



# BHARAT HEAVY ELECTRICALS LIMITED

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

## NOTICE

Notice is hereby given that an Extraordinary General Meeting of the Members of BHARAT HEAVY ELECTRICALS LIMITED will be held on 'Monday', the 30th April, 2007, at 11.00 A.M. at FICCI Auditorium, Barakhamba Road (Tansen Marg), New Delhi- 110 001, to transact the following business:-

### SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to Section 16 and Section 94 of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 325,00,00,000 (Rupees Three Hundred and Twenty Five crores) divided into 32,50,00,000 equity shares of Rs. 10 (Rupees Ten) each to Rs. 2000,00,00,000 (Rupees Two Thousand crores) divided into 200,00,00,000 (Two Hundred crores) equity shares of Rs.10/- (Rupees Ten), 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 its place and instead thereof, the following as new Clause V:

“The Authorised Share Capital of the Company is Rs. 2000,00,00,000 (Rupees Two Thousand crores) divided into 200,00,00,000 equity shares of Rs. 10/- (Rupees Ten) each with the rights,

privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach there to respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company, be and is hereby altered by deleting the existing Article 4-A and substituting in its place and instead thereof, the following new Article 4-A:

“The Authorised Share Capital of the Company is Rs. 2000,00,00,000 (Rupees Two Thousand crores) divided into 200,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten) each.”

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

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of

the Companies Act, 1956, a new Article regarding capitalization of reserve, be inserted in the Articles of Association of the Company, after Article 86 as under:-

86A. (1) Subject to the provisions of the Act and regulations made thereunder or any other applicable law / guidelines, any General Meeting may resolve that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realization and, where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve or Reserve Fund or any other Reserve or Fund of the Company or in the hands of the Company and available for dividend, be capitalized:-

- (a) by issue and distribution as fully paid up shares, of the Company as Bonus Shares; or
- (b) by crediting shares of the Company which may have been issued to and are not fully paid up with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as therein provided) as fully paid Bonus Shares.

2) Such issue and distribution under sub-clause (1)(a) above and such payment to credit of unpaid capital under sub-clause (1)(b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto and in accordance with

their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (1)(a) or payment under subclause (1)(b) above, shall be made on the footing that such members become entitled thereto as capital.

- 3) The Directors shall give effect to any such resolution and apply such portion of the profits, General Reserve or Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debentures stock, bonds or other obligations of the Company so distributed under sub-clause (1)(a) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under sub-clause (1)(b) above; provided that no such distribution or payment shall be made unless recommended by the Directors and, if so recommended, such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalized sum.
- 4) For the purpose of giving effect to any such resolution, the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid, as they think expedient, in particular, they may issue fractional certificates and they may fix the value for distribution of any specific assets and may determine that cash payment be made to any members on the footing of the value so fixed and may vest any such cash,

shares, debentures, debenture stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the directors and generally may make such arrangements for the acceptance, allotment and sale of shares, debentures, debenture stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.

- 5) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the company are fully paid and others are partly paid, only such capitalization may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but, so that, as between the holders of fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro-rata in proportion to the amount then already paid or credited as paid on the existing fully paid or partly paid shares respectively.
- 6) When deemed requisite, a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

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

RESOLVED :

- (a) that in accordance with applicable provisions of the Companies Act, 1956, or any

amendment or re-enactment thereof and the provisions of the Articles of Association of the Company and recommendation of the Board of Directors and subject to the Guidelines issued by the Securities and Exchange Board of India (SEBI) in this behalf and subject to such approvals, consents, permissions and sanctions, as may be necessary from appropriate authorities, consent of Members, be and is hereby accorded to the Board of Directors of the Company ("the Board", which term shall be deemed to include any Committee thereof) for capitalization of such sum standing to the credit of the General Reserves of the Company, as may be considered necessary by the Board, for the purpose of issue of Bonus Shares of Rs.10/- (Rupees Ten) each, credited as fully paid-up Equity Shares to the holders of the Equity Shares of the Company, whose names shall appear in the Register of Members or in the respective beneficiary account with their respective Depository Participants, on the 'Record Date' to be determined by the Board for the purpose, in the proportion of 1 (One) Bonus Shares of Rs. 10/- (Rupees Ten) each for every 1 (One) fully paid-up Equity Share of Rs. 10/- (Rupees Ten) each held by them and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the nominal amount in the Capital of the Company held by each such member, and not as income;

- (b) that the Bonus Shares so allotted shall rank pari passu in all respects including dividend with the existing equity shares of the Company;

