

ANNUAL REPORT 2000-2001

RHEL

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Bharat Heavy Electricals Limited

BOARD OF DIRECTORS

(As on 23.08.2001)

K.G. Ramachandran*Chairman and Managing Director***K.K. Jaswal***Director***Pradeep Kumar***Director*

(Upto 09.03.2001)

S.V. Bhawe*Director*

(From 09.03.2001)

J.Jayaraman*Director*

(Upto 14.12.2000)

Dr. J.J. Irani*Director*

(Upto 14.12.2000)

Shekhar Datta*Director*

(Upto 14.12.2000)

Ms. Tarjani Vakil*Director*

(Upto 14.12.2000)

K.C. Lahiry*Director (Power)*

(Upto 30.11.2000)

K.S. Rao*Director (IS&P)*

(Upto 30.09.2000)

Ishan Shankar*Director (Personnel)***M.K. Mittal***Director (ER&D)***R.N. Agarwal***Director (Finance)*

(Upto 30.11.2000)

H.W. Bhatnagar*Director (IS&P)*

(From 04.10.2000)

R.C. Aggarwal*Director (Power)*

(From 01.12.2000)

C. Srinivasan*Director (Finance)*

(From 30.03.2001)

Anand Patkar*Director*

(From 15.06.2001)

A.C. Wadhawan*Director*

(From 15.06.2001)

G.P. Gupta*Director*

(From 14.08.2001)

A.K. Chakraborty*Company Secretary*

(Upto 11.12.2000)

N.K. Sinha*Company Secretary*

(From 11.12.2000)

MANAGEMENT COMMITTEE

(As on 01.08.2001)

K.G. Ramachandran - Chairman & Managing Director**Ishan Shankar**

- Personnel
- Human Resource Development Institute
- Health, Safety, Environment
- International Operations Business
- Corporate Communication

M.K. Mittal

- Engg. Research & Development
- Corporate Research & Development
- Component Fabrication Plant

H.W. Bhatnagar

- Industrial Systems & Products Business
- Industrial Systems Group
- Ceramic Business Unit

R.C. Aggarwal

- Power Business
- Power Sector Regions-North, East, South & West
- Project Engineering Management

C. Srinivasan

- Finance
- Internal Audit & Taxation
- Financial Services
- Project Finance

R.C. Jain

- Corporate Personnel & Administration
- Information Technology
- Productivity Group

Krishan Kumar

- Power Sector - Commercial Management
- Integrated Spares Business

V.P. Singh

- Corporate Planning & Development

Virendra Kumar

- Heavy Power Equipment Plant

S.S. Rao

- Power Sector - Personnel & Administration
- Power Sector - Management Services

V.K. Gopinath

- High Pressure Boiler Plant
- Seamless Steel Tube Plant
- Boiler Auxiliaries Plant
- Industrial Valves Plant
- Piping Centre
- Welding Research Institute

Dr. T. Adhikari

- Industry Sector Business
- Transmission Business
- Regional Operations Division

S.N. Roy

- Heavy Electrical Plant
- Transformer Plant
- Electrical Machines Repair Plant

A.K. Puri

- Electronics Division
- Electronics Systems Division

A.N. Jagadeeswaran

- Power Sector - Southern Region

Baboo Ram

- Power Sector - Quality, Technical Services & Project Management

S.K. Jain

- Heavy Electrical Equipment Plant
- Central Foundry Forge Plant
- Pollution Control Research Institute
- Heavy Equipment Repair Plant

B.K. Mahajan

- Power Sector - Western Region

A.K. Chakraborty

- Corporate Finance

A.K. Mathur

- Power Sector - Northern Region

A. Bhattacharya

- Secretary, Management Committee



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Bharat Heavy Electricals Limited

Regd. Office : BHEL House, Siri Fort, New Delhi - 110 049

FORM OF PROXY

FOLIO/ID NO.

NO. OF SHARES

I/We
 of
 in the district of
 being a member/members of the above named Company, hereby appoint
 of in the District of or failing
 him/her
 of in the District
 of as my/our
 proxy to vote for me/us on my/our behalf at the 37th Annual General Meeting of the Company to be held on 28th
 September 2001 and at any adjournment thereof.
 Signed this day of 2001.

