

65TH ANNUAL REPORT 2011-12

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## Financial Highlights



25.00

Dividend paid per share (Rs.)

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77384.76

Turnover (Rs. in Lakhs)




94.97

Earning per share (Rs.)

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5367.23

Profit after Tax (Rs. in Lakhs)



563.74

Book value per share (Rs.)

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# Highlights of the Year

## TRANSFORMERS

Focus on international markets meant that export orders crossed 10% of total order value.



## DRIVES

Sales doubled, and manufacture of AC drives will soon commence at our factory.





## ELEVATOR SYSTEMS

Sales increased by 50%. We now offer packaged solution of gearless machine with a controller.



## MOTORS

Wide product range and responsive supply-chain helped sales grow almost 30%.



## PROJECTS

Commissioned the 220 kV extension Bay at Rai Bareilly UP, the first PGCIL job executed by us.

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# Letter from the Executive Director

Dear Shareholders,

The financial year 2011-12 has been a challenging one for your company. As the power sector woes compound, the euphoria surrounding this sector has died down. There are a number of hurdles that the sector must overcome to get back on track again. A lot now depends on the ability of the government to stimulate growth and restore market confidence.

We recognize the need to scan overseas markets for emerging opportunities. As large multinational players enter our turf we also must look overseas to augment our businesses. The Transformer division's focus on exports has seen it developing customers in the Middle East, Africa, Latin America and SAARC countries. This has resulted in over 10% (by value) of our transformer order book coming from

exports. Our upgraded plant will aid us in getting these valuable orders. We continue to exert dominance in the 220kv segment. Our Motor division has continued to see growth and sales are up 30% over last year. The focus on "on-time" delivery has made this possible thus enabling us to increase market share at the same time. We are exploring various avenues to increase our motor range.

We have seen robust growth in our smaller divisions. The Projects division has seen 11% revenue growth over last year. The focus will be on profitability and not just volume. The first PGCIL project was commissioned this year at Rae Bareilly (UP). We have doubled sales in our Drives business and will soon start manufacturing AC drives in collaboration with KEB of Germany.

Elevator Systems has registered 50% growth and has participated in a number of exhibitions that has helped bolster performance.

As the India story falters and concerns rise over how long the market will remain sluggish, economists are starting to question whether India will continue to "shine". The long run prospects of this country are enormous but the question of when certain reforms will take place and re-start growth is the key sign that investors and firms will need to read carefully. We remain optimistic and will continue to work for enhancement of shareholder value.



**Shome Danani**  
Executive Director

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**DIRECTORS**

Mr. Bansi S. Mehta (Chairman)

Mr. Nikhil J. Danani  
(Vice Chairman & Managing Director)

Mr. Nakul P. Mehta  
(Vice Chairman & Managing Director)

Mr. Shome N. Danani  
(Executive Director)

Mr. Jaisingh R. Danani

Mr. Mukul Harkisondass

Mr. Prakash V. Mehta

Mr. Anand J. Danani

Mr. Sanjiv N. Shah

Mr. Jairaj C. Thacker

Mrs. D. Vijayalakshmi

**REGISTERED OFFICE**

Electric Mansion, 6th Floor,  
Appasaheb Marathe Marg, Prabhadevi,  
Mumbai 400 025.

Tel. No. : 022-24306237

Fax No. : 022-24370624

**WORKS**

No. 2, MIDC,  
Thane Belapur Road, Airoli,  
Navi Mumbai 400 708.  
Maharashtra.

Tel. No. : 022-27637200

Fax No. : 022-27637443

**AUDITORS**

Messrs Dalal & Shah

**SOLICITORS**

Messrs Malvi Ranchoddas & Co.

**BANKERS**

Bank of India

IDBI Bank Limited

Citibank N.A.

Standard Chartered Bank

HDFC Bank Ltd.

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**REGIONAL OFFICES****Northern Regional Office**

1st Floor, 7-B Rajindra Park,  
Pusa Road,  
New Delhi 110 060.  
Tel. No. : 011-25816931/6932/6933  
Fax No. : 011-25816940

**Western Regional Offices**

Swastik Chambers, 5th Floor,  
Junction of Sion Trombay Road and C.S.T. Road,  
Chembur, Mumbai 400 071.  
Tel. No. : 022-61457200  
Fax No. : 022-61457255

No. 2, MIDC,  
Thane Belapur Road, Airoli,  
Navi Mumbai 400 708.  
Maharashtra.  
Tel. No. : 022-27637200  
Fax No. : 022-27637443

**Eastern Regional Office**

Mansarowar, 2nd Floor,  
3B, Camac Street,  
Kolkata 700 016.  
Tel. No. : 033-22172382  
Fax No. : 033-22172467

**Southern Regional Office**

Ramanashree Chambers,  
37, Lady Curzon Road,  
Bangalore 560 001.  
Tel. No. : 080-25592646  
Fax No. : 080-25592823

**REGISTRAR & SHARE TRANSFER  
AGENTS****Link Intime India Pvt. Ltd.**

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai 400 078.  
Tel. No. : 022-25963838  
Fax No. : 022-25946969



## NOTICE

Notice is hereby given that the 65th Annual General Meeting of Bharat Bijlee Limited will be held at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai 400 020 on Friday, 29th June, 2012 at 3.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2012 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Sanjiv N. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jairaj C. Thacker, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Mukul Harkisondass, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s. Dalal & Shah, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors and or its Audit Committee to fix their remuneration.

### NOTES:

- (A) MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. INSTRUMENTS APPOINTING PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

- (B) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 25th June, 2012 to Friday, 29th June, 2012 (both days inclusive).
- (C) The Profiles of the Directors being reappointed, Item Nos. 3, 4 and 5 of the Notice as required under Clause No. 49 of the Listing Agreement with Stock Exchanges is annexed to this notice.
- (D) As per the provision of Section 205A read with Section 205C of the Companies Act, 1956 a Company is required to transfer its dividends, debentures, bonds, redeemed preference shares, fixed deposits, interest on fixed deposits, interest on debentures etc. which remain unpaid or unclaimed for a period of 7 years to the Investor Education and Protection Fund set up by the Central Government. The Company has in compliance transferred all such unclaimed amounts upto the financial year 31st March, 2004 to the said fund. It may be noted that no claims will lie against the Company in respect of the said unclaimed amount(s) transferred to the said fund. Members who have not claimed the dividends declared for the Financial Year 31-3-2005 and onwards are requested to lodge their claim immediately with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report.
- (E) The Ministry of Corporate Affairs (MCA) vide its circulars dated 21/04/2011 and 29/04/2011 has taken a "Green initiative" in Corporate Governance by allowing paperless compliances by the Companies through Electronic mode. To support this green initiative of the government, the Company vide its Circular dated 02/05/2012 has requested the shareholders holding shares both in Physical/Demat form to register/update their E-mail addresses to the Company/Depository Participants. Accordingly, the Annual Report for 2011-12, Notice for AGM, etc. are being sent in electronic mode to shareholders who have made available their e-mail addresses to the Company/Depository participants. For those Shareholders who have not opted for the above, the same are being sent in physical form. Shareholders are requested to take note of the above and lend their support in full measure for the initiative taken by the Government.

(F) The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid after Friday, 29th June, 2012 to those members whose names stand registered on the Company's Register of Members :

(a) as Beneficial owners as at the end of business on Saturday, 23rd June, 2012 as per the list to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in demat form.

(b) as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company before, Monday, 25th June, 2012.

(G) The Registrar and Transfer activity of shares held in physical and demat form continue to be carried out by our Registrars, M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078, Phone No. 25963838.

The Register of Members continue to be maintained at the Registered Office of the Company.

(H) Pursuant to the provisions of Section 109A of the Companies Act, 1956, shareholders may file nomination in respect of their shareholdings. Any shareholder willing to avail of this facility may submit to the Company the prescribed form 2B, if not already filed.

The Equity Shares of the Company are listed on the following stock exchanges:

1. Bombay Stock Exchange Limited  
Pheroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai 400 001
2. National Stock Exchange of India Ltd.  
Exchange Plaza  
Bandra Kurla Complex,  
Bandra, Mumbai 400051

The listing fee for the period 1-4-2012 to 31-3-2013 to the above Exchanges has been paid.

#### REQUEST TO THE MEMBERS

1. Members desiring any information on the Accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.
2. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring the copy of the Annual Report to the Meeting.
3. Members who hold shares in the dematerialised form are requested to bring their Depository Account Number for identification.

By Order of the Board

#### D.N. NAGARKAR

Company Secretary & Senior General Manager:  
Legal

#### Registered Office:

Electric Mansion, 6th Floor  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025

Dated: 16th May, 2012

#### PROFILES OF DIRECTORS BEING REAPPOINTED AS REQUIRED BY CLAUSE 49 VI(G) OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

##### Item Nos. 3, 4 & 5 of the Notice

#### Mr. Sanjiv N. Shah :

Mr. Sanjiv N. Shah holds a degree (B.A.) in Economics and Statistics from the University of Mumbai, a degree (B.Sc.) in Economics from the London School of Economics, is a Chartered Accountant from England and Wales and a fellow member of the Institute of Chartered Accountants of India. He was a partner of M/s. S. B. Billimoria & Company, a renowned firm of Chartered Accountants and is presently a partner in M/s. Sanjiv N. Shah & Co., Chartered Accountants. He has specialized in the Financial Services Industry and has been a member of the Board since June 27, 2002.

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He is on the Board of the following Companies :

1. Nimesh Shah Investments Pvt. Ltd.
2. SNS Consulting Pvt. Ltd.
3. Andhra Pradesh Tanneries Ltd.
4. Chowgule Steamships Ltd.
5. Jaigad Ports Infrastructure Pvt. Ltd.

Mr. Shah holds 4,560 equity shares of the Company representing 0.0807% of the Issued and Subscribed Equity share Capital of the Company.

**Mr. Jairaj C. Thacker :**

Mr. Jairaj C. Thacker is a well known Industrialist and Educationalist. He holds a Degree in Commerce and is a Director on the Board of the following Companies :

1. Golden Chemicals Pvt. Ltd.
2. Max Edusol Pvt. Ltd.
3. Nirant Investments and Trading Co. Pvt. Ltd.
4. Gold Chem (India) Pvt. Ltd.
5. Shiva Buildcon Pvt. Ltd.

He is also the Managing Trustee of the prestigious Shri Narsee Monjee Educational Trust and Jamnabhai Narsee Public Charitable Trust, Executive and Governing Council Member of Dr. Balabhai Nanavati Hospital, Vile Parle and Executive Committee Member of Vile Parle Kelavani Mandal. He has been a member of the Board since June 27, 2002.

Mr. Thacker does not hold any shares in the Company.

**Mr. Mukul Harkisondass :**

Mr. Mukul Harkisondass has been a Director on the Board of the Company since 29th August, 1972. He has vast knowledge and experience in various fields including Merchant Banking, Finance and Regulatory Authorities. He is the Chairman of the Remuneration and Shareholder/Investor Grievance Committees and a member of the Share Transfer Committee of the Company. The Company has benefitted immensely by his expert advice over the years and has drawn strength from his experience and knowledge.