- (c) that the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company;
- (d) that no letter of allotment shall be issued in respect of the Bonus Shares but in the case of Members who hold Equity Shares (or opt to receive the Bonus Shares) in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities;
- (e) that no fractions, if any arising out of the issue and allotment of the Bonus Shares shall be allotted by the Company and the Company shall not issue any certificate or coupon in respect thereof but all such fractional entitlements, if any, shall be consolidated and the Bonus Shares, in lieu thereof, shall be allotted by the Board to nominee(s) to be appointed by the Board, who shall hold the same as trustee(s) for the members entitled thereto, and sell the said Shares so arising at the prevailing market rate and pay to the Company the net sale proceeds thereof, after adjusting there from the cost and expenses in respect of such sale, for distribution to Members in proportion to their fractional entitlements;
- (f) that the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) and other foreign investors and / or distribution of net sale

proceeds in respect of fractions to which such Members may be entitled, be subject to the approval of the Reserve Bank of India, as may be necessary;

- (g) that for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts/ deeds, matters and things and give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

By Order of the Board of Directors

  
(N./K. SINHA)

COMPANY SECRETARY

New Delhi

Dated: 28th March, 2007

**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 HOURS) BEFORE THE SCHEDULED TIME OF THE EXTRA ORDINARY 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. A Corporate Member shall be deemed to be personally present only if it is represented in accordance with Section 187 of the Companies Act, 1956, i.e. only if the Corporate Member sends certified true copy of the board resolution/ power of attorney authorizing the representative to attend and vote at the Extra Ordinary General Meeting.
4. Members are requested to kindly notify the Company immediately any change of address:
  - i. to their Depository Participants (DPs) in respect of their electronic share accounts, and
  - ii. to the Company at its Registered Office in respect of their physical shares so as to enable the Company to address future communications at their correct addresses.
5. 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.
6. Members are requested:-
  - i) to bring their copies of Notice and Attendance Slip at the time of the meeting.

- ii) to quote their Folio Nos. / ID Nos. in all correspondence.
- iii) to note that no briefcase or bag will be allowed to be taken inside the auditorium for security reasons.
- iv) to note that no gifts will be distributed in the EGM.

By Order of the Board of Directors

  
(N./K. SINHA)

COMPANY SECRETARY

New Delhi

Dated: 28th March, 2007

**Registered Office:**

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

**ITEM NO. 1**

To give effect to the recommendations of Bonus Shares as provided in the resolution under Item No. 4, and to meet any future requirements, the Authorised Share Capital of the Company needs to be increased.

Articles 27 of the Articles of Association of the Company and Section 94 of the Companies Act, 1956, permit your Company to increase its Share Capital by Ordinary Resolution.

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

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

#### **ITEM NO. 2**

The existing Article 4A of the Articles of Association of the Company specifies the present Share Capital of your Company.

As the proposal is to increase the Authorised Share Capital base, substitution of the existing Article 4A is considered necessary in order to reflect the increase in Authorised Share Capital of your Company.

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

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

#### **ITEM NO. 3**

Clause 15.1.8 of the SEBI Guidelines on Bonus Issue provides that the Articles of Association of the Company shall contain a provision for capitalization of Reserves in case of Bonus Issue. At present your Company's Articles of Association does not have provision for Capitalization of Reserves to give effect to Item No. 4, the proposed Article needs to be inserted in the Articles of Association after Article 86.

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

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

#### **ITEM NO. 4**

The present level of Reserves & Surplus of your Company is nearly 33 times of the Paid-up Equity

Capital of the Company. Considering this position of Reserves and Surplus your Directors have pleasure in proposing the issue of shares by way of bonus shares by increasing the Issued, Subscribed and Paid-up Share Capital of the Company in the ratio of 1:1.

Such Fully Paid-up Bonus Shares shall be distributed to the Members of your Company, whose names shall appear on its Register of Members or in the respective beneficiary account with their respective Depository Participants, on the Record Date to be determined by the Board of Directors of your Company, (which term shall be deemed to include any Committee thereof) for the purpose of issue of Bonus Shares, in the proportion of one new equity share for every one existing equity share held by them respectively on the Record Date.

The Bonus Shares so allotted shall rank pari passu in all respects including dividend with the existing equity shares of the Company.

Directors of your Company are interested in this resolution to the extent of their respective shareholding / options in the Company.

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

By Order of the Board of Directors

  
(N./K. SINHA)

COMPANY SECRETARY

New Delhi

Dated: 28th March, 2007

**Registered Office:**

“BHEL House”, Siri Fort, New Delhi-110 049



# 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 Extra Ordinary General Meeting of the Company to be held on 30<sup>th</sup> April, 2007 and at any adjournment thereof.

Signed this ..... day of ..... 2007.

Affix  
30 Paise  
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.

TEAR HERE

# Bharat Heavy Electricals Limited

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

## ATTENDANCE SLIP

EXTRA ORDINARY GENERAL MEETING  
to be held on Monday, the 30<sup>th</sup> day of April, 2007  
at 11.00 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 Extra Ordinary General Meeting on 30<sup>th</sup> April, 2007.

Signature of Member/Proxy

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

BOOK POST

*From :*

**BHARAT HEAVY ELECTRICALS LIMITED**

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