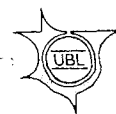


ANNUAL  
REPORT  
1996-97



USHA BELTRON LIMITED





MD	✓		BKC	✓
CS	✓		DPY	N/A
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

#### BOARD OF DIRECTORS

Mr. Brij K. Jhavar, *Chairman*  
 Mr. Prashant Jhavar, *Vice Chairman*  
 Mr. B. K. Biyani, *Managing Director*  
 Mr. Rana Pratap  
 Mr. U. V. Rao  
 Mr. R. K. Agrawal  
 Mr. S. Khasnobis (*Nominee of ICICI*)  
 Mr. Pradip P. Shah  
 Mr. A. K. Choudhri  
 Mr. N. J. Jhaveri

#### EXECUTIVES

Mr. S. K. Kaushik, *President*  
 Mr. S. K. Maheshwari, *President*  
 Mr. D. P. Sharma, *President*  
 Mr. Avinash Chandra Agrawal, *President*

#### SECRETARY

Mr. G. D. Saini

#### AUDITORS

Singhi & Co., Calcutta

#### SOLICITORS & ADVOCATES

Khaitan & Co., Calcutta

#### BANKERS

Bank of India  
 State Bank of India  
 The Hongkong and Shanghai Banking Corporation Ltd.  
 Banque Nationale De Paris

#### REGISTRARS AND TRANSFER AGENTS

ABC Computers Pvt. Ltd.  
 National Council of Education Bengal,  
 Jadavpur University Campus,  
 Jadavpur, Calcutta - 700 032

#### SHARES LISTED AT

Ahmedabad, Mumbai, Calcutta, Delhi, Patna and  
 National Stock Exchange

#### GDRs LISTED AT

Luxembourg Stock Exchange

#### DEPOSITARY FOR GDRs

Bankers Trust Company  
 280 Park Avenue, New York NY 10017

#### REGISTERED OFFICE & WORKS

P.O. Tatisilwai-835 103 Dist : Ranchi, Bihar, India

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## USHA BELTRON LIMITED

## FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

YEAR	1996-97	1995-96	1994-95	1993-94	1992-93
TURNOVER	27657.06	23556.17	18004.89	11179.83	10262.83
PROFIT BEFORE DEPRECIATION	3770.15	5029.50	4609.79	2844.88	1777.20
DEPRECIATION	1311.86	936.50	546.22	274.76	230.40
PROFIT BEFORE TAX	2458.29	4093.00	4063.57	2570.12	1546.80
TAX	850.00	786.48	1250.00	850.00	200.00
PROFIT AFTER TAX	1608.29	3306.52	2813.57	1720.12	1346.80
DIVIDEND AND TAX THEREON	422.21	639.76	475.46	255.70	213.07
RETAINED EARNINGS	1186.08	2666.76	2338.11	1464.42	1133.73
DIVIDEND PER SHARE (Rs.)	3.00	5.00	4.50	3.00	2.50
EARNING PER SHARE (Rs.)	12.57	25.84	21.98	20.18	15.80
CASH EARNING PER SHARE (Rs.)	22.82	33.16	26.26	23.40	18.50
FIXED ASSETS - GROSS *	11974.81	11417.60	5890.04	4415.05	3458.49
FIXED ASSETS - NET *	8022.27	8701.93	4182.77	3253.97	2572.09
CURRENT ASSETS-NET	25651.55	18482.82	13938.90	3311.25	1926.98
BORROWINGS	18509.40	12767.48	2147.26	3591.75	2411.87
SHARE CAPITAL	1279.53	1279.53	1279.53	852.42	852.37
RESERVES *	20954.31	19768.23	17101.47	2819.87	1355.45
BOOK VALUE PER SHARE (Rs.) *	173.75	164.48	143.64	43.08	25.67

\* NET OF REVALUATION RESERVE



# USHA BELTRON LIMITED

Regd. Office: TATISILWAI, RANCHI 835 103 (BIHAR)

## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the ELEVENTH Annual General Meeting of USHA BELTRON LIMITED will be held at the Registered Office of the Company at Tatisilwai - 835 103, Ranchi, Bihar on Wednesday, the 10th September, 1997 at 3.00 p.m. to transact the following business :

1. To receive and adopt the Profit and Loss Account of the Company for the year ended on 31st March, 1997 and the Balance Sheet as at that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend for the year ended 31st March, 1997.
3. To appoint Directors in place of Mr. Rana Pratap, Mr. A. K. Chaudhri & Mr. Prashant Jhavar, who retire by rotation and being eligible, offer themselves for re-election.
4. To appoint Messrs Price Waterhouse, Chartered Accountants, as the Auditor of the Company, and fix their remuneration.