Mr. Harkisondass holds 500 equity shares in the Company.

By Order of the Board

**D.N. NAGARKAR**

Company Secretary & Senior General Manager:  
Legal

Registered Office:  
Electric Mansion, 6th Floor,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025

Dated: 16th May, 2012

## REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors are pleased to present their 65th Annual Report on the business and operations of the Company together with Audited Accounts for the financial year ended 31st March, 2012.

### FINANCIAL PERFORMANCE :

	Year Ended 31st March 2012 (₹ in Lakhs)	Year Ended 31st March 2011 (₹ in Lakhs)
Income from Sales & Service	78111.99	76901.82
Less: Excise Duty	6334.10	6595.05
	<b>71777.89</b>	70306.77
Other Income	1959.67	861.01
	<b>73737.56</b>	71167.78
Profit before Finance Costs, Depreciation, Exceptional Items and Tax	6291.84	7642.37
Less: Interest & Finance Charges	1337.48	896.84
Less: Depreciation	960.77	893.35
Profit before Exceptional Item and Tax	3993.59	5852.18
Add : Exceptional Item	2608.92	3380.67
Profit before Tax	6602.51	9232.85
Less: Provision for Taxes	1235.28	1880.29
Profit after Tax	5367.23	7352.56
Short (-)/Excess Provision of tax for earlier years	—	0.03
Profit after Taxation	5367.23	7352.53
Add: Profit brought forward from previous year	3648.29	2937.86
Profit available for appropriation	9015.52	10290.39
<b>APPROPRIATION</b>		
Proposed Equity Dividend	1412.89	1412.89
Tax on Proposed Equity Dividend	229.21	229.21
General Reserve	550.00	5000.00
Profit Carried Forward	6823.42	3648.29

Previous year's figures have been regrouped for comparison purposes with current year's presentation wherever necessary.

### DIVIDEND :

The Directors recommend a Dividend of ₹ 25/- per Equity Share for the year ended 31st March, 2012 on 56,51,560 Equity Shares of ₹ 10/- each. The Dividend payout, including Dividend Tax of ₹ 229.21 lakhs, will be ₹ 1642.10 lakhs compared to ₹ 1642.10 lakhs in the previous year.

### OPERATIONS :

Industrial growth slowed significantly in 2011-2012 on account of weakened domestic demand compounded by interest rate sensitivity, deceleration in external demand and a subdued investment climate. New order placement declined, and surplus capacities in several sectors resulted in low utilisations and brought margins under pressure.

Against this backdrop the Company achieved Income from Sales and Service of ₹ 781 crore as against ₹ 769 crore in the previous year, a nominal increase of ₹ 12 crore. Revenues of the Industrial Systems businesses registered significant growth, and helped offset the degrowth in the Power Systems segment which was exacerbated by a planned shutdown of one of the Transformer plants in the first quarter of the year under review.

Profit before Exceptional Items and Tax dropped by 32% to ₹ 39.94 crore from ₹ 58.52 crore principally due to poor price realisations in the Transformer business, cost overruns in Project operations, and increases in other costs.

Exceptional Items represent proceeds (free of both Capital Gains Tax and MAT) arising from the sale of shares of Siemens Limited in April 2011.

### OTHER INITIATIVES :

During the year, one of the Transformer plants was modernised to international standards. This has helped the Company to cater more extensively to international business, and has enhanced production capacity of higher ratings in the 220 KV class.

Training from an international High Voltage Institute in the specialised design software for Transformers up to 500 KV was completed, and will contribute significantly to design optimization and cost effectiveness.

The Motors business grew significantly over the previous year. The ongoing initiative to strengthen and synchronise the supply chain from end to end resulted in measurable improvements in market responsiveness and operational effectiveness,

and will provide a strong platform for growth. Investment continues in manufacturing facilities and product range extension.

The Drives business continued to expand its application segments, and the new facility for production of a specific range of AC drives in cooperation with KEB of Germany is near completion.

#### **FINANCE :**

In April 2011, the Company generated an exceptional tax free income of ₹ 26.09 crore from the sale of 2,97,000 equity shares of Siemens Limited in the open market at an average price of ₹ 886 per share so as to augment its existing cash reserves for strategic business expansions.

As a guiding policy, the Company focuses upon the efficient management of short-term and long-term funds through rigorous monitoring of deployment towards working capital, a comprehensive evaluation and execution process for capital expenditure, and prudent deployment of surplus funds. Although the Company incurred interest and finance costs of ₹ 13.37 crore, it also earned income of ₹ 14.05 crore from deployment of surplus funds and treasury operations.

The Company's free reserves as on 31st March, 2012 increased by ₹ 3725 lakhs to ₹ 31295 lakhs.

As on 31st March, 2012, the Company had Fixed Deposits aggregating to ₹ 2403.47 lakhs. Out of the Fixed Deposits which matured for payment prior to 31st March, 2012, 71 deposits aggregating to ₹ 15.77 lakhs were neither renewed nor claimed till 31st March, 2012. Of these 5 deposits aggregating to ₹ 0.95 lakhs have since been renewed or refunded on receipt of requests from the deposit holders. The balance of 66 deposits aggregating to ₹ 14.82 lakhs have been neither claimed nor renewed till date of this Report, in spite of the Company's intimation to the deposit holders. There has been no default or delay in meeting any maturity payment obligations.

During the year ₹ 1.49 lakhs was transferred to the Investor Education and Protection Fund.

#### **HUMAN RESOURCES AND EMPLOYEE RELATIONS :**

There is an ongoing emphasis on building a progressive Human Resources culture within the organisation. Structured initiatives to nurture talent and create a working environment that fosters motivation, team-work and result-orientation continue to be addressed.

The long term wage agreement with the Union expired on 31st December, 2011, and negotiations will commence in due course. Employee Relations across the Company continued to be cordial, and issues were settled amicably. Productivity levels continued to be subject to continuous monitoring.

Employee strength as on 31st March, 2012 was 1381 as compared to 1317 in the previous year.

#### **CORPORATE GOVERNANCE :**

A separate report on Corporate Governance along with Auditor's Certificate on its compliance, is set out in Annexure "A".

#### **DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- (i) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2012, and the profit for that period.
- (iii) Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding of assets of the Company and for preventing and detecting frauds and other irregularities.
- (iv) The Directors have prepared Annual Accounts on going concern basis.

#### **DIRECTORS :**

Mr. Sanjiv N. Shah, Mr. Jairaj C. Thacker and Mr. Mukul Harkisondass retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

During the year Mr. Deepak S. Parekh resigned as Alternate Director to Mr. Anand J. Danani. The Board of Directors place on record their appreciation for the invaluable advice and guidance given by Mr. D. S. Parekh during his long association with the Company.

Information on the Directors eligible for reappointment as required under Clause 49 of the Listing Agreement with Stock Exchanges is disclosed in the profiles of the Directors under Item Nos. 3, 4 and 5 forming part of the Notice dated 16th May, 2012 circulated along with the Annual Report 2011-12.

**AUDITORS :**

The Company's auditors, M/s. Dalal & Shah, bearing Firm Registration No. 102021W, hold office till the date of the ensuing Annual General Meeting and, being eligible, are recommended for reappointment. This item of business is covered under Item No. 6 of the accompanying notice.

**COST AUDITORS :**

M/s. P. M. Nanabhoy & Co. an independent firm of Cost Accountants having an arm's length relationship with the Company and who are free from any disqualification as specified under Section 233 B(5) read with Section 224 and sub-section 3 and sub-section 4 of Section 226 of the Companies Act, 1956, have been appointed by the Board as Cost Auditors of the Company, for electric motors, for the Financial Year ending 31st March, 2013, subject to the approval of the Central Government. Their appointment is in accordance with the limits specified in Section 224 (iB) of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES :**

The information required under Section 217 (2A) of the Companies Act, 1956, read with Company's (Particulars of Employees) Rules, 1975, and forming part of this Report, are annexed

to this Report. However, as per the provisions of Section 219 (1)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all Shareholders of the Company, excluding the Statement of Particulars of Employees. Any shareholder interested in the Particulars of Employees, may write to the Company Secretary at the Registered Office of the Company for a copy of the statement.

Additional information as required by Department of Companies Affairs is presented on Page 13 & 14 of this Annual Report.

**ACKNOWLEDGEMENTS :**

The Directors accept and convey their sincere appreciation to all employees of the Company for their continued dedication and commitment to achieving the results of the Company. The Directors also acknowledge and are grateful to the Bankers, Government Authorities, Shareholders, Vendors and other Stakeholders for their continued support, confidence and co-operation in the performance of the Company.

For and on behalf of the Board of Directors

**Bansi S. Mehta**  
Chairman

Date : 16th May, 2012



## ADDITIONAL INFORMATION

[In terms of Section 217 (1)(e) of the Companies Act, 1956 and Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988]

### A. Conservation of Energy :

#### (1) Measures :

- Variable Frequency Drives installed in T2 Vapour Phase Drying Plant.
- Maintaining 0.99 Power Factor to obtain incentives in MSETCL billing.
- Installed new compressed air pipe line with latest technology to reduce air losses.
- Installed under duct insulation in winding and turbo ventilator in tanking sections to reduce the impact of heat during summer.
- Improved power factor from 0.99 to unity.
- On shop floor metal halide fittings (150 Watts) replaced with T5 Tube Light fitting (96 Watts).
- In office area conventional light fittings (120 Watts) replaced with T5 Tube Light (56 Watts).
- Automation of Sewage Treatment Plant (STP).
- Conventional testing panel (up to 160 Frame) replaced with Variable Frequency Drive Panel.
- Replacement of old compressed air pipe lines to eliminate air losses.
- Retrofitting of compressors with variable speed drives has resulted into 15% energy saving.
- Developed a servo system for hybrid injection moulding machines which results in 40% to 60% energy saving.
- Replace existing motors by energy efficient motors.

#### (2) Impact of Measures :

- Energy saving of 3% in monthly billing by improving power factor.
- Energy saving of approximately 5% in lighting, ovens and compressed air consumption.

- Energy savings of approximately 10-12% in lighting, crane, Sewage Treatment Plant and compressed air consumption.

#### (3) Measures Planned : Energy Savings

- Use of Piped Natural Gas for thermopacs and canteen in place of Light Diesel Oil and LPG.
- Installation of SF6 Breakers for HT line.
- Replace existing 22kV overhead main supply conductor by underground cable.
- Install VFD Panel for air compressor.
- Install gas firing system for rotor heating and shrink fitting oven in place of electric firing.