Affix One
 Rupee
 Revenue
 Stamp

- Notes : a) The form should be signed across the stamp as per specimen signature registered with the Company.
 b) The form should be deposited at the Registered office of the Company forty-eight hours before the time
 for holding the Meeting.

Bharat Heavy Electricals Limited

Regd. Office : BHEL House, Siri Fort, New Delhi - 110 049

ATTENDANCE SLIP

37th ANNUAL GENERAL MEETING
 to be held on Friday, the 28th day of September 2001
 at 10.00 AM at FICCI Auditorium, Barakhamba Road, New Delhi-110 001.

NAME OF THE ATTENDING MEMBER
 (IN BLOCK LETTERS)

Folio / ID No.

NO. OF SHARES HELD

NAME OF PROXY
 (in BLOCK LETTERS, TO BE FILLED
 IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)

I hereby record my presence at the 37th Annual General Meeting on 28th September 2001.

Signature of Member/Proxy

THIS ATTENDANCE SLIP DULY FILLED TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL



Bharat Heavy Electricals Limited

Regd. Office: BHEL House, Siri Fort, New Delhi-110 049

NOTICE

Notice is hereby given that the 37th Annual General Meeting of the Members of BHARAT HEAVY ELECTRICALS LIMITED will be held on 'Friday' the 28th September, 2001 at 10.00 A.M. at FICCI Auditorium, Barakhamba Road (Tansen Marg), New Delhi-110001, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2001 and the Profit & Loss Account for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Ishan Shankar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri M. K. Mittal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri K. K. Jaswal, who retires by rotation and being eligible, offers himself for re-appointment.
6. To fix the remuneration of the Auditors.

SPECIAL BUSINESS

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

"RESOLVED THAT Shri H. W. Bhatnagar, who was appointed as a Director pursuant to Article 67 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and who holds Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."
8. To consider and, if thought fit, to pass with or without

modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri R. C. Aggarwal, who was appointed as a Director pursuant to Article 67 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and who holds Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 257 of the Companies Act, 1956, 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 resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri S. V. Bhawe, who was appointed as a Director pursuant to Article 67 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and who holds Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT Shri C. Srinivasan, who was appointed as a Director pursuant to Article 67 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and who holds Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 257 of the Companies Act, 1956, 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 resolution as an **Ordinary Resolution**:

"RESOLVED THAT Dr. Anand Patkar, who was appointed as a Director pursuant to Article 67 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and who holds Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT Shri A. C. Wadhawan, who was appointed as a Director of the Company pursuant to Article 67 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and who holds Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT Shri G. P. Gupta, who was appointed as a Director pursuant to Article 67 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and who holds Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT, pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Department of Heavy Industry, Ministry of Heavy

Industries & Public Enterprises, Govt. of India, the limit of maximum no. of directors fixed under Article 66 of the Articles of Association of the Company, be increased from 15 (fifteen) to 18 (eighteen) so that the amended Article reads as follows:

66. Until otherwise determined by the Company in a general meeting, the number of Directors shall be not less than 3 (three) and not more than 18 (eighteen). The Directors are not required to hold any qualification shares."	Number of Director
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15. 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 Articles of Association, consent of the Company be and is hereby accorded in terms of provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to create mortgages and/or charges, with the right to extend the same at any point of time, on all or any of the movable and immovable assets, present and/or future of the Company, wherever situated and/or whole of the undertaking of the Company, in such form and manner as may be deemed fit, for the purpose of securing by way of charge in respect of the following:

- A. Secured Redeemable Non-Convertible Debentures/ Bonds of Rs. One crore each, of the aggregate nominal value of Rs. 500 crores, with the power to split the bonds into smaller denomination as may be desired by the investors, issued to the Financial Institutions/Investment Banks etc. on private placement basis, to part finance the core margin money for working capital requirement of the Company/modernisation & upgradation of facilities/financing of VRS payments etc.
- B. Interest at the respective agreed rates, compound interest, additional interest, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Financial Institutions/ Investment Banks in terms of their respective



Trust Deeds/Subscription Agreements/ Loan Agreements/ Heads of Agreements/ Letters of Sanction/ Memorandum of Terms and Conditions entered into/to be entered into by the Company, in respect of the said term loans/ assistance."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to implement the aforesaid resolution."