### **AS SPECIAL BUSINESS :**

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

#### **5. AS AN ORDINARY RESOLUTION :**

"Resolved that pursuant to sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the reappointment of Mr. B. K. Biyani as Managing Director of the Company for a period of five years commencing from 1st April, 1997, at the remuneration and other terms & conditions, as set out in the Agreement to be entered into between the Company of the one part and Mr. B. K. Biyani of the other part, a draft of which initialled by the Chairman of the Company for the purpose of identification is placed before the meeting."

"Resolved further that in the event of any statutory amendment or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including the perquisites within perscribed limit or ceiling and the aforesaid agreement between the Company and Mr. B. K. Biyani be suitably amended to give effect to such modifications, relaxations or variations without any further reference to the Company."

#### **6. AS AN ORDINARY RESOLUTION :**

That in supersession of the resolution limiting the mortgaging/charging power of the Board of Directors of the Company up to Rs.75 crores passed by the Company at the extra ordinary general meeting held on 6th May, 1993, consent be and is hereby accorded pursuant to section 293(1)(a) of the Companies Act, 1956 to the Board of Directors of the Company for mortgaging and/or charging from time to time and on such terms and conditions as it may think fit, the whole or substantially the whole of the Company's undertaking or any one or more of them including present and future properties whether movable or immovable comprised in such undertaking, as the case may be together with power to take over the management of the business of the Company in certain events for securing any loans and/or advances already obtained or that may be obtained from any financial institutions/banks, insurance companies or person or persons, and/or to secure any debentures issued and all interest compound/additional interest, commitment charges, costs, charges, expenses and all other monies payable by the Company to the concerned lenders within the overall limit of Rs.400 crores (Rupees four hundred crores only) or to lease out the assets of the Company for any other purpose within said limit.

"Resolved further that the Directors of the Company be and are hereby authorised to finalise trust deed, and/or any other deeds, documents and agreements and to do all such acts, deeds and things as may be necessary or expedient for giving effect to the above resolution."

#### **7. AS A SPECIAL RESOLUTION :**

"Resolved that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the manner stated below :

The following new Articles 64 A with marginal notes be inserted after the existing Article 64 :



## USHA BELTRON LIMITED

## 64A. Purchase of Company's Own Shares.

Subject to the provisions of the Act or any other applicable laws in force at the relevant time, the Board of Directors shall have powers to purchase any of its own fully paid shares whether or not they are redeemable, and may make payment out of its capital in respect of such purchases."

## 8. AS AN ORDINARY RESOLUTION :

"Resolved that the Authorised Capital of Rs. 25,00,00,000/- (Rupees twenty-five crores only) of the Company be and is hereby restructured as Rs. 18,00,00,000/- (Rupees eighteen crores only) of Equity Shares divided into 1,80,00,000 (One crore eighty lacs only) Shares of Rs. 10/- each and Rs. 7,00,00,000/- (Rs. seven crores only) of Redeemable Cumulative Preference Shares divided into 7,00,000 (Seven lacs only) Shares of Rs. 100/- each and consequently the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in the place thereof, the following as new Clause V.

The Authorised Capital of the Company is Rs. 25,00,00,000/- (Rupees twenty-five crores only) divided into 1,80,00,000 (One crore eighty lacs only) Equity Shares of Rs. 10/- each and 7,00,000 (Seven lacs only) Redeemable Cumulative Preference Shares of Rs. 100/- each with power to sub-divide, consolidate and increase or decrease with power from time to time to issue any share of the original capital or any new capital, and to divide the shares for the time being of the Company into several classes of stock of shares and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

## 9. AS A SPECIAL RESOLUTION :

"Resolved that the Articles of Association of the Company be and is hereby altered by deleting the existing Article "5" and substituting in place thereof the following new Article "5".

The Share Capital of the Company is Rs. 25,00,00,000/- (Rupees twenty five crores only) divided into 1,80,00,000 (One crore eighty lacs only) Equity Shares of Rs. 10/- each and 7,00,000 (Seven lacs only) Redeemable Cumulative Preference Shares of Rs. 100/- each."

Registered Office :  
Tatisilwai, Ranchi,  
Bihar  
Dated : 26th June, 1997

By Order of the Board

G. D. Saini  
Vice President (Finance) & Secretary

## 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 proxy need not be a Member of the Company.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September '97 to 10th September '97 (both days inclusive).
3. The Dividend as recommended by the Board, if declared at the meeting, will be payable to the Members whose names are on the Company's Register of Members on 10th September '97.
4. Pursuant to the provisions of Section 194 of the Income Tax Act, 1961 (as amended by Finance Act, 1997).
  - i) Dividend Warrants will be crossed "A/C PAYEE".
  - ii) No tax will be deducted on the dividend.
5. Members are requested to intimate the change, if any, in their registered address, to the Registrars, M/s. ABC Computers Pvt. Ltd., National Council of Education Bengal Bldg., Jadavpur University Campus, Jadavpur, Calcutta-700 032.



# EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

## ITEM NO. 4

The members of the Company had, at their tenth Annual General Meeting, appointed Messrs Singhi & Co., as the Auditor of the Company from the conclusion of that meeting until the conclusion of the next Annual General Meeting.

Special notice in terms of Section 190 of the Companies Act, 1956 has been received under Section 225(1) of the Act from a member of the Company proposing the appointment of Messrs. Price Waterhouse, Chartered Accountants, as Auditors of the Company. The Board of Directors recommends the aforesaid appointment for approval by members.

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

## ITEM NO. 5

Mr. B. K. Biyani was appointed as Managing Director of the Company with effect from 1st April, 1992, for a period of 5 years which expired on 31st March, 1997. The Board of Directors in its meeting held on 26th June, 1997, has approved, subject to the approval of the members of the Company, the reappointment of Mr. B. K. Biyani as Managing Director for the period of five years commencing from 1st April, 1997 at a remuneration payable as under :-

### Remuneration :

- (a) **Salary** : Rs.40,000 per month in the annual time scale of Rs. 40,000 — 5,000 — 75,000 with an increment of Rs. 10,000 w.e.f. 01.07.97. Subsequent increments will be effective from 1st July every year and the Board of Directors is authorised to decide the increment/additional increment at its absolute discretion.
- (b) **Commission** : Commission calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to overall ceilings stipulated in sections 198 and 309 of the Companies Act, 1956.

### (c) Perquisites :

#### Category "A"

- |                                 |  |
|---------------------------------|--|
| (i) (a) Housing I               | The expenditure by the Company on hiring unfurnished accommodation for him will be subject to the following ceiling : 60% of the salary, over and above 10% payable by him.      |
| (b) Housing II                  | In case the accommodation provided to him is owned by the Company, 10% of his salary shall be deducted by the Company.   |
| (c) Housing III                 | If the Company does not provide accommodation to him, he will be paid house rent allowance subject to ceiling laid down in Housing I.  |
| Explanation :                   | The expenditure incurred by the Company on gas, electricity, water and furnishings shall be evaluated as per the Income-Tax Rules, 1962 subject to ceiling of 10% of the salary. |
| (ii) Medical reimbursement      | Actual expenses incurred for himself and his family.   |
| (iii) Leave Travel Concession   | For himself and his family, once in a year incurred in accordance with the rules of the Company.   |
| (iv) Club Fees                  | Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.   |
| (v) Personal Accident Insurance | Of an amount the premium of which shall not exceed Rs. 4000 per annum.   |
| (vi) Medical Insurance          | As per the rules of the Company.   |

#### Category "B"

- (i) (a) The Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund will be in accordance with the Rules and Regulations of the Company. Such contributions will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity : At a rate not exceeding half a month's salary for each completed year of service.

#### Category "C"

- (i) Car : Free use of Company's Car with driver.
- (ii) Telephone : Two telephones at his residence upon condition that personal long distance calls on the telephones for his private purpose shall be billed by the Company to him and
- (iii) Leave : On full pay and allowances as per rules of the Company. Encashment of leave at the end of the tenure will be permitted.

**USHA BELTRON LIMITED****(d) Minimum Remuneration :**

In the event of loss or inadequacy of profits of the Company in any financial year, during the period of his appointment, Mr. B. K. Biyani, be paid remuneration including the perquisites as specified above as minimum remuneration.

The remuneration payable to Mr. B. K. Biyani as Managing Director requires the approval of the Company in General Meeting in terms of Part III of Schedule XIII of the Act and the remuneration so payable to him also requires the approval of the members of the Company in General Meeting under Section 309 of the Act.

The re-appointment of Mr. B. K. Biyani and the remuneration payable to him as per the terms proposed also requires the approval of the financial institution from whom the Company has obtained financial assistance and steps are being taken for obtaining such approval.

The Resolution set out in item No. 5 of the convening Notice has to be considered accordingly and the Board recommends the same.

Mr. B. K. Biyani is deemed to be concerned or interested in this respect as regards the payment of remuneration and perquisites. Save as aforesaid no other Director of the Company is concerned or interested in the Resolution.

This may be regarded as an abstract of the terms of appointment of Mr. B. K. Biyani, Managing Director and Memorandum of Interest under Section 302 of the Act.