### B. Technology Absorption, Adaptation and Innovation :

#### (1) Efforts made :

- New flooring in transformer plant with epoxy coating for operation of Aerocasters for transformers handling.
- Creating of dust free isolated winding shop.
- Addition of 125 MT bay in T1 Plant for Tanking and dispatch of transformers.
- New dry type paint booth for T1 dispatch.
- New shed for T1 dispatch with 10T EOT Crane.
- Installed new High volt make impulse testing equipment.
- Installed new Vacuum Drying Plant for drying of coils and SPA.
- Replaced conventional switchgear (OCB) by latest technology by SF6 VCB.
- Kardex vertical shuttle installed in Motor Stores.
- Slot paper machine (automatic) installed in insulation kitting area for covering requirements up to 355 Frame.

- A facility for manufacturing of drives is near completion. This includes a state of art regenerative testing facility which results into high energy savings.

(2) Benefits derived :

- Increase in manufacturing capacity.
- Modernization of T1 Plant to global standards.
- Cost and time saving in Transformer shifting by Aerocaster.
- Increase in volume and rating of transformer manufacturing in T1 Plant.
- Increase in working area of tanking, packing and dispatch to cater the increased load in production and dispatch.
- Increase in Transformer testing capacity.

(3) Technology imported during the last five years :

- The Company has entered into a Technology Transfer Agreement with M/s. Permanent Magnets S.A. Spain, for manufacture and sale of Gearless Permanent Magnet Synchronous Motors.

- The Company has also entered into a 10 year Technical Assistance & Licence Agreement to manufacture and sell products designated as "KEB Combivert" (Drives) in India, Sri Lanka, Nepal and Bangladesh with technical information and assistance from M/s. Karl E. Brinkmann, GmbH, Germany.

**C. Foreign Exchange earnings and outgo :**

(1) Export Activities :

The Company has directly exported Motors and Transformers to the international customers. Transformers have also been sold as deemed export to internationally aided projects. These orders were obtained against international competition.

(2) Foreign Exchange earned :

	₹ Lakhs
— Deemed Exports	5088.04
— Direct Exports	2107.45

(3) Foreign Exchange used : 3037.89

## CORPORATE GOVERNANCE REPORT – ANNEXURE A

### 1. Company's Philosophy on Corporate Governance :

Good governance is integral to the very existence of a Company, since it improves and strengthens stakeholders confidence by ensuring company's commitment to higher growth.

The overall endeavour of the Company is to ensure good governance, and transparent and ethical business practices to maximise long term value and shareholders wealth.

### 2. Board Of Directors & Board Meetings :

#### (a) Composition :

The Board consists of 11 Directors, out of which six (6) are Non-Executive Independent, two (2) are Non-Executive and three (3) are Executive Directors. The Chairman is an Independent Non-Executive Director. He is not a promoter nor related to promoters or to persons occupying management positions at Board level or at one level below the Board. The Non-Executive Directors account for 73% of the Board's strength against the minimum requirement of 50% as per the Listing Agreement. Independent Directors constitute more than half of the total strength of the Board as against one third required when the Chairman is a Non-Executive Director. The Non-Executive Directors are all eminent professionals with experience in overall management, finance and law and have a wide range of skills and experience. The day to day operations of the Company are overseen by three Executive Directors, Mr. Nikhil J. Danani, Mr. Nakul P. Mehta (both Managing Directors), and Mr. Shome N. Danani (Executive Director).

During the year Mr. Deepak S. Parekh resigned as Alternate Director to Mr. Anand J. Danani.

Except Mr. Nikhil J. Danani, Mr. Nakul P. Mehta, both Managing Directors and Mr. Shome N. Danani, Executive Director, all other Directors are liable to retire by rotation.

Mr. Jaisingh R. Danani, Mr. Nikhil J. Danani, Mr. Shome N. Danani and Mr. Anand J. Danani are related to each other. None of the other Directors are related to any other Director.

#### (b) Board Meetings :

In the Financial Year 2011-2012, Five (5) Board of Directors' meetings were held on the following dates :

- |                    |                       |
|--------------------|-----------------------|
| 1. 9th May, 2011   | 4. 20th October, 2011 |
| 2. 24th June, 2011 | 5. 20th January, 2012 |
| 3. 20th July, 2011 |                       |

#### (c) Attendance/Sitting fees of Directors :

Sr. No.	Name of the Director	Category of Directorship	No. of Board Mtgs. attended	Attendance at last AGM	No. of Directorships of other Companies	Membership of Committees of other Companies		Sitting Fees for Board/ Committee meetings ₹	No. of Equity Shares held as on March 31, 2012
						As Member	As Chairman		
1.	Mr. Bansil S. Mehta – Chairman	Independent Non-Executive	4	YES	16**	9@	5	40000	–
2.	Mr. Nikhil J. Danani – Managing Director	Executive	5	YES	1*	–	–	–	1,51,284
3.	Mr. Nakul P. Mehta – Managing Director	Executive	4	YES	2*	–	–	–	1,85,830
4.	Mr. Shome N. Danani	Executive	5	YES	1*	–	–	–	2,898
5.	Mr. Jaisingh R. Danani	Non-Executive	4	YES	–	–	–	70000	1,85,080
6.	Mr. Mukul Harkison Dass	Independent Non-Executive	3	NO	1*	–	–	90000	500
7.	Mr. Prakash V. Mehta	Independent Non-Executive	5	YES	15*	9@@	1	130000	325
8.	Mr. Anand J. Danani	Non-Executive	–	NO	–	–	–	–	46,650
9.	Mr. Deepak S. Parekh – Alternate to Mr. Anand J. Danani	Independent Non-Executive	2	NO	***	–	–	20000	–
10.	Mr. Sanjiv N. Shah	Independent Non-Executive	5	YES	5*	3	–	110000	4,560
11.	Mr. Jairaj C. Thacker	Independent Non-Executive	5	YES	5*	–	–	100000	–
12.	Mrs. D. Vijayalakshmi	Independent Non-Executive	2	YES	1	–	–	20000	–
							Total	5,80,000	

@ includes membership in Remuneration/Compensation Committee in 4 Companies.

@@ includes membership in Remuneration Committee in 3 Companies.

\* includes Directorship in Pvt. Ltd. Companies.

\*\* includes Alternate Directorship in 1 Company.

\*\*\* Resigned w.e.f. 20th January, 2012.

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(d) **Information placed before the Board :**

- Review of annual operating plans of businesses, capital budgets, and any updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meeting of Audit Committee and other committees.
- Information on recruitment and remuneration of senior officers including appointment or removal of the Chief Financial Officer and the Company Secretary just below the Board level.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- Any materially significant effluent or pollution problems.
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.
- Significant development in the human resources and industrial relations front.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of Directors is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings or are tabled before the appropriate Committees of the Board.

(e) **Code of Conduct :**

The Company has adopted a Code of Conduct for its Board Members and Senior Management and has posted on the website of the Company in terms of Clause 49(D)(i) of the Listing Agreement with Stock Exchanges. The Managing Directors in terms of Clause 49(D)(ii) affirm the compliance of the Code of Conduct by the Board Members and Senior Management for the year under review. A declaration to this effect signed by the Managing Director, Mr. Nikhil J. Danani forms part of this report.

3. **Audit Committee :**

(a) **The Audit Committee of the Company comprises the following Five Members :**

1.	Mr. Sanjiv N. Shah	Chairman	Independent Non-Executive
2.	Mr. Jaisingh R. Danani	Member	Non-Executive
3.	Mr. Mukul Harkisondass	Member	Independent Non-Executive
4.	Mr. Prakash V. Mehta	Member	Independent Non-Executive
5.	Mr. Jairaj C. Thacker	Member	Independent Non-Executive

All members of the Audit Committee are financially literate and Mr. Sanjiv N. Shah, a Chartered Accountant has the relevant accounting and related financial management expertise.

Mr. D.N. Nagarkar, Company Secretary is the Secretary of the Committee.

The Managing Directors, Vice President: Finance, Deputy General Manager: Internal Audit and Senior General Manager: Finance attend the Audit Committee meetings by invitation. Statutory Auditors and Cost Auditors are also invited to attend the meetings.

**(b) Meetings & Attendance :**

The Audit Committee had five (5) meetings during the Financial year 2011-12 and were held on the following dates :

1. 9th May, 2011
2. 20th July, 2011
3. 20th October, 2011
4. 20th January, 2012
5. 12th March, 2012

Mr. Sanjiv N. Shah, Mr. Prakash V. Mehta were present in all the meetings.

Mr. Mukul Harkison Dass and Mr. Jairaj C. Thacker attended Four (4) meetings each whereas Mr. Jaishingh R. Danani attended three (3) meetings.

**(c) Power/Role/Review of Information of Audit Committee :**

Clause 49 of the Listing Agreement lists the role of the Audit Committee.

The gist of the terms of reference are as follows :

- Oversee Company's financial reporting process and disclosures.
- Recommend statutory auditors' appointment/reappointment/replacement/removal/remuneration and payment of fees for any other services rendered by them.
- Review with management the quarterly, half yearly financial statements before submission to the Board.
- Review with management the annual financial statements before submission to the Board, including matters related to Director's Responsibility Statement, changes, if any, in accounting policies and reasons for the same, significant adjustments made in the financial statements arising out of audit findings, compliance with listing and other legal requirements relating to financial statements, disclosure of Related Party transactions and any qualifications in the draft audit report.
- Review with the Management, performance of the Statutory and Internal Auditors.
- Review adequacy of internal control systems, internal audit department, reporting structure and frequency.
- Discussion and review with internal auditors of any significant findings, suspected fraud, irregularity, failure of the Internal Control Systems and follow-up thereon.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion regarding areas of concern.
- Reviewing the Company's financial and risk-management process.
- Review defaults if any, in payments to depositors, shareholders (in case of non-payment of dividends) and creditors.
- Decide on recommendations/audit report findings to be placed before the Board.

The Audit Committee exercises its Powers as defined in Clause No. 49 II (C) as and when the need arises and also reviews all mandatory information as required under Clause 49 II (E) from time to time.

**4. Remuneration Committee :**

The Remuneration Committee of the Company comprises the following Four (4) Members :

1. Mr. Mukul Harkison Dass	Chairman	Independent Non-Executive
2. Mr. Prakash V. Mehta	Member	– do –
3. Mr. Sanjiv N. Shah	Member	– do –
4. Mr. Jairaj C. Thacker	Member	– do –

The Remuneration Committee meeting was held on :

1. 9th May, 2011

Mr. Prakash V. Mehta, Mr. Sanjiv N. Shah and Mr. Jairaj C. Thacker were present in the meeting.

The terms of reference of the Remuneration Committee are as under :

- (i) To determine the remuneration package of Executive Directors, relatives of Directors appointed u/s 314 of the Companies Act, 1956 including salary, allowances, perquisites, payment of commission, pension rights.
- (ii) To recommend and oversee employee stock option scheme.
- (iii) To recommend sitting fees of the Board of Directors.

**(a) Remuneration of Executive Directors :**

The total remuneration including commission payable to the Managing Directors/Executive Director for the financial year 2011-2012 is as under :

in (₹)

	Salary	Perquisites	Commission Payable for the FY 2011-2012	Total
Mr. Nikhil J. Danani	60,00,000	73,85,408	36,08,000	1,69,93,408
Mr. Nakul P. Mehta	60,00,000	72,72,372	36,08,000	1,68,80,372
Mr. Shome N. Danani	27,00,000	33,75,000	23,35,000	84,10,000

Apart from sitting fees, the Non-Executive Directors are not paid any commission/remuneration.

