his name as a Director of the Company along with the requisite deposit of Rs. 500/- has been received from a shareholder signifying his intention to propose the candidature of Mr. S. Venkitaramanan for the office of Director.

Mr. S. Venkitaramanan is an eminent person, who has vast experience in the Government, Banking and Industrial Sectors. He was-

- i. Additional Secretary - Industries, Government of Tamil Nadu/Chairman, Tamil Nadu Industrial Development Corporation (TIDCO).
- ii. Secretary, Finance - Government of Tamil Nadu
- iii. Deputed by Government of Tamil Nadu to be Vice-Chairman and President of SPIC.
- iv. Secretary - Power, Government of India
- v. Secretary - Finance, Government of India
- vi. Advisor to Governor of Karnataka
- vii. Governor - Reserve Bank of India

He is Presently,

- i. Member, State Planning Commission, Government of Tamil Nadu.
- ii. Member of High Power Committee, Ministry of Industries, Government of India under Hon'ble Mr. Justice S. Mohan to look into the salary structure of Chief Executives of Public Sector Undertakings.
- iii. Director, SPIC
- iv. Director, SPIC Petro Chemicals Limited
- v. Chairman, Ashok Leyland Investment Services Limited
- vi. Chairman, Ashok Leyland Finance Limited
- vii. Director, Reliance Industries Limited, Nominee of ICICI
- viii. Chairman, New Tirupur Infrastructure Development Authority
- ix. Director, Nicholas Piramal Industries
- x. Director, Kothari Pioneer Asset Management Company
- xi. Director, Kothari International Trading Company

With his vast experience and exposure in Private and Public Sectors and State and Central Government, Mr. S. Venkitaramanan, I.A.S. (Retd.), would be able to guide your Company towards better future.

None of the Directors, except Mr. S. Venkitaramanan I.A.S. (Retd.) is in any way concerned or interested in this Resolution.

planning. He has the international exposure in the industrial scenario throughout the world and has been able to guide the fortunes of the New Promoter with success. His keen insight into corporate affairs both in India and abroad, will help in framing the policies of the Company.

Mr. M. Arunachalam has the benefit of dealing with employees at all levels in the Countries where the New Promoter Group has its operations. This experience will be definitely used in assisting the Board in framing the management policies of the Company, to ensure better work environment and harmonious relationship between the employees and the management.

None of the Directors, except Mr. M. Arunachalam, is in any way concerned or interested in this Resolution.

Re. Item No. 6 & 7**Appointment of Mr. S. K. Mahajan as Whole-Time Director**

Mr. S. K. Mahajan was appointed on the Board as a Director, on December 31, 1997, nominated by the New Promoter. The Hon'ble High Court of Madras, on April 3, 1998, while dismissing the winding up petitions pending against the Company, ordered the discharge of the Interim Board of Directors as of April 3, 1998, and permitted the nominees of the New Promoter to continue as Directors till the forthcoming General Meeting.

In view of the above, Mr. S. K. Mahajan holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment. Notice under Section 257 of the Companies Act, 1956 proposing his name as a Director of the Company along with the requisite deposit of Rs. 500/- has been received from a shareholder signifying his intention to propose the candidature of Mr. S. K. Mahajan for the office of Director.

Mr. S. K. Mahajan is an Engineering Graduate and has a sound Engineering background and has had the benefit of exposure in various industries at the shop floor and at the corporate level. With this background, he has the added advantage of dealing and optimising manpower utilisation at all levels.

Mr. S. K. Mahajan has been the guiding force in the revival of highly sophisticated organisations and turned them around into profit making units. With this experience and exposure in all fields of corporate administration, he will be in a position to guide the revival of this Company to its earlier level of success and profitability.

Mr. S. K. Mahajan has been appointed as a Whole-Time Director, designated as President & Director, by the Board of Directors effective April 24, 1998.

Statement dated April 24, 1998 under Section 302 of the Companies Act, 1956, with regard to the appointment of Mr. S. K. Mahajan as President & Director has already been sent to all the Shareholders.

None of the Directors, except Mr. S. K. Mahajan, is in any way concerned or interested in this Resolution.