By Order of the Board of Directors
Sd/-
(N. K. SINHA)
COMPANY SECRETARY

New Delhi

Dated: 24th August 2001

Registered Office:

"BHEL House", Siri Fort, New Delhi-110 049.

Notes:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS (48 HRS) BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED.
2. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business as set out above is annexed hereto.
3. Brief resume of each of the Directors proposed for appointment and re-appointment is given as Annexure-6 to the Directors' Report.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 10th September, 2001 to 28th September, 2001 (both days inclusive) for the purpose of payment of dividend, if any, approved by the Members.
5. The dividend on the Equity Shares as recommended by the Board of Directors for the year ended 31st March, 2001 when sanctioned at the Annual General Meeting of the Company will be payable within 30 days from the date of declaration of dividend by the members

i.e. on or before 27th October, 2001, to those shareholders whose name appears on the Company's Register of Members or as the beneficial owner of shares in the records of the Depository as on Monday, the 10th September, 2001.

6. Pursuant to Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March 1995 and thereafter which remains unpaid for a period of 7 years will be transferred to the Investor's Education & Protection Fund of the Central Government. Members who have not claimed/ encashed the Dividend Warrant(s) so far for the financial years 1995 onwards are requested to make their claim to the Company. Members may note that once the dividend is transferred to the Investor's Education & Protection Fund of the Central Government, no claim shall lie in respect thereof.
7. Pursuant to Section 619(2), as amended by the Companies Act of 2000, the Auditors of a Government Company shall be appointed or re-appointed by the Comptroller and Auditor General of India and in terms of Clause (aa) inserted in sub-section (8) of Section 224 of the Amendment Act, 2000 their remuneration has to be fixed by the Company in the Annual General Meeting. The appointment of Statutory Auditors of the Company for the year 2001-2002 is awaited from CAG of India. The remuneration of Auditors for the year 2000-2001 was Rs.13,65,000/- plus service tax. The General Meeting may, authorise the Board to fix up an appropriate remuneration of Auditors for the year 2001-2002 after taking into consideration the increase in volume of work and prevailing inflation.
8. Members are requested to notify immediately any change of address:
 - a. to their Depository Participants (DPs) in respect of their electronic share accounts, and
 - b. to the Company at its Registered Office in respect of their physical shares, if any, quoting their folio number, Banker's name and account number to ensure prompt and safe receipt of dividend warrants.
9. Members attending the meeting are requested to complete the enclosed Attendance Slip and deliver the same at the entrance of the meeting venue. However, entry to the Auditorium will be strictly on the basis of the entry slip available at the counters at the venue

and to be exchanged with attendance slip.

10. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company at an early date so that the information required can be made readily available at the meeting.
11. Members are requested:-
 - a. to bring their copies of Annual Report, Notice and Attendance Slip at the time of the meeting.
 - b. to quote their Folio Nos. in all correspondence.
 - c. to note that no briefcase or bag will be allowed to be taken inside the auditorium for security reasons.
 - d. to note that no gifts will be distributed in the AGM.

By Order of the Board of Directors

Sd/-

(N.K.Sinha)

COMPANY SECRETARY

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following explanatory statement sets out the material facts relating to the business mentioned in items No. 7 to 15 of the accompanying Notice dated 24th August 2001.

ITEM NO. 7

Shri H. W. Bhatnagar aged 56 years is a Mechanical Engineer. As per the direction of the Govt. of India, Shri Bhatnagar was appointed as Director (IS&P) of the Company w.e.f. 04.10.2000 to hold the Office till 28.02.2005 i.e. the date of his superannuation. Having been so appointed, Shri Bhatnagar holds office till the ensuing Annual General Meeting by virtue of Section 260 of the Companies Act, 1956 read with Article 67(iv) of the Articles of Association of the Company, and is eligible for re-appointment.