**ITEM NO. 6**

To meet the capital expenditure requirements and also the increased working capital needs, the Company proposes to obtain in the coming years financial assistance upto an equivalent aggregate value of Rs.400 crores from financial institutions/banks/ other investing agencies by way of loans (including foreign currency loans), issue of debentures/bonds/other instruments on private placement basis or otherwise as set out in the resolution.

Section 293 (1) (a) of the Companies Act, 1956, inter alia, provides that the Directors of a public company shall not, except with the consent of the Company in General Meeting, sell, lease, or otherwise dispose of 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 such undertaking. Since the mortgage and/or charge to be created and/or leasing of assets as aforesaid might be considered to be a disposal of the Company's undertaking, it is considered advisable, by way of abundant caution, that the proposed creation of the mortgage and/or charge be approved by an ordinary resolution pursuant to section 293 (1) (a) of the above Act.

No Director of the Company is concerned or interested in the resolution.

**ITEM NO. 7**

It is proposed to add a new Article 64 A as set out at item 7 of the convening Notice, to enable the Company to purchase/ finance the purchase of its own shares as and when the Act is amended. In the event that it is permitted by the Act to purchase and/or finance the purchases by a Company of its own shares, the Resolution confers authority on the Board for the purpose.

The Directors recommend the Resolutions to the Members for their approval.

No Directors of the Company is concerned or interested in the resolution.

**ITEMS NO. 8 & 9**

Your Company has filed a scheme of amalgamation for amalgamating two of its subsidiaries, namely M/s Super Seven Fiscal Services Ltd. (SSFSL) and Gagan Jyoti Holdings Ltd. (GJHL) with effect from 1st March, 1997 before the Hon'ble High Court, Ranchi Bench, Ranchi (Jundicature at Patna). The scheme of amalgamation has also been filed with Hon'ble High Court at Calcutta on behalf of SSFSL & GJHL : The scheme has since been approved by the shareholders of both the subsidiary companies as well as your Company. Upon the sanction of the scheme by the Hon'ble High Courts, your Company has to issue & allot 7,00,000 14% Redeemable Cumulative Preference Shares of Rs. 100/- each to existing holders of such shares of the subsidiary companies. As at present the capital clause in the Memorandum & Articles of Association of the Company does not contain any Preference Share Capital, re-structuring of the existing Authorised Capital is required to issue the Preference Share as above.

Accordingly the Resolution set at item 8 seeks to re-structure the Authorised Capital and amend the Capital Clause contained in the Company's Memorandum of Association and the Resolution set at item 9 seeks to amend the Capital Clause in the Company's Articles of Association.

A copy of the Company's Memorandum of Association is open for inspection during business hours on any working day.

No Director of the Company is concerned or interested in the resolution.



**PROXY FORM****USHA BELTRON LIMITED**

Regd. Office : Tatisilwai, RANCHI 835103, (Bihar)

I/We ..... of .....  
 ..... being a member / members of .....  
 the above Company, hereby appoint .....  
 of .....  
 or failing him ..... of .....  
 as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on  
 Wednesday, 10th day of September, 1997 at 3.00 P.M. and at any adjournment thereof.  
 Signed this ..... day of ..... 1997.

**NOTES**

The form duly completed should be deposited at the Regd. Office of the Company not later than 48 hours before the time for holding the meeting. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member of the Company.

FOR OFFICE USE ONLY	
PROXY NO.	
LEDGER FOLIO	
NO. OF SHARES	

Signature

Re 1  
Revenue  
Stamp

**USHA BELTRON LIMITED**

Regd. Office : Tatisilwai, RANCHI 835103, (Bihar)

Dear Shareholders,

As you may be aware, there have been instances of interception / fraudulent encashment of dividend by third parties.

With a view to protecting the interest of our shareholders, we may offer you an option to have the name of your bank, branch and account number on the face of the dividend warrant in respect of future payments. For this purpose we would require the details of your bank account.

If you are desirous, kindly return the form appended below duly filled in and signed by you to us.

The warrant, as usual, will be sent to you directly at the address registered with the Registrars of the Company.

Thanking you,

Yours faithfully,

for **Usha Beltron Limited****G. D. Saini**

Vice President (Finance) &amp; Secretary



**DETAILS OF  
BANK ACCOUNT**

Name of the Company	:	<b>USHA BELTRON LIMITED</b>
Registered Folio No.	:	.....
Name of the Shareholders (give name of sole / first holder only)	:	.....
Name of the Bank	:	.....
Name of the Branch	:	.....
Address of the Bank	:	.....
Type of Account and Account Number	:	.....
Signature of the Sole / first holder	:	.....