Re. Item No. 8 & 9**Appointment of Mr. B. Viswanathan as Whole-Time Director**

Mr. B. Viswanathan was appointed on the Board as a Director, on December 31, 1997, nominated by the New Promoter. The Hon'ble High Court of Madras, on April 3, 1998, while dismissing the winding up petitions pending against the Company, ordered the discharge of the Interim Board of Directors as of April 3, 1998, and permitted the nominees of the New Promoter to continue as Directors till the forthcoming General Meeting.

In view of the above, Mr. B. Viswanathan holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment. Notice under Section 257 of the Companies Act, 1956 proposing his name as a Director of the Company along with the requisite deposit of Rs. 500/- has been received from a shareholder signifying his intention to propose the candidature of Mr. B. Viswanathan for the office of Director.

Mr. B. Viswanathan is an Engineering Graduate with a MBA in Finance. He is a gold medalist from the Premier Management Institution IIM - Calcutta. He has held senior positions in Asian Paints and has experience and exposure in dealing with the volatile primary and secondary share markets.

Re. Item No. 5**Appointment of Mr. M. Arunachalam as Director**

Mr. M. Arunachalam was appointed on the Board as a Director, on September 11, 1997, nominated by the New Promoter. The Hon'ble High Court of Madras, on April 3, 1998, while dismissing the winding up petitions pending against the Company, ordered the discharge of the Interim Board of Directors as of April 3, 1998, and permitted the nominees of the New Promoter to continue as Directors till the forthcoming General Meeting.

In view of the above, Mr. M. Arunachalam holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment. Notice under Section 257 of the Companies Act, 1956 proposing his name as a Director of the Company along with the requisite deposit of Rs. 500/- has been received from a shareholder signifying his intention to propose the candidature of Mr. M. Arunachalam for the office of Director.

Mr. M. Arunachalam is the Managing Director of M/s Fulltech Investments Limited, Hongkong, and Director in M/s B&C Holdings Limited, British Virgin Islands. He has a very sound background and experience in corporate financial

Best & Crompton Engineering Limited

Mr. B. Viswanathan has experience in financial and budgetary planning; with his experience and exposure in financial matters, and his expertise in planning and evolving systems on financial controls, the Company is expected to use the resources for better returns.

Mr. B. Viswanathan has been appointed as a Whole-Time Director, designated as Director-Finance, by the Board of Directors effective April 24, 1998.

Statement dated April 24, 1998 under Section 302 of the Companies Act, 1956, with regard to the appointment of Mr. B. Viswanathan as Director - Finance has already been sent to all the Shareholders.

None of the Directors, except Mr. B. Viswanathan, is in any way concerned or interested in this Resolution.

Re. Item No. 10 & 11**Appointment of Mr. V. Subramaniam as Whole-Time Director**

Mr. V. Subramaniam, who has been appointed as an Additional Director effective August 24, 1998 pursuant to Section 260 of the Companies Act, 1956 holds office only upto the date of the ensuing Annual General Meeting of the Company and is eligible for election. Notice under Section 257 of the Companies Act, 1956 proposing his name as a Director of the Company along with the requisite deposit of Rs. 500/- has been received from a shareholder signifying his intention to propose the candidature of Mr. V. Subramaniam for the office of Director.

Mr. V. Subramaniam has been appointed as a Whole-Time Director, designated as Director-Operations, by the Board of Directors effective August 24, 1998.

Mr. V. Subramaniam is an Engineering Graduate with a MBA from IIM, Bangalore. He has held senior positions in large industrial houses and he has varied experience in the Corporate Affairs. He has been actively involved in the Revival Plan of the Company.

Resolution under this item together with the relative explanatory statement may be treated as an abstract of the terms and conditions of service of Mr. V. Subramaniam under Section 302 of the Companies Act, 1956.

None of the Directors, except Mr. V. Subramaniam, is in any way concerned or interested in this Resolution.

Re. Item No. 12

Consequent upon the Amalgamation and Merger of Best & Co, Ltd., with Crompton Engineering Ltd, in the year 1975, the name of the Company was registered with the name and style of Best & Crompton Engineering Limited and has been functioning since 1975 under the same name and style.