In terms of Section 257 of the Companies Act 1956, the Company has received a Notice in writing along with a deposit of Rs.500/- from the Director himself proposing his candidature for the Office of Director of the Company.

None of the Directors of the Company except Shri Bhatnagar is in any way concerned or interested in the resolution.

The Board of Directors commends the resolution for approval of the shareholders.

ITEM NO. 8

Shri R. C. Aggarwal aged 57 years is an Electrical Engineer. As per the direction of the Govt. of India, Shri Aggarwal was appointed as Director (Power) of the Company w.e.f. 01.12.2000 to hold the Office till the date of his superannuation on attaining the age of 60 years. Having been so appointed, Shri Aggarwal holds office till the ensuing Annual General Meeting by virtue of Section 260 of the Companies Act, 1956 read with Article 67(iv) of the Articles of Association of the Company, and is eligible for re-appointment.

In terms of Section 257 of the Companies Act 1956, the Company has received a Notice in writing along with a deposit of Rs.500/- from the Director himself, proposing his candidature for the Office of Director of the Company.

None of the Directors of the Company except Shri Aggarwal is in any way concerned or interested in the resolution.

The Board of Directors commends the resolution for approval of the shareholders.

ITEM NO. 9

Shri S. V. Bhawe, IAS, aged 53 years is the Joint Secretary to the Government of India, Ministry of Heavy Industries and Public Enterprises, Department of Heavy Industry. As per the direction of the Government of India, Shri Bhawe was appointed as a Director of the Company with effect from 09.03.2001. Having been so appointed, Shri Bhawe holds office till the ensuing Annual General Meeting by virtue of Section 260 of the Companies Act, 1956 read with Article 67(iv) of the Articles of Association of the Company, and is eligible for re-appointment.

In terms of Section 257 of the Companies Act 1956, the Company has received a Notice in writing along with a deposit of Rs.500/- from the Director himself, proposing his candidature for the Office of Director of the Company.

None of the Directors of the Company except Shri Bhawe is in any way concerned or interested in the resolution.

The Board of Directors commends the resolution for approval of the shareholders.

ITEM NO. 10

Shri C. Srinivasan aged 56 years is a fellow member of the Institute of Cost & Works Accountants of India (FICWA). As



per the direction of the Govt. of India, Shri Srinivasan was appointed as a Director of the Company w.e.f. 09.03.2001 (He assumed charge of the post of Director (Finance) on 30.03.2001) to hold the Office for a period of five years or till the date of his superannuation, whichever event occurs earlier. Having been so appointed, Shri Srinivasan holds office till the ensuing Annual General Meeting by virtue of Section 260 of the Companies Act, 1956 read with Article 67(iv) of the Articles of Association of the Company, and is eligible for re-appointment.

In terms of Section 257 of the Companies Act 1956, the Company has received a Notice in writing along with a deposit of Rs.500/- from the Director himself, proposing his candidature for the Office of Director of the Company.

None of the Directors of the Company except Shri Srinivasan is in any way concerned or interested in the resolution.

The Board of Directors commends the resolution for approval of the shareholders.

ITEM NO. 11

Dr. Anand Patkar aged 49 years is a Management Consultant. As per the direction of the Govt. of India, Dr. Patkar was appointed as a Director of the Company w.e.f. 15.06.2001 to hold the Office for a period of three years i.e. upto 14.06.2004. Having been so appointed, Dr. Patkar holds office till the ensuing Annual General Meeting by virtue of Section 260 of the Companies Act, 1956 read with Article 67(iv) of the Articles of Association of the Company, and is eligible for re-appointment.

In terms of Section 257 of the Companies Act 1956, the Company has received a Notice in writing along with a deposit of Rs.500/- from the Director himself, proposing his candidature for the Office of Director of the Company.

None of the Directors of the Company except Dr. Patkar is in any way concerned or interested in the resolution.

The Board of Directors commends the resolution for approval of the shareholders.