**5. Shareholders'/Investors' Grievance Committee :**

The Shareholders'/Investors' Grievance Committee comprises the following four members :

- |    |                        |          |                           |
|----|------------------------|----------|---------------------------|
| 1. | Mr. Mukul Harkisondass | Chairman | Independent Non-Executive |
| 2. | Mr. Prakash V. Mehta   | Member   | Independent Non-Executive |
| 3. | Mr. Nikhil J. Danani   | Member   | Executive Director        |
| 4. | Mr. Nakul P. Mehta     | Member   | Executive Director        |

Mr. D.N. Nagarkar, Company Secretary, is the Secretary of the Committee. The Committee has met once, on 20th January, 2012, wherein all members, except Mr. Nakul P. Mehta, were present. The total number of grievances redressed and reviewed by the Committee to the satisfaction of the shareholders was 28, most of them related to non-receipt of dividend. There were no requests for share transfer/transmission/deletions of names etc. pending as on 31st March, 2012 and all such requests were processed and delivered within one month (30 days) of lodgement with the company.

Mr. D.N. Nagarkar, Company Secretary has been designated as the Compliance Officer of the Company as per the requirement of the Listing Agreement.

**(a) Terms of Reference :**

The Committee looks into redressing grievances of Shareholders pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of dividend, dematerialisation of shares, complaints received from SEBI and the Stock Exchanges etc.

The Board of Directors has also delegated the power of approving transfer/transmission/issue of duplicate share certificates to a Share Transfer Committee.



## 6. Annual General Meetings :

The last three Annual General Meetings were held as under :

Financial Year	Date	Time	Venue
2010-2011	24-6-2011	3.00 p.m.	Walchand Hirachand Hall, 4th Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020.
2009-2010	25-6-2010	3.00 p.m.	-do-
2008-2009	02-7-2009	3.00 p.m.	-do-

Special Resolution relating to deletion of Article 150 of the Articles of Association of the Company prescribing qualifications of Directors was passed by means of Postal Ballot, circulated to the shareholders on 12th August, 2011 and approved on 19th September, 2011.

## 7. Disclosures :

- (i) At the Board Meeting, the Directors disclose the names of the Companies/Parties in which they are interested, and accordingly the Register of Contracts under Section 301 of the Companies Act, 1956 is tabled and signed. All related party transactions are disclosed to the Board of Directors during each meeting. During the year there were no transactions of material nature with the Directors or the Management or relatives that had potential conflict with the interests of the Company.
- (ii) Quarterly Disclosures – Results and notes thereon.
- (iii) Risk Management – Risk identification, prioritization and mitigation plans for the top 20 risks have been finalized with the risk owners and Consultant's (Ernst & Young), as reported earlier. Draft risk policy has been formulated.

A formal organisation structure for risk management and monitoring process with reporting has been concluded and the implementation of risk mitigation plans have commenced. The risk management and minimisation procedures are being reviewed with the Board members periodically.

- (iv) There were no instances of non-compliance on any matter related to the Capital Markets, nor were any penalties or strictures imposed on the company by SEBI or any Stock Exchanges or any statutory authority for non-compliance on any matter related to the Capital Markets during the last 3 years.
- (v) No member of the Senior Management has a potential conflict with the interest of the Company at large relating to any material financial and commercial transaction.
- (vi) The Company affirms that no employee has been denied access to the Audit Committee.
- (vii) The Company has complied with all mandatory requirements as stipulated in Clause 49 of the listing agreement with Stock Exchanges.
- (viii) As regards the other non-mandatory requirements, the Company has constituted a Remuneration Committee and has also moved towards a regime of unqualified statements. As regards whistle blower policy, the Board has taken cognizance of this and will consider adopting it as and when necessary.
- (ix) The shares held by the promoters have not been pledged with any Banks, Financial Institutions or with any third party.

## 8. Communication to Shareholders :

- (i) Quarterly/half yearly/annual results and information relating to convening of Board meetings/ Annual General Meetings are published in Free Press Journal and Navshakti and are also notified to the Stock Exchanges as required under the Listing Agreement. Half yearly report is not sent to each shareholder in view of its publication in newspapers. As required by the Listing Agreement, the requisite information is transmitted through Corporate Filing and Dissemination System (CFDS). All such financial results are also posted on the Company website. The Stock Exchanges are also informed of all materially significant events which have taken place during the year under review.
- (ii) The Company has made no presentation to any Institutional Investors/Analysts during the year.
- (iii) Management Discussion and Analysis is covered as part of this Annual Report.
- (iv) The Company has put in place a Model Code as prescribed under SEBI (Prohibition of Insider Trading) Regulations, 1992 and all designated employees have disclosed their holdings and dealings in the shares of the Company and have been obtaining prior approval before dealing in shares in excess of the prescribed limit under the said code.
- (v) The Company has its own website, [www.bharatbijlee.com](http://www.bharatbijlee.com).
- (vi) In terms of the revised Clause 49 of the Listing Agreement, the certification by the Managing Director and Vice President: Finance on the financial statements and internal controls relating to financial reporting has been obtained by the Board of Directors.

## 9. General Shareholders Information :

### (i) Annual General Meeting :

Day : Friday  
Date : 29th June, 2012  
Time : 3.00 p.m.  
Venue : Walchand Hirachand Hall, 4th Floor,  
Indian Merchants' Chamber,  
Churchgate, Mumbai 400 020

### (ii) Financial Year :

The Company follows April-March as its financial year. The results for every quarter are declared in the month following the quarter except for the quarter January-March, for which the Audited results are declared in May as permitted by the Listing Agreement.

### (iii) Dates of Book Closure :

Monday, 25th June, 2012 to Friday, 29th June, 2012 (both days inclusive).

### (iv) Dividend Payment Date : After 29th June, 2012

### (v) Listing of Equity Shares on Stock Exchanges :

Name of Stock Exchange	Stock Code
Bombay Stock Exchange Limited (BSE)	503960
National Stock Exchange of India Limited (NSE)	BBL

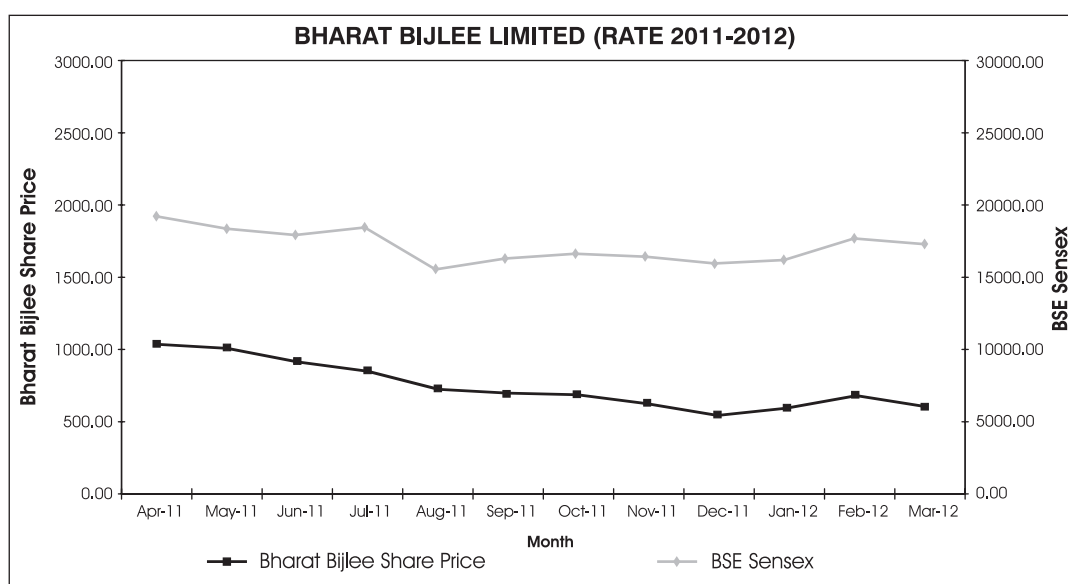
The listing fees for the financial year 2012-13 has been paid to both BSE & NSE.

Demat international security Identification No. in NSDL & CDSL : INE 464A01028

(vi) **Stock Price data at the Stock Exchanges :**

Month	BSE	BSE	NSE	NSE
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2011	1,183.35	930.05	1,183.50	935.00
May, 2011	1,114.95	940.05	1,119.90	940.10
June, 2011	999.95	863.00	996.00	865.55
July, 2011	945.00	790.00	947.00	790.00
August, 2011	799.00	696.00	798.95	687.10
September, 2011	759.45	680.00	757.80	684.95
October, 2011	751.80	661.05	751.00	657.00
November, 2011	714.55	578.75	715.00	575.00
December, 2011	630.00	511.00	624.80	512.00
January, 2012	711.00	518.15	711.95	516.10
February, 2012	767.00	640.80	765.00	641.20
March, 2012	674.95	573.30	674.95	583.00

**Performance of Share price in comparison with BSE Sensex :**



(vii) **Registrar and Transfer Agents :**

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (W),  
Mumbai 400 078.  
Tel : 25963838  
Fax : 25946969

(viii) **Share Transfer System :**

The Board has constituted a Share Transfer Committee and has delegated the requisite power to the Committee to attend to share transfer matters. All share transfer and share related issues are approved by a share transfer committee comprising 4 Directors and Approvals are obtained at intervals not exceeding 15 days.

(ix) **Distribution of Shareholding as on 31-3-2012 :**

S. No.	No. of Equity Shares held	No. of shareholders	No. of shares	% of shareholders	% of shareholding
1.	1-500	23,443	12,09,787	97.19	21.41
2.	501-1000	376	2,77,962	1.56	4.92
3.	1001-2000	151	2,13,455	0.63	3.78
4.	2001-3000	59	1,50,183	0.25	2.66
5.	3001-4000	20	72,040	0.08	1.27
6.	4001-5000	10	45,413	0.04	0.80
7.	5001-10000	22	1,51,027	0.09	2.67
8.	10001- above	39	35,31,693	0.16	62.49
<b>Total</b>		<b>24,120</b>	<b>56,51,560</b>	<b>100.00</b>	<b>100.00</b>

**Share Holding Pattern as on 31-3-2012 :**

S. No.	Category	No. of shares	% to total shareholding
1.	Promoters & Promoter Group	20,19,234	35.73
2.	Financial Institutions/Banks	8,83,630	15.64
3.	Mutual Funds/ UTI	3,96,168	7.01
4.	FIIS	4,074	0.07
5.	NRIS/OCBS	76,228	1.35
6.	Corporate Bodies	3,12,200	5.52
7.	Indian Public	19,60,026	34.68
<b>Total</b>		<b>56,51,560</b>	<b>100.00</b>

(x) **Dematerialization of shares and liquidity :**

Your Company's shares are traded compulsorily in electronic form and the Company has established connectivity with both the depositories. i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2012, 97.66% of shares have been held in dematerialized form and the rest are in physical form. All promoters' shareholding are in dematerialised form (100%).