It is proposed to abbreviate the name of your Company and also introduce a logo. The abbreviated form of the name of the Company would be "Best & Crompton Engg. Ltd."

If the change of name is approved, certificates of shares/securities already issued will not be called in for the purpose of exchange into certificates bearing the new name. The existing certificates will continue to be accepted for all purposes, as indicating entitlement to shares/securities of the Company.

The Directors recommend this Resolution for approval by the Members.

None of the Directors is interested in this Resolution.

Re. Item No. 13**Alteration of Memorandum of Association**

The name of the City of "Madras" has been statutorily changed as "Chennai".

The Directors recommend this Resolution for approval by the Members.

None of the Directors of the Company is in any way interested or concerned in this Resolution.

Re. Item No. 14**Alteration of Articles of Association**

The Depositories Act, 1996 has introduced the concept of dematerialisation of shares/debentures/other securities.

It is proposed to add new Clauses pertaining, to issue, transfer and other dealings in shares and securities as also certificates thereof, in view of the fact that the same have been amended after enactment of the Depositories Act, 1996 and introduction of the Depository System.

Consequently, addition of new provisions of Articles of Association of the Company pertaining to issue, holding and dealing in shares and securities, which are to be brought in line with the aforesaid amendment is proposed.

The Directors recommend this Resolution for approval by the Members.

None of the Directors of the Company is in any way concerned or interested in the above Resolutions.

Re. Item No. 15

The Board of Directors considered it advisable in the long term interests of the Company to invest in the share capital of a Company proposed to be incorporated under the name and style of "Beacon Holding & Investments Limited" or such other name (Investee Company) as may be approved by the Central Government and agreed to by the Board thereafter. Consequent to the said investment, the proposed Company will become a wholly owned Subsidiary of your Company.

The Investee Company would undertake Projects in the areas of Power and other Infrastructural Sectors, Software, Property Development, and other Projects considered profitable either by itself or through other Subsidiaries/Associate Companies or Joint Ventures promoted by the Investee Company. Your Board of Directors are of the opinion that such an investment will be in the long term interests of your Company.

For incorporating the Subsidiary Company, approval of the members and the Central Government under the provisions of Section 372 of the Companies Act, 1956 is required.

Accordingly, the proposal is being placed for approval of the members for making investment in the Equity Shares of the new Subsidiary Company and authorising the Board of Directors to decide on the timing of the said investment and to take all necessary steps.

Some among the Directors of your Company may also be appointed as Directors of the said new Company and subject to the same none of the Directors of the Company is concerned or interested in the said Resolutions as on date.

Re. Item No. 16

The Company has prime property situate at 22, Cenotaph Road, II Lane and Plot No.16, Chitaranjan Road, Teynampet, Chennai - 600 018. It is proposed to incorporate a Company to develop and utilize the property to achieve optimum returns for the Company. It is proposed to transfer/sell/dispose of the property admeasuring 56 grounds to the proposed Company.

Some among the Directors of your Company may also be appointed as Directors of the said new Company and subject to the same none of the Directors of the Company is concerned or interested in the said Resolution as on date.

Re. Item No. 17

As part of the revival scheme of your Company, the Company had entered into an agreement with the Hongkong and Shanghai Banking Corporation Limited (HSBC), Chennai for subscription by the Bank to non-convertible debentures for a total nominal value of Rs. 20 Crores with interests, costs, commitment charges and other charges, expenses, if any, payable by the Company in respect of such debentures. As per the subscription agreement, your Company is to create a Trust to administer the said debenture issue and as security to create a mortgage on the properties of your Company situate at Kalol, in the state of Gujarat in favour of the Trustees.

Accordingly, the proposal is being placed for approval of the members for creation of a Trust for the aforesaid debentures and authorising the Board of Directors to finalize the documents for creating the charge.

None of the Directors is interested in this Resolution.

Inspection of Documents/Resolutions.

The Memorandum and the Articles of Association of the Company and copies of Documents/Resolutions referred to in the items hereinabove will be available for inspection by members at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day of the Company till the date of the Annual General Meeting.

By Order of the Board

Chennai
July 25, 1998

V.P. THIRUMOORTHY
Company Secretary