ITEM NO. 12

Shri A. C. Wadhawan aged 63 years is a Metallurgical Engineer. As per the direction of the Govt. of India, Shri Wadhawan was appointed as a Director of the Company w.e.f. 15.06.2001 to hold the Office for a period of three years i.e. upto 14.06.2004. Having been so appointed, Shri Wadhawan holds office till the ensuing Annual General Meeting by virtue of Section 260 of the Companies Act, 1956

read with Article 67(iv) of the Articles of Association of the Company, and is eligible for re-appointment.

In terms of Section 257 of the Companies Act 1956, the Company has received a Notice in writing along with a deposit of Rs.500/- from the Director himself, proposing his candidature for the Office of Director of the Company.

None of the Directors of the Company except Shri Wadhawan is in any way concerned or interested in the resolution.

The Board of Directors commends the resolution for approval of the shareholders.

ITEM NO. 13

Shri G. P. Gupta aged 60 years is a post graduate in Commerce. As per the direction of the Govt. of India, Shri Gupta was appointed as a Director of the Company w.e.f. 14.08.2001 to hold the Office for a period of three years i.e. upto 13.08.2004. Having been so appointed, Shri Gupta holds office till the ensuing Annual General Meeting by virtue of Section 260 of the Companies Act, 1956 read with Article 67(iv) of the Articles of Association of the Company, and is eligible for re-appointment.

In terms of Section 257 of the Companies Act 1956, the Company has received a Notice in writing along with a deposit of Rs.500/- from the Director himself, proposing his candidature for the Office of Director of the Company.

None of the Directors of the Company except Shri Gupta is in any way concerned or interested in the resolution.

The Board of Directors commends the resolution for approval of the shareholders.

ITEM NO. 14

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors of the Company shall have an optimum combination of executive and non-executive Directors with not less than fifty percent of the Board of Directors comprising non-executive Directors and in case of an executive Chairman, at least half of the Board should comprise Independent Directors.

For this purpose, the term 'Independent Directors' means directors who, apart from receiving directors' remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries which, in the judgement of the board, may affect the Independence of Judgement of the director.

Presently, BHEL's Board consists of 11 (eleven) Directors comprising CMD, five whole time executive directors (Functional Directors), two Govt. nominees representing the Ministry of Industry, Govt. of India and three non-executive directors. In order to comply with the Listing requirements, it would be necessary for BHEL to reconstitute its Board by inducting in all 8 (eight) non-executive directors (Part-time non-official directors) so that half of the BHEL Board consists of Independent Directors.

The existing provisions under Article 66 of the Articles of Association restricts the maximum number of Directors to 15 (fifteen).

Your Directors, therefore, place before you the proposal and recommend amendment to Article 66 of the Articles of Association of the Company for increasing the maximum number of Directors from 15 (fifteen) to 18 (eighteen) as set out in the proposed Resolution.

A copy of the existing Memorandum and Articles of Association of the Company together with the proposed alteration are available for inspection between 3 p.m. to 5 p.m. on all working days upto the date of the Annual General Meeting.

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

The Board of Directors commends the resolution for approval of the shareholders.

ITEM NO. 15

The Company needs long term funds for financing core margin money for working capital requirement of the Company/modernisation & upgradation of facilities/ financing of VRS payments etc. With this in view the Company intends to issue Secured Non-Convertible Debentures/Bonds to

Financial Institutions /Investment Banks etc. through private placement, by creation of securities in favour of the Lenders to the Company and subject to the provisions of the Articles of Association of the Company.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Public Company shall not, without the consent of its members in a general meeting, sell, lease or otherwise dispose off (including creation of mortgage) the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking. Since the mortgages and/or charges are to be created in respect of debentures/bonds to be issued by the Company, approval of members is being sought for creation of mortgage/charges in favour of Financial Institutions/Investment Banks and Trustees for debenture/ bond holders as detailed in Item No. 15 of the Notice convening the Annual General Meeting.

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

The Board of Directors commends the resolution for approval of the shareholders.

By Order of the Board of Directors

Sd/-
(N. K. Sinha)
COMPANY SECRETARY

New Delhi.

Dated: 24th August 2001

Registered Office:
"BHEL House", Siri Fort, New Delhi-110 049.