(xi) The Company has no outstanding GDR's/ADR's/Warrants or any convertible instruments, since not issued.

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(xii) **Plant Location :**

No. 2, M.I.D.C., Thane-Belapur Road, Airoli, Navi Mumbai 400 708, Maharashtra.

(xiii) **Address for correspondence :**

The Corporate Secretarial Department is located at the Company's Registered Office situated at Electric Mansion, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Telephone No. 24306237, Fax No. 24370624. Shareholders may correspond on all matters relating to shares at the addresses mentioned below :

- |  |  |
|--|--|
| 1. Link Intime India Pvt. Ltd.<br>C-13, Pannalal Silk Mills Compound<br>LBS Marg,<br>Bhandup (W), Mumbai 400 078.<br>Tel : 25963838<br>Fax : 25946969  | 2. Bharat Bijlee Limited,<br>Electric Mansion, 6th Floor<br>Appasaheb Marathe Marg,<br>Prabhadevi, Mumbai 400 025.<br>Tel : 24306237<br>Fax : 24370624 |
| 3. As per the requirement of Clause 47(f) of the Listing Agreement with Stock Exchanges, the Company has created a dedicated email ID ( <a href="mailto:investorcare@bharatbijlee.com">investorcare@bharatbijlee.com</a> ) exclusively for the purpose of registering complaints of Investors and this is prominently displayed on the Company's website: <a href="http://www.bharatbijlee.com">www.bharatbijlee.com</a> |  |

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**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY**

As provided under Clause 49 of the Listing Agreements with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended 31st March, 2012.

For Bharat Bijlee Limited

Place : Mumbai  
Date : 16th May, 2012

**Nikhil J. Danani**  
Vice Chairman & Managing Director

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**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS  
OF CORPORATE GOVERNANCE**

**TO THE MEMBERS OF BHARAT BIJLEE LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Bharat Bijlee Limited**, for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DALAL & SHAH**  
Firm Registration Number: 102021W  
Chartered Accountants

**S. VENKATESH**  
Partner

Mumbai, May 16, 2012

Membership Number: F-037942

## MANAGEMENT DISCUSSION AND ANALYSIS – ANNEXURE B

Economic growth slowed during 2011-12, and global uncertainties, the depreciating Rupee and volatile commodity prices combined to make it a challenging year. Monetary and financial policy action focused on controlling inflation, and domestic industrial growth was sluggish. Capital goods in particular fared badly due to concerns about lower public and private infrastructure spending, input price inflation, and rising interest rates. The sectors your Company operates in were affected by dull revenue growth due to over-capacity, consequential margin compression, slowing demand and high interest rates.

In these market conditions, the Company performed as under:

		(₹ In Lakhs) 2011-2012	(₹ In Lakhs) 2010-2011
1.	Orders received	<b>70974.47</b>	67307.67
2.	Unexecuted Order Book (at year end)	<b>36019.59</b>	36216.44
3.	Sales	<b>71777.89</b>	70306.77
4.	Profit before Exceptional Items & Tax	<b>3993.59</b>	5852.18
5.	Exceptional Items (Profit on sale of Long Term Investments)	<b>2608.92</b>	3380.67
6.	Profit before Tax	<b>6602.51</b>	9232.85
7.	PAT	<b>5367.23</b>	7352.53
8.	EPS (₹)		
	– Including exceptional items	<b>94.97</b>	130.10
	– Excluding exceptional items	<b>48.81</b>	70.28

### SEGMENT ANALYSIS

The Company operates in two Business Segments, viz. “Power Systems” and “Industrial Systems”.

#### Power Systems :

The Power Systems segment comprises Power Transformers up to 200 MVA, 220 KV voltage class, EPC projects for electrical substations up to 400 KV; and marketing of maintenance products.

During the year, one of the Transformer plants was upgraded to global standards in accordance with the Company's increasing focus on expanding its international business presence. Despite the shutdown, production and dispatches were maintained at the previous year's levels. Transformer orders inflow grew by 30% in units, but not commensurately in value due to depressed price realizations caused by over-capacities and resultant intense competition. The unexecuted Order Book as at March 31, 2012 stood 10% higher in value compared to the previous year. Important inroads were made with customers in key infrastructure sectors, notably steel, and with transmission utilities. Exports to Gulf and African nations increased significantly.

The Projects business received significant orders from important customers in both the private and public sectors, and several major substations were commissioned during the year. The emphasis on the quality and timeliness of execution continues.

#### Industrial Systems :

This segment comprises the marketing, engineering, design and manufacture of a full range of LT industrial AC electric motors, synchronous gearless machines for elevators, and AC variable speed drives and drive systems.

The Motors business registered a 28% growth in sales value; better price realizations coupled with improved product mix, operational effectiveness, sharper market focus, and important project and export orders, contributed to better results for the year under review.

Falling price realizations, volatile commodity prices and stagnation of demand have been observed from the second half of the year, and will pose a challenge during the current year.

The Drives business presently caters to highly engineered application segments, and doubled its sales turnover during the year under review. Production of a range of AC drives at our Airoli Works is expected to commence during the first half of the current year, and will widen the customer and application segments the Company caters to.

Sales of AC permanent-magnet gearless machines for the elevator industry grew by 50%. Your Company continues its leadership position in this market, and has increased production capacities to sustain the growth momentum.



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**INTERNAL CONTROLS, AUDITS, RISK MANAGEMENT & IT**

Commensurate with the nature, size and complexity of its business operations, the Company has in place internal controls, procedures and policies, and a review system which ensures strict vigilance over the Company's assets, the reliability of operational and financial records, and compliance with prevailing statutes.

Business process controls are substantially embedded within the organisation-wide SAP ERM system, and are continuously reviewed and refined. These provide reasonable assurance with regard to the monitoring of operations, maintaining of proper accounting controls, safeguarding of assets, adherence to access and authority frameworks, compliance with regulations and ensuring reliability, and accuracy of financial reporting.

Internal controls related to all business operations in the factory and offices are regularly reviewed and tested both by the Company's Internal Audit function and the Statutory Auditors, and necessary improvements in processes, IT systems and controls are recommended and followed up for implementation with process owners. Review of significant audit observations, and monitoring of the implementation of consequential corrective and preventive actions, is periodically undertaken by top management and the Audit Committee.

The Company has a well defined framework for Risk Management which is being integrated within its business planning and review process.

Risks are identified and prioritised annually on the basis of impact and likelihood, and mitigation plans are developed by Risk owners and are subject to evaluation and review by the Audit Committee.

The Business Continuity Planning and Disaster Recovery Planning (BCP-DRP) implementation

was completed during the year by successfully carrying out a surprise disaster drill; All Business Units responded satisfactorily, and were able to recover continuity of operations within the set parameters of RTO (Recovery Time Objective) and RPO (Recovery Point Objective).

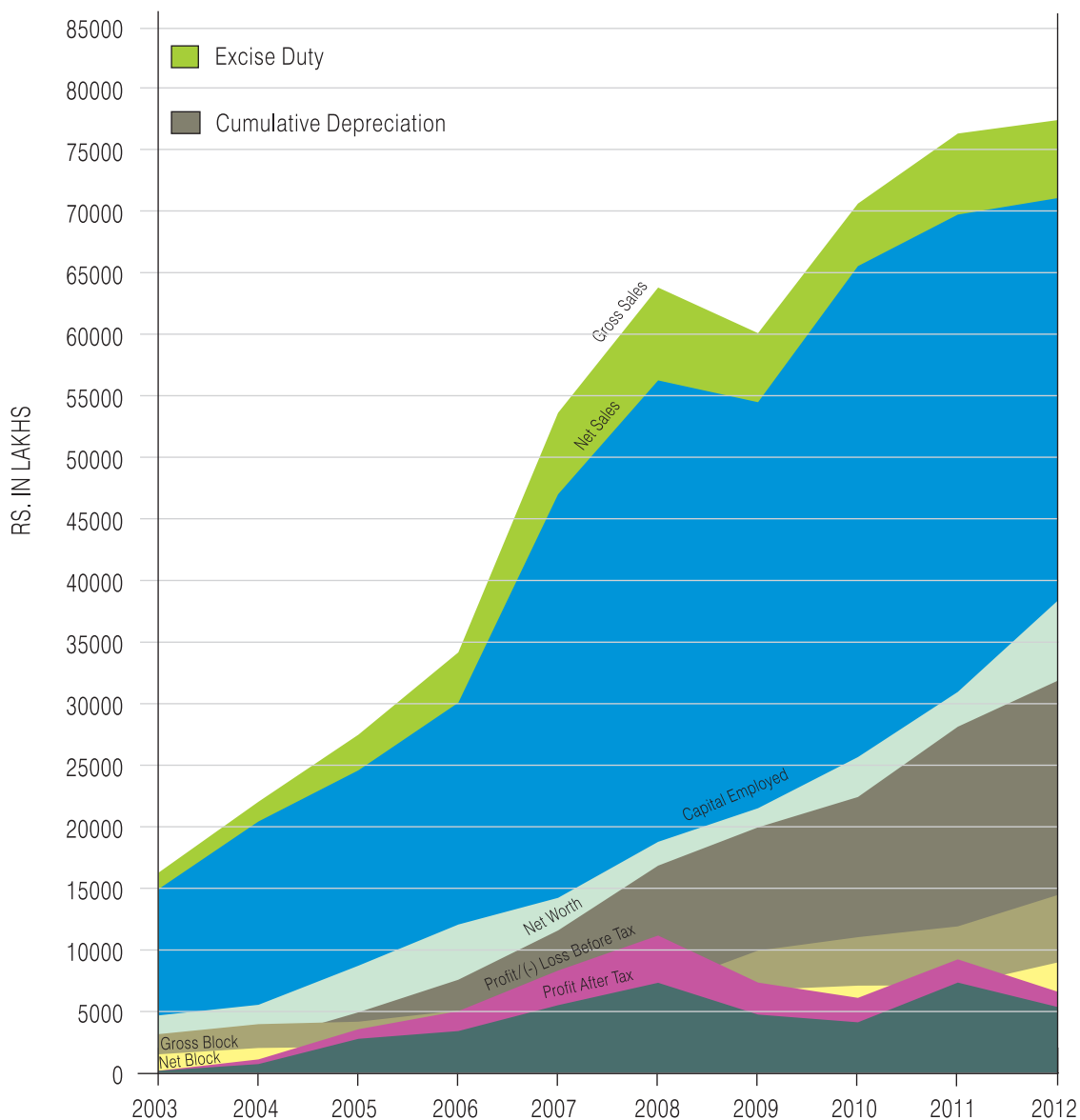
During the year an enterprise-wide process directed towards management and protection of business critical knowledge and accumulated acumen was initiated. The internal **PRO+Active** team completed a pilot project to codify explicit organizational knowledge within a specific domain, and will enlarge its scope during the current year.

**RISKS AND CONCERNS**

In recent months the outlook for industrial growth has weakened for several reasons. Regulatory issues have undermined business confidence, and there has been a slowdown in announcement of fresh projects, closure of ongoing projects, and new investments in capacity. Monetary tightening in response to inflation has resulted in a hardening of interest rates. This in turn has dampened demand and also affected the viability of new projects. It is likely that investment growth, and demand for your Company's products, will be subdued during the current year. Continued weakness of the rupee will also impact the Company's margins as imports of electrical steel, copper and oil will become costlier.

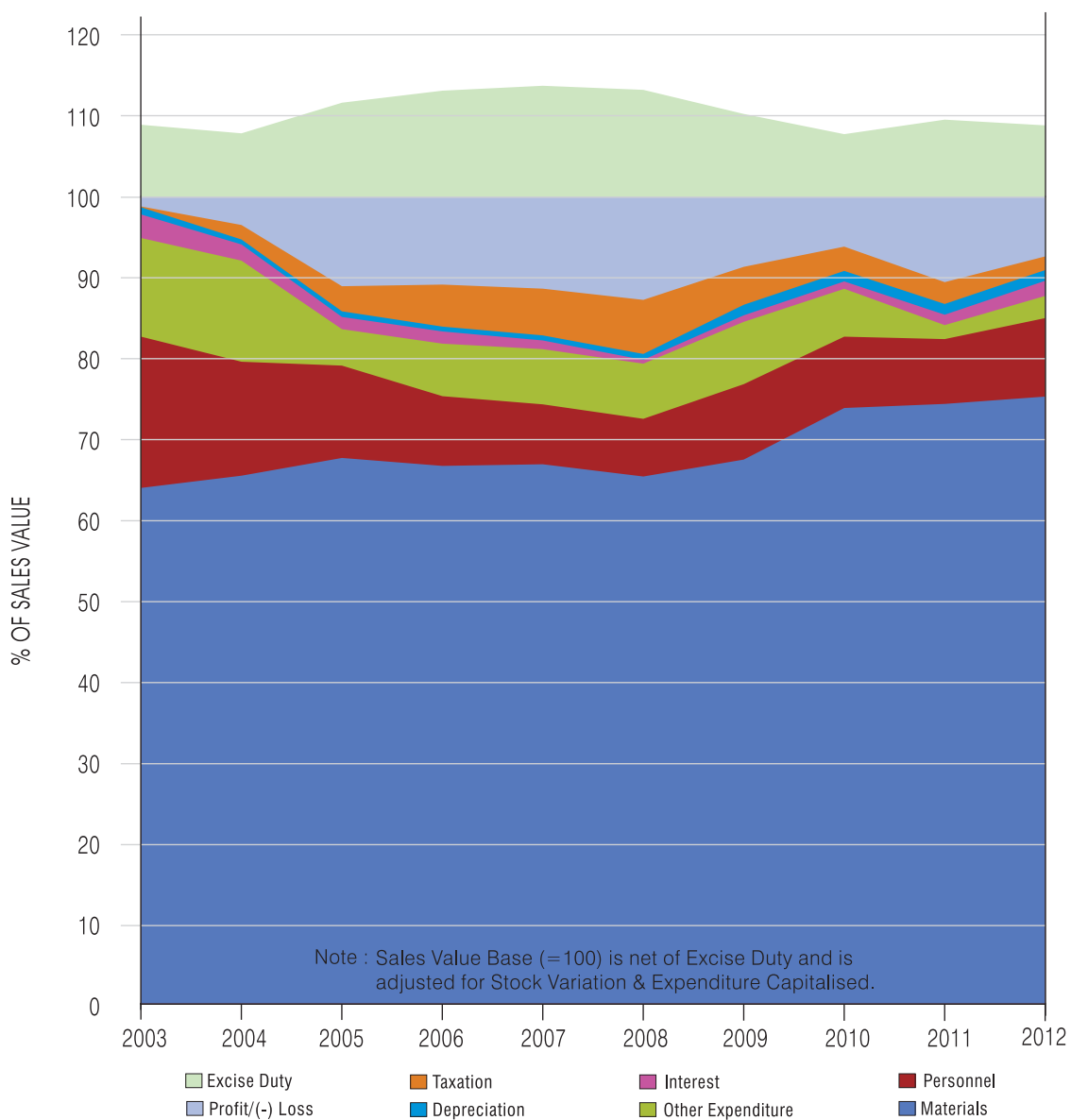
**FUTURE OUTLOOK**

One can hope that business confidence will improve, but project completion delays, the overhang of excess capacities, financially distressed State Electricity Boards, rising input costs and the currency volatility associated with general economic uncertainty may combine to compress margins further and lead to idle capacities and cost overruns. It is likely that the current year will be another challenging one.

**BUSINESS TRENDS**


	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Particulars</b>										
Gross Sales	16282	22042	27479	34173	53601	63790	60077	70609	76299	77385
Net Sales	14940	20430	24584	30078	46986	56240	54470	65514	69704	71051
Cptl. Empld.	4675	5546	8718	12061	14226	18776	21507	25668	30951	38375
Net Worth	1923	2573	4928	7585	11584	16850	19950	22424	28135	31860
Gross Block	3157	3966	4171	5075	5607	6940	9941	11043	11913	14465
Net Block	1521	2034	2135	2938	3383	4403	6752	7094	7124	8989
Profit/(-) Loss Before Tax	185	1101	3557	5030	8320	11169	7342	6096	9233	6603
Profit/(-) Loss After Tax	177	734	2777	3368	5508	7249	4753	4122	7353	5367

## COST TRENDS



Particulars	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Excise Duty	8.6	7.8	11.6	13.1	13.7	13.2	10.2	7.7	9.5	8.8
Profit/(-) Loss	1.2	3.5	11.1	10.9	11.4	12.8	8.7	6.2	10.6	7.4
Taxation	0.1	1.8	3.1	5.2	5.8	6.7	4.7	3.0	2.7	1.7
Depreciation	0.9	0.6	0.7	0.6	0.6	0.7	1.3	1.3	1.3	1.3
Interest	2.9	2.0	1.5	1.5	1.1	0.5	0.8	0.9	1.3	1.9
Other Exp. \$	12.2	12.5	4.5	6.5	6.8	6.8	7.7	6.5	1.7	2.7
Personnel #	18.7	14.1	11.4	8.6	7.4	7.1	9.3	8.2	8.0	9.7
Materials	64.0	65.5	67.7	66.7	66.9	65.4	67.5	73.9	74.4	75.3

\$ Other Expenditure is adjusted for Other Income and Exceptional Income.

# Personnel cost is adjusted for Expenditure on VRS write off and Provision for Gratuity.

## TEN YEARS FINANCIAL DATA

(₹ in Lakhs)

Period ended	March 2012	March 2011	March 2010	March 2009	March 2008	March 2007	March 2006	March 2005	March 2004	March 2003
<b>SALES AND EARNINGS</b>										
Sales	<b>77384.76</b>	76299.48	70608.64	60077.08	63789.81	53600.79	34173.42	27479.12	22041.64	16281.89
Profit/(-) Loss Before Taxes	<b>6602.51</b>	9232.85	6095.96	7341.96	11168.72	8320.20	5029.64	3556.90	1101.30	184.77
Profit/(-) Loss After Taxes Net of Adjustments	<b>5367.23</b>	7352.53	4122.35	4752.79	7249.18	5508.05	3367.98	2776.54	729.11	175.95
Dividends	<b>1412.89</b>	1412.89	1412.89	1412.89	1695.47	1412.89	762.96	508.64	226.06	56.52
Earnings Per Share (₹)	<b>*94.97</b>	*130.10	*72.94	*84.10	*128.27	*97.46	*59.59	491.29	129.01	31.13
Equity Dividend Rate (₹ Per Share)	<b>*25.00</b>	*25.00	*25.00	*25.00	*30.00	*25.00	*13.50	90.00	40.00	10.00
Net Worth Per Share (₹)	<b>*563.74</b>	*497.82	*396.78	*352.99	*298.14	*204.97	*134.21	871.99	455.27	340.19
DebtEquityRatios+	<b>0.04:1</b>	0.07:1	0.08:1	0.06:1	0.11:1	0.16:1	0.26:1	0.39:1	0.81:1	0.55:1
+ Debt = Loan Funds less cash credit & Short-Term Loans from Banks; Equity = Shareholders' Funds										
* On Equity Share of ₹ 10/- each sub-divided										

## REPORT OF THE AUDITORS TO THE MEMBERS

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1. We have audited the attached Balance Sheet of Bharat Bijlee Limited (the "Company") as at March 31, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
    - (ii) in the case of the Statement of Profit and Loss, the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For DALAL & SHAH**  
**Firm Registration Number: 102021W**  
**Chartered Accountants**

**S. Venkatesh**  
**Partner**

Membership Number: F-037942

Mumbai : May 16, 2012

# **ANNEXURE TO AUDITORS' REPORT**

## **Referred to in paragraph 3 of the Auditors' Report of even date to the members of Bharat Bijlee Limited on the financial statements as of and for the year ended March 31, 2012**

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.  
The other clauses (iii)(b), (iii)(c) and (iii)(d) of the Order, are not applicable in case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the Order.
- (e) The Company has taken unsecured loans, from a Company and other parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to ₹ 584.50 lacs and ₹ 32.50 lacs, respectively.
- (f) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts, as stipulated, and is also regular in payment of interest, as applicable.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness have been noticed or reported.
5. (a) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the 'Companies (Acceptance of Deposits) Rules, 1975' with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie,



the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Service Tax, the Company has generally been regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2012, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Due date	Date of Payment
Finance Act, 1994	Service tax (including interest)	18.36	2011-2012	Various	May 2, 2012

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Excise Duty, Local Sales Tax and Customs Duty, as at March 31, 2012 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act	Excise Duty	423.60	1986-1995 and 2002-2004	Central Excise and Service Tax Appellate Tribunal
Local Sales Tax	Local Sales Tax (including VAT, Works Contract Tax etc)	78.10	1999-2004, 2007-2010 and 2011-2012	Commissioner Appeals – Sales Tax
Customs Act	Custom Duty	245.83	1996-1999	Central Excise and Service Tax Appellate Tribunal

- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Service Tax and Wealth-Tax which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at 31st March, 2012 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year; and does not have any debentures outstanding as at the year end.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **DALAL & SHAH**  
Firm Registration Number: 102021W  
Chartered Accountants

**S. Venkatesh**  
Partner

Membership Number: F-037942

Mumbai : May 16, 2012

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Note	As at 31st March, 2012	As at 31st March, 2011
<b>EQUITY AND LIABILITIES:</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital	3	<b>565.16</b>	565.16
Reserves and Surplus	4	<b>31294.79</b>	27569.66
		<b>31859.95</b>	28134.82
<b>NON-CURRENT LIABILITIES:</b>			
Long-term borrowings	5	<b>1371.61</b>	1347.33
Deferred Tax Liability (Net)	6	<b>474.03</b>	450.23
Long-term provisions	7	<b>347.38</b>	409.97
		<b>2193.02</b>	2207.53
<b>CURRENT LIABILITIES:</b>			
Short-term borrowings	8	<b>3638.46</b>	410.00
Trade payables	9	<b>14537.82</b>	15748.00
Other current liabilities	10	<b>5535.20</b>	3647.45
Short-term provisions	11	<b>2826.49</b>	2374.20
		<b>26537.97</b>	22179.65
<b>Total</b>		<b>60590.94</b>	52522.00
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS:</b>			
Fixed Assets	12		
Tangible assets		<b>8690.33</b>	7034.67
Intangible assets		<b>298.27</b>	89.75
		<b>8988.60</b>	7124.42
Capital Work-in-Progress		<b>502.30</b>	1223.83
Non-current investments	13	<b>402.33</b>	424.92
Long term loans and advances	14	<b>2185.39</b>	1636.62
Other non-current assets	15	<b>123.39</b>	74.51
		<b>12202.01</b>	10484.30
<b>CURRENT ASSETS:</b>			
Current investments	16	<b>550.33</b>	1813.46
Inventories	17	<b>9816.69</b>	8441.09
Trade receivables	18	<b>21384.24</b>	19166.59
Cash and bank balances	19	<b>1714.50</b>	3399.52
Short-term loans and advances	20	<b>13802.80</b>	7227.64
Other current assets	21	<b>1120.37</b>	1989.40
		<b>48388.93</b>	42037.70
<b>Total</b>		<b>60590.94</b>	52522.00
General Information	1		
Significant Accounting Policies	2		
The Notes are an integral part of these financial statements			

As per our attached report of even date.  
For DALAL & SHAH,  
Firm Registration No. 102021W  
Chartered Accountants,

S. Venkatesh  
Partner  
Membership No. F-037942

D. N. Nagarkar  
Company Secretary & Senior General Manager :  
Legal

S. B. Godbole  
Vice President :  
Finance

Nikhil J. Danani }  
Nakul P. Mehta } Vice Chairmen &  
Managing Directors

Shome N. Danani Executive Director

Sanjiv N. Shah Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Note	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>REVENUE:</b>			
Gross Revenue From Operations	22	<b>78111.99</b>	76901.82
Less Excise Duty		<b>6334.10</b>	6595.05
Net Revenue From Operations		<b>71777.89</b>	70306.77
<b>OTHER INCOME</b>	23	<b>1959.67</b>	861.01
<b>TOTAL REVENUE</b>		<b>73737.56</b>	71167.78
<b>EXPENSES:</b>			
Cost of materials consumed	24	<b>53454.26</b>	50970.53
Purchases of traded goods	25	<b>1511.30</b>	1015.99
Changes in inventories	26	<b>(1009.99)</b>	(111.18)
Employee benefits	27	<b>6968.49</b>	6216.55
Finance costs	28	<b>1337.48</b>	896.84
Depreciation and amortisation expense	12	<b>960.77</b>	893.35
Other expenses	29	<b>6521.66</b>	5433.52
<b>TOTAL EXPENSES</b>		<b>69743.97</b>	65315.60
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>3993.59</b>	5852.18
<b>EXCEPTIONAL ITEM</b>			
Profit on sale of Long Term Investments		<b>2608.92</b>	3380.67
<b>PROFIT BEFORE TAX</b>		<b>6602.51</b>	9232.85
<b>TAX EXPENSE</b>			
Current Tax		<b>1329.91</b>	1866.40
MAT (credit)/set-off		<b>(118.43)</b>	—
Deferred Tax Charge/(Credit)		<b>23.80</b>	13.89
		<b>1235.28</b>	1880.29
		<b>5367.23</b>	7352.56
Short/(Excess )Provision for Tax for earlier years		—	0.03
<b>PROFIT FOR THE YEAR</b>		<b>5367.23</b>	7352.53
Weighted average number of equity shares outstanding during the year		<b>5651560</b>	5651560
Basic and diluted earning per share (in ₹)			
[nominal value ₹ 10 per share]			
– including exceptional items		<b>94.97</b>	130.10
– excluding exceptional items		<b>48.81</b>	70.28
(Refer Note 42)			

As per our attached report of even date.  
For DALAL & SHAH,  
Firm Registration No. 102021W  
Chartered Accountants,

S. Venkatesh  
Partner  
Membership No. F-037942

D. N. Nagarkar  
Company Secretary & Senior General Manager :  
Legal

S. B. Godbole  
Vice President :  
Finance

Nikhil J. Danani }  
Nakul P. Mehta } Vice Chairmen &  
Managing Directors

Shome N. Danani Executive Director

Sanjiv N. Shah Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Exceptional Items and Taxation	3993.59	5852.18
Adjustments for:		
Depreciation and amortisation	960.77	893.35
Profit on sale of Fixed Assets(net)	(265.63)	(22.07)
Profit on redemption of current investments	(231.18)	(338.66)
Finance Cost	1337.48	896.84
Interest Income	(1173.56)	(217.68)
Dividend Income	(177.48)	(182.50)
	<b>450.40</b>	<b>1029.28</b>
Operating Profit Before Working Capital changes	<b>4443.99</b>	<b>6881.46</b>
Changes in Working Capital:		
Increase/(Decrease) in trade payable	(1210.18)	4468.41
Increase/(Decrease) in provisions	389.71	(17.00)
Increase/(Decrease) in other current liabilities	1451.73	58.07
(Increase)/Decrease in trade receivables	(2217.65)	(1161.44)
(Increase)/Decrease in inventories	(1375.60)	(649.65)
(Increase)/Decrease in loans and advances	(315.40)	194.44
(Increase)/Decrease in other current assets	(489.29)	(209.63)
(Increase)/Decrease in other non-current assets	(48.88)	(74.51)
	<b>(3815.56)</b>	<b>2608.69</b>
Cash generated from Operations	<b>628.43</b>	<b>9490.15</b>
Direct Taxes paid	(1148.77)	(1910.95)
Net Cash from Operating Activities	<b>(A) (520.34)</b>	<b>7579.20</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2545.57)	(2050.23)
Proceeds from Sale of Fixed Assets	635.84	41.49
Proceeds from Sale of Long Term Investments	4345.71	1696.12
Proceeds from Sale/(Purchase) of Current Investments (net)	1494.31	3742.08
Inter Corporate Deposits given	(6799.30)	(6093.57)
Interest received	817.67	158.75
Dividend received	177.48	182.50
Net Cash from Investing Activities	<b>(B) (1873.86)</b>	<b>(2322.86)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds of Fixed Deposits (Net)	447.54	84.07
Inter Corporate Deposits taken	999.00	1735.00
Inter Corporate Deposits repaid	(1409.00)	(1940.00)
Proceeds/(repayment) of Short Term Loans from Banks (net)	3638.46	(320.72)
Interest paid	(1332.77)	(860.36)
(Increase)/Decrease in other bank balance	(59.53)	50.88
Dividend paid including Dividend Distribution Tax	(1634.05)	(1641.02)
Net Cash from Financing Activities	<b>(C) 649.65</b>	<b>(2892.15)</b>
	<b>(A+B+C) (1744.55)</b>	<b>2364.19</b>
Net increase in Cash and Cash equivalents	<b>(1744.55)</b>	<b>2364.19</b>
Cash and Cash equivalents at the beginning of the year	<b>3331.35</b>	<b>967.16</b>
Cash and Cash equivalents at the close of the year (Refer Note No.19)	<b>1586.80</b>	<b>3331.35</b>

As per our attached report of even date.  
For DALAL & SHAH,  
Firm Registration No. 102021W  
Chartered Accountants,

S. Venkatesh  
Partner  
Membership No. F-037942

D. N. Nagarkar  
Company Secretary & Senior General Manager :  
Legal

S. B. Godbole  
Vice President :  
Finance

Nikhil J. Danani

Nakul P. Mehta

Shome N. Danani

Sanjiv N. Shah

Vice Chairmen &  
Managing Directors

Executive Director

Director

## NOTES TO THE FINANCIAL STATEMENTS

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### Notes:

#### 1. GENERAL INFORMATION:

Bharat Bijlee Limited is one of the leaders in the electrical engineering industry in India. A multi-product, multi-divisional organisation, its main products are transformers, projects, electric motors, elevator systems and drives. The Company has a well established all-India marketing network that ensures responsive pre and after sales service.

#### 2. SIGNIFICANT ACCOUNTING POLICIES:

##### 2.01 System of Accounting:

- (a) In compliance with the accounting standards referred to in Section 211(3C) and the other relevant provisions of the Companies Act, 1956 to the extent applicable, the Company follows the accrual system of accounting in general and the historical cost convention in accordance with the Generally Accepted Accounting Principles [GAAP].
- (b) The preparation of accounting statements in conformity with GAAP requires the management to make assumption and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statement and the amounts of income and expenses during the period reported under the financial statements. Any revision to the accounting estimates are recognised prospectively when revised.
- (c) All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

##### 2.02 Revenue Recognition

- (a) Revenue from sale of products are recognised on transfer of all significant risk and rewards of ownership of the product on to the customers, which is generally on despatch of goods.
- (b) Revenue from Construction Contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and the estimated total costs. When it is estimated that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined based on the technical and other assessment of cost to be incurred.
- (c) Sales are stated exclusive of Value Added Tax/Sales Tax, Returns and Discounts for the year.
- (d) Service income is recognised, net of service tax, when the related services are provided.
- (e) Dividend income is recognised on establishment of the right to receive the same.
- (f) Interest income is recognised on the time proportion basis.
- (g) Insurance and other claims are accounted as and when unconditionally admitted by the appropriate authorities.
- (h) Eligible export incentives are recognised in the year of export.

##### 2.03 Fixed Assets and Depreciation:

Fixed assets are stated at historical cost net of Cenvat, other setoffs and accumulated depreciation.

Depreciation is provided on straight line basis at the rates and in the manner prescribed in Schedule XIV to the Companies' Act, 1956.

Leasehold land is stated at historical cost less amounts written off proportionate to expired lease period.

Spares of the nature of capital spares/insurance spares are added to the cost of the assets. The total cost of such spares is depreciated over a period not exceeding the useful life of the fixed asset to which they relate.

##### 2.04 Intangible Assets:

- (a) Expenditure on technical know-how is amortised over the lower of the contract period and the period as per Accounting Standard (AS) 26 – Intangible Assets.
- (b) Expenditure on application software is amortised over a period of three years.

##### 2.05 Investments:

Long term investments are carried at cost of acquisition. Provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of Long term investments. Current investments are carried at lower of cost and fair value.

##### 2.06 Inventories:

Inventories include raw materials and components, packing materials, stores, spare parts, work-in-progress and manufactured and traded finished goods.

Cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

## NOTES TO THE FINANCIAL STATEMENTS

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### Notes (Contd.):

#### 2.06 Inventories (Contd.):

Raw materials and components, packing materials, stores, spare parts and traded finished goods are valued at the lower of cost and net realisable value. Cost is determined on the basis of weighted average method.

Work-in-progress and manufactured finished goods are valued at the lower of cost and net realisable value.

Materials in transit and materials in bonded warehouse are valued at Cost-to-date.

Excise duty is included in the value of finished goods inventory and Custom duty is provided on the materials lying in bonded warehouse.

#### 2.07 Foreign Currency Transactions:

- (i) Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.
- (ii) In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, premium on discounts are amortised as expense or income over the life of the forward contract. Exchange difference on such forward contracts are recognised in the Statement of Profit and Loss in the year in which exchange rate changes. Profit or Loss arising on cancellation or renewal of such forward contracts are recognised as income or expense for that year.

#### 2.08 Employee Benefits:

**A. Short Term Employee Benefits** are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

##### **B. Retirement Benefits:**

- (a) Retirement benefits in the form of Provident Fund/Family Pension Fund and Superannuation Fund, which are Defined Contribution Plans, are accounted on accrual basis and charged to the Statement of Profit and Loss of the year.
- (b) Retirement benefits in the form of Gratuity which is a defined benefit plan and the long term employee benefit in the form of Leave Encashment, are determined and accrued on the basis of an independent actuarial valuation applying the Projected Unit Credit Method.
- (c) The actuarial gains/losses arising during the year are recognised in the Statement of Profit and Loss of the year.

#### 2.09 Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are recognised as an expense in the period in which they are incurred.

#### 2.10 Taxation:

Current Tax is determined at the amount of tax payable at the applicable tax rate in respect of the estimated taxable income for the year.

Deferred Tax is determined using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets are recognised and carried forward only if there is reasonable certainty of its realisation. However in case of carried forward losses and unabsorbed depreciation under the Income Tax Act, 1961, the Deferred Tax Asset is recognised if and only if there is a virtual certainty backed by convincing evidence of its realisation. Such assets are reviewed at each Balance Sheet date to reassess its realisation.

Minimum Alternative Tax (MAT) Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit/asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.

#### 2.11 Leases:

##### **Operating Leases**

For premises/vehicles, taken/given on lease, lease rentals payable/receivable are charged/credited to the revenue.



## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

#### 2.12 Impairment of Assets:

- (a) The carrying amount of assets, other than inventories is reviewed at each balance sheet date to assess whether there is any indication of impairment in respect of such asset or group of assets (cash generating unit). If such indication exists, the recoverable amount of such asset or group of assets is estimated.
- (b) If such recoverable amount of the asset or the group of assets is less than its carrying amount, an impairment loss is reckoned by reducing the carrying amount to its recoverable amount. If there is an indication at the balance sheet date that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

#### 2.13 Provisions, Contingent Liabilities and Contingent Assets:

The Company recognises a provision when there is a present obligation as a result of a past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent liabilities are disclosed by way of note to the Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognised nor disclosed.

(All amounts are ₹ in Lakhs, unless otherwise stated)

	As at 31st March, 2012	As at 31st March, 2011
<b>3. Share Capital</b>		
<b>Authorised:</b>		
2,00,000 12% Non-Convertible Redeemable Cumulative Preference Shares of ₹ 100 each	200.00	200.00
80,00,000 Equity Shares of ₹ 10 each	800.00	800.00
<b>Issued and Subscribed and fully paid up shares</b>		
56,51,560 Equity Shares of ₹ 10 each	565.16	565.16
<b>(a) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
	<b>No of Shares (% of holding)</b>	<b>No of Shares (% of holding)</b>
1. Life Insurance Corporation of India	507815 (8.99)	509589 (9.01)
2. Danmet Chemicals Pvt. Ltd.	459777 (8.14)	459777 (8.14)
3. Gayatri Education Medical & Research Foundation Pvt. Ltd.	450185 (7.97)	450165 (7.97)

#### (b) Rights, preferences and restrictions attached to shares

Equity Shares : The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

	As at 31st March, 2012	As at 31st March, 2011
<b>4. Reserves and Surplus</b>		
<b>General Reserve</b>		
Balance as at the beginning of the year	23921.37	18921.37
Add: Amount transferred from surplus	550.00	5000.00
Balance as at the end of the year	<u>24471.37</u>	<u>23921.37</u>
<b>Surplus</b>		
Balance as at the beginning of the year	3648.29	2937.86
Add: Profit for the year	5367.23	7352.53
	<u>9015.52</u>	<u>10290.39</u>
Less: Appropriations		
Proposed Dividend on Equity Shares @ ₹ 25 per equity share (Previous year ₹ 25 per equity share)	1412.89	1412.89
Tax on proposed Equity Dividend	229.21	229.21
Transfer to General Reserve	550.00	5000.00
Balance as at the end of the year	<u>6823.42</u>	<u>3648.29</u>
	<u>31294.79</u>	<u>27569.66</u>
<b>5. Long-term borrowings</b>		
Unsecured:		
Fixed Deposits		
– From Related Party	32.50	32.50
– From Public	1339.11	1314.83
	<u>1371.61</u>	<u>1347.33</u>
Fixed Deposits accepted in accordance with the provisions of Section 58A of the Companies Act, 1956 repayable over two/three years from 31st March, 2012.		
<b>6. Deferred Tax Liability (Net)</b>		
Deferred Tax Liability		
Depreciation	1021.79	806.14
Deferred Tax Asset		
Provision for doubtful debt	133.24	65.13
Other timing difference	414.52	290.78
	<u>547.76</u>	<u>355.91</u>
	<u>474.03</u>	<u>450.23</u>

Deferred Tax Assets and Deferred Tax Liability have been offset as they relate to the same governing taxation laws.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

	As at 31st March, 2012	As at 31st March, 2011
<b>7. Long-term provisions</b>		
<b>Employee benefits:</b>		
Provision for Gratuity (Refer Note No. 38)	347.38	409.97
	<u>347.38</u>	<u>409.97</u>
<b>8. Short-term borrowings</b>		
<b>Secured:</b>		
Working Capital Loans repayable on demand from banks	3638.46	—
	<u>3638.46</u>	<u>—</u>
Secured by hypothecation of all tangible moveable assets including stock of Raw Materials and Components, Stores, Spares, Fuel, Work-in-Progress, Finished Goods, Stock-in-trade and Book Debts and by oral equitable mortgage, ranking second and subservient to mortgages created or to be created, on immovable properties excluding vacant land at Company's Kalwe factory.		
<b>Unsecured:</b>		
Inter corporate deposits from related party	—	410.00
	<u>—</u>	<u>410.00</u>
	<u>3638.46</u>	<u>410.00</u>
<b>9. Trade payables</b>		
Acceptances	5435.55	5421.85
Due to Micro and Small Enterprises	—	—
Due to creditors other than Micro and Small Enterprises	9102.27	10326.15
	<u>14537.82</u>	<u>15748.00</u>
(a) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006		
There are no Micro and Small and Medium Enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
(b) Disclosure in accordance with Section 22 of the Act read with Notification No. GSR 719(E) dated 16th November 2007 issued by the Ministry of Corporate Affairs:		
Principal amount remaining unpaid and interest due thereon	—	—
Interest paid in terms of Section 16	—	—
Interest due and payable for the period of delay in payment	—	—
Interest accrued and remaining unpaid	—	—
Interest due and payable even in the succeeding years	—	—

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

	As at 31st March, 2012	As at 31st March, 2011
<b>10. Other current liabilities:</b>		
Current maturities of long term fixed deposits referred to in Note 5	1031.86	608.60
Interest accrued but not due on borrowings	101.74	97.03
Unclaimed dividends*	59.73	51.68
Unclaimed matured deposits and interest accrued there on*	12.78	9.78
Other payables		
Deposits from Vendors, Dealers	95.78	97.85
Advances from Customers	1960.89	926.15
Employee Benefits	822.37	976.56
Project Amount due to customers (Refer Note No. 37)	–	56.11
Statutory dues	872.63	462.10
Others	577.42	361.59
	<b>5535.20</b>	<b>3647.45</b>

\* As at the year end there is no amount due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act.

### 11. Short-term provisions:

Employee benefits:		
Provision for Leave Entitlement	486.23	425.91
Others		
Provision for Warranty Costs (Refer Note No. 43)	268.18	104.29
Provision for Contracts	429.98	201.90
Provision for proposed equity dividend	1412.89	1412.89
Provision for tax on proposed equity dividend	229.21	229.21
	<b>2826.49</b>	<b>2374.20</b>

### 12. Fixed Assets:

Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK	
	As At 01.04.2011	Additions	Deductions	As At 31.03.2012	As At 01.04.2011	For the year	On Deductions	As At 31.03.2012	As At 31.03.2012	As At 31.03.2011
<b>TANGIBLE ASSETS</b>										
Leasehold Land	12.95	–	–	12.95	6.90	0.13	–	7.03	5.92	6.05
Buildings Incl. Roads+	2645.32	1223.26	438.70	3429.88	627.52	79.96	104.67	602.81	2827.07	2017.80
Plant and Machinery	7711.30	1515.28	156.92	9069.66	2946.73	645.41	132.58	3459.56	5610.10	4764.57
Furniture and Fixtures	186.74	28.25	2.39	212.60	120.75	10.06	2.36	128.45	84.15	65.99
Office Equipment	293.23	27.89	11.57	309.55	150.58	26.79	9.27	168.10	141.45	142.65
Motor Vehicles	91.65	–	34.08	57.57	54.04	6.46	24.57	35.93	21.64	37.61
<b>SUB TOTAL</b>	<b>10941.19</b>	<b>2794.68</b>	<b>643.66</b>	<b>13092.21</b>	<b>3906.52</b>	<b>768.81</b>	<b>273.45</b>	<b>4401.88</b>	<b>8690.33</b>	<b>7034.67</b>
<b>INTANGIBLE ASSETS</b>										
Application Software	900.02	400.48	–	1300.50	824.65	177.58	–	1002.23	298.27	75.37
Technical Knowhow	71.89	–	–	71.89	57.51	14.38	–	71.89	–	14.38
<b>SUB TOTAL</b>	<b>971.91</b>	<b>400.48</b>	<b>–</b>	<b>1372.39</b>	<b>882.16</b>	<b>191.96</b>	<b>–</b>	<b>1074.12</b>	<b>298.27</b>	<b>89.75</b>
<b>GRAND TOTAL</b>	<b>11913.10</b>	<b>3195.16</b>	<b>643.66</b>	<b>14464.60</b>	<b>4788.68</b>	<b>960.77</b>	<b>273.45</b>	<b>5476.00</b>	<b>8988.60</b>	<b>7124.42</b>
Previous Year's Total	11043.28	942.93	73.11	11913.10	3949.02	893.35	53.69	4788.68	7124.42	

+ Includes ₹11,850 being the value of 231 shares in Co-operative Societies for ownership premises.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

	As at 31st March, 2012	As at 31st March, 2011
<b>13. Non-current investments</b>		
<b>Non Trade – at cost</b>		
<b>Quoted:</b>		
(All fully paid up)		
21,38,160 Equity