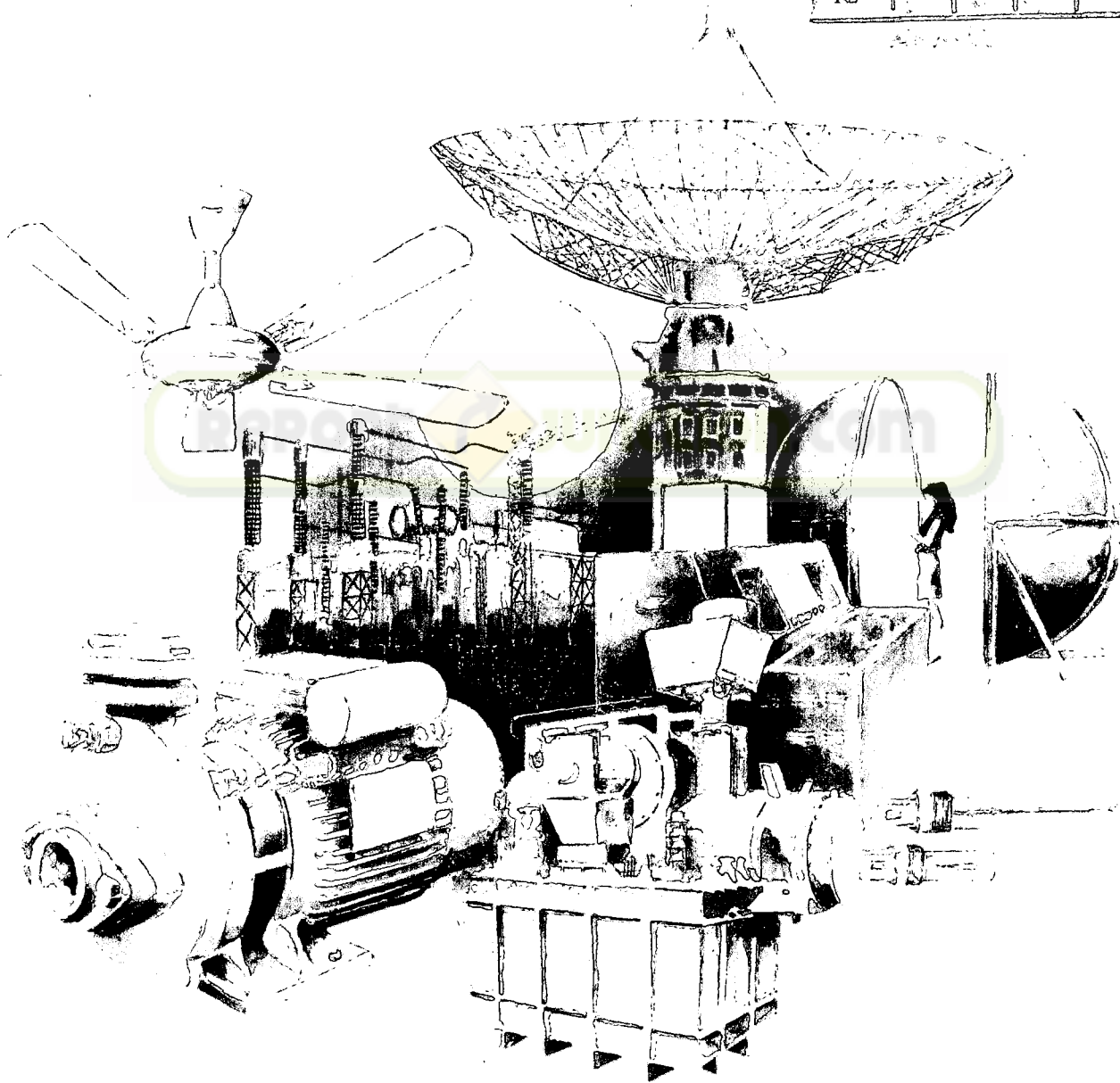


Report & Accounts

1997-98

MD			BKC	
CS			DPY	
RO			DIV	
TRA			AC	
AGM			SHI	
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CROMPTON GREAVES LIMITED

Registered Office:

1, Dr. V. B. Gandhi Marg, Mumbai 400 001.

NOTICE

Notice is hereby given that the Sixty-first Annual General Meeting of the Members of CROMPTON GREAVES LIMITED will be held on Thursday, 23rd July, 1998 at 3.30 p.m. at Patkar Hall, 1 Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020 to transact the following business:

ORDINARY BUSINESS :

Adoption of Directors' Report and Accounts

- 1 To receive and adopt the audited Profit and Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date together with the Directors' Report and the Auditors' Report thereon.

Declaration of Dividend

- 2 To declare a dividend.

Re-appointment of Directors retiring by Rotation

- 3 To appoint a Director in place of Mr R Dasgupta who retires by rotation and, being eligible, offers himself for re-appointment.
- 4 To appoint a Director in place of Mr CP Dusad who retires by rotation and, being eligible, offers himself for re-appointment.
- 5 To appoint a Director in place of Mr TK Mukherjee who retires by rotation and, being eligible, offers himself for re-appointment.

Appointment of Auditors

- 6 To appoint Auditors including Branch Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

Appointment of Director

- 7 To consider, and if thought fit to pass with or without modification, the following as an **Ordinary Resolution**:
"RESOLVED THAT Mr. Pradipta Sen be and he is hereby appointed a Director of the Company, liable to retire by rotation."

Buy-back of Shares

- 8 To consider, and if thought fit, to pass with or without modification, the following as a **Special Resolution**:
"RESOLVED THAT
 - (a) pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the following clause be added after the existing clause 8 of the Company's Articles of Association:

‘8A The Company shall, subject to and in accordance with the provisions of the Companies Act, 1956, and any amendment or re-enactment thereof which authorises the Company so to do, have the power to buy-back any of its own shares, whether fully paid-up or partly paid-up.’

- (b) the Board of Directors (which shall include any Committee which the Board may constitute or any Officer authorised by the Board for this purpose) be and it is hereby authorised to settle all matters arising out of and incidental to the above; finalise and execute all documents, deeds, agreements and other writings related thereto and further to do all other acts, deeds, matters and things as it may, in its absolute discretion, deem necessary to give effect to this Resolution.”

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

“RESOLVED THAT

- (a) pursuant to the provisions of the Companies Act, 1956 and any amendment or re-enactment thereof, as applicable, and subject to such other approvals as may be necessary, and the conditions as may be prescribed by any approving authority, which the Board of Directors (which shall include any Committee which the Board may constitute or any Officer authorised by the Board for this purpose), is hereby authorised to accept, consent of the Company be and it is hereby accorded to the Board of Directors to buy-back equity shares of the Company, whether fully paid or partly paid, on such terms and conditions as it may deem fit, provided that the amount to be utilised by the Company for such buy-back shall not exceed Rs.100 Crores in the aggregate;
- (b) the Board of Directors be and it is hereby authorised to settle all matters arising out of and incidental to the above; finalise and execute all documents, deeds, agreements and other writings related thereto and further to do all other acts, deeds, matters and things as it may, in its absolute discretion, deem necessary to give effect to this Resolution.”

Payment of Managerial Remuneration - year ended 31st March, 1998

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

“RESOLVED THAT in partial modification of the Resolution passed at the Annual General Meeting held on 19th July, 1996 and pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, and subject to the approval of the Central Government and such other approvals as may be necessary, the Company hereby approves the remuneration to Mr KK Nohria as Managing Director of the Company, for the year 1st April, 1997 to 31st March, 1998, paid in accordance with the terms approved by the Members at the Annual General Meeting held on 19th July, 1996, as Minimum Remuneration, notwithstanding that such remuneration is in excess of the limits provided by Section 309 and Schedule XIII of the Companies Act, 1956.”

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

“RESOLVED THAT in partial modification of the Resolution passed at the Annual General Meeting of the Company held on 19th July, 1996 and pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, and subject to the approval of the Central Government and such other approvals as may be necessary, the Company hereby approves the remuneration to Mr R Dasgupta as Whole-time Director of the Company, for the year 1st April, 1997 to 31st March, 1998 paid in accordance with the terms approved by the Members at the Annual General Meeting held on 19th July, 1996, as Minimum Remuneration, notwithstanding that such remuneration is in excess of the limits provided by Section 309 and Schedule XIII of the Companies Act, 1956.”

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

“RESOLVED THAT in partial modification of the Resolution passed at the Annual General Meeting of the Company

held on 19th July, 1996 and pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, and subject to the approval of the Central Government and such other approvals as may be necessary, the Company hereby approves the remuneration to Mr BM Suri as Whole-time Director of the Company, for the year 1st April, 1997 to 31st March, 1998, paid in accordance with the terms approved by the Members at the Annual General Meeting held on 19th July, 1996, as Minimum Remuneration, notwithstanding that such remuneration is in excess of the limits provided by Section 309 and Schedule XIII of the Companies Act, 1956."

NOTES:

- (a) An Explanatory Statement under Section 173 of the Companies Act, 1956, in respect of Items 7 to 12 of the Notice is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.
- (c) The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 2nd June, 1998 to Wednesday, 10th June, 1998, both days inclusive.
- (d) As required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1975, unpaid dividend amounting to Rs.2,29,552/- for the financial year 1993-94 has been transferred to the General Revenue Account of the Central Government during the year under review. The Company has sent reminders to individual Members to claim the said dividend amount, before transferring it to the Central Government. Members who have not encashed their dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra at Mumbai.

Pursuant to the above Rules, the unpaid dividend for the financial year 1994-95 will be transferred to the General Revenue Account of the Central Government after 13th September, 1998. Members are therefore requested to claim their unpaid dividend, if any, in respect of this financial year before **13th September, 1998**.
- (e) With a view to providing protection against fraudulent encashment of dividend warrants, the Members are requested to inform the Company of their Bank Account Number, name and address of the Bank by **8th July, 1998**, for incorporation of the same in the Dividend Warrant. Members will appreciate that the Company will not be responsible for any loss arising out of fraudulent encashment of dividend warrants.
- (f) **Our Share Department remains open to shareholders from 2 p.m. to 5 p.m. from Mondays to Fridays. The telephone number is 2677525 Ext.331:394. In order to enable us to provide you with more effective service, we would appreciate if you would call upon or phone our Share Department during these hours only.**

By Order of the Board

W. HENRIQUES
Company Secretary

Mumbai, 15th May, 1998

ANNEXURE TO THE NOTICE**Explanatory Statement as required under Section 173 of the Companies Act, 1956****Item 7**

Mr Pradipta Sen was appointed a Director on the Board from 19th February, 1998 in place of Mr T Garner, and pursuant to the provisions of Section 262 of the Companies Act, 1956, holds office upto the date of the forthcoming Annual General Meeting. Mr Sen is the President of BTR-India, responsible for the entire business portfolio of the BTR Group of Companies in India including management of its existing assets, development of new business and strategic direction.

In view of his extensive and varied experience, the Board considers it desirable that the Company should continue to receive the benefit of his advice and experience. His appointment is therefore recommended.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member, signifying his intention to propose the appointment of Mr Sen as a Director. This may also be treated as individual notice to the Members of the candidature of Mr Sen, pursuant to Section 257(1A) of the Companies Act, 1956.

Except Mr Sen, no other Director is concerned or interested in this Resolution.

Items 8 and 9

It is anticipated that the Companies Act, 1956 will be amended shortly and will incorporate a provision enabling companies to buy back their own shares for reduction of capital or for re-issue, subject to conditions as may be prescribed under the proposed Amendment.

It is proposed that the Articles of Association of the Company, be amended to permit the Company to buy back its own shares, subject to the necessary statutory approvals and permissions.

Section 31 of the Companies Act, 1956 provides that any change in the Articles of Association should be approved by the Members by a Special Resolution, and accordingly consent of the Members is being sought to the proposed amendment to the Company's Articles of Association.

It is felt that the buy-back of shares would provide the Company with an opportunity for utilisation of available funds advantageously, reduce the cost of servicing the share capital, contribute to improvement in the intrinsic worth of the shares and consequent benefit to the public shareholders.

The buy-back and the re-issue, if any, will be completed in accordance with the time frames and conditions as may be prescribed by the Companies Act, in respect thereof, and shall also be subject to the provisions of law in force at that time.

Since the buyback of shares has to be approved by the Members, the consent of the Members is being sought by a Special Resolution, pursuant to the provisions of the proposed amendments to the Companies Act, 1956.

The Board considers that these Resolutions are in the best interests of the Company, and therefore recommend these Resolutions for your approval.

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendment is available for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day of the Company, upto the date of the Annual General Meeting.

The Directors are concerned or interested in these Resolutions, only to the limited extent of their shareholdings in the Company, if any.

Item 10

At the Annual General Meeting held on 28th July, 1995, the Members had approved the appointment of Mr KK Nohria as Managing Director of the Company for five years from 29th August, 1995 to 28th August, 2000, on the terms and conditions set out in the Explanatory Statement thereto. At the Annual General Meeting held on 19th July, 1996, the Members had approved the revision in the remuneration of Mr KK Nohria as Managing Director, with effect from 1st April, 1996, as set out in the Explanatory Statement thereto.

The remuneration paid to Mr Nohria during the year 1st April, 1997 to 31st March, 1998, is in accordance with the approval of the Members accorded at the Annual General Meeting held on 19th July, 1996. However, since the computation of profits under Section 309(5), for the year 1st April, 1997 to 31st March, 1998, is inadequate, the remuneration is in excess of the limits prescribed by Section 309(3) and Schedule XIII of the Companies Act, 1956.

As required by Section 309 of the Companies Act, 1956, approval of the Members is being sought to the payment of remuneration to Mr KK Nohria as Managing Director of the Company, for the year 1st April, 1997 to 31st March, 1998 in accordance with the terms approved by the Members at the Annual General Meeting held on 19th July, 1996, as Minimum Remuneration, notwithstanding that such remuneration is in excess of the limits provided by Section 309 and Schedule XIII of the Companies Act, 1956. An application to the Central Government is also being made to seek its approval.

Except Mr KK Nohria, no other Director is concerned or interested in this Resolution.

This may also be treated as an abstract of the draft Supplemental Agreement to be entered into between Mr KK Nohria and the Company pursuant to Section 302 of the Companies Act, 1956.

Items 11 and 12

At the Annual General Meeting held on 19th July, 1996, the Members had approved the appointment of Mr R Dasgupta and Mr BM Suri as Whole-time Directors of the Company for five years from 19th July, 1996 to 18th July, 2001, on the terms and conditions set out in the Explanatory Statement thereto.

The remuneration paid to Mr R Dasgupta and Mr BM Suri during the year 1st April, 1997 to 31st March, 1998, is in accordance with the approval of the Members accorded at the Annual General Meeting held on 19th July, 1996. Since the computation of profits under Section 309(5), for the year 1st April, 1997 to 31st March, 1998, is inadequate, the remuneration is in excess of the limits prescribed by Section 309(3) and Schedule XIII of the Companies Act, 1956.

As required by Section 309 of the Companies Act, 1956, approval of the Members is being sought to the payment of remuneration to Mr R Dasgupta and Mr BM Suri as Whole-time Directors of the Company, for the year 1st April, 1997 to 31st March, 1998 in accordance with the terms approved by the Members at the Annual General Meeting held on 19th July, 1996, as Minimum Remuneration, notwithstanding that such remuneration is in excess of the limits provided by Section 309 and Schedule XIII of the Companies Act, 1956. An application to the Central Government is also being made to seek its approval.

Except Mr R Dasgupta and Mr BM Suri, no other Director is concerned or interested in these Resolutions.

This may also be treated as an abstract of the draft Supplemental Agreements to be entered into between Mr R Dasgupta and Mr BM Suri and the Company pursuant to Section 302 of the Companies Act, 1956.

By Order of the Board

W HENRIQUES
Company Secretary

Mumbai, 15th May, 1998





Crompton Greaves Limited

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting hall

Name of the attending Member (In Block Letters)	Member's Folio Number
Name of Proxy (In Block Letters) (to be filled if the Proxy attends instead of the Member)	

No. of Shares held
I hereby record my presence at the ANNUAL GENERAL MEETING
at Patkar Hall, 1, Nathibai Thackersey Road, New Marine Lines,
Mumbai 400 020 on Thursday, 23rd July, 1998 at 3.30 p.m.

.....
Member's/Proxy's Signature

Tear here



Crompton Greaves Limited

Registered Office:
1, Dr. V. B. Gandhi Marg,
Mumbai 400 001.

PROXY FORM

I/We

of

being a member of the above named Company, hereby
members

appoint of

or failing him

of

as my proxy to vote for me on my behalf at the ANNUAL
our us our
GENERAL MEETING of the Company to be held at 3.30 p.m.
on Thursday, 23rd July, 1998 and at any adjournment
thereof.

Signed

Date

Revenue
Stamp
Re. 1

NOTE: Proxies must reach the Company's Registered Office not less than 48 hours
before the meeting.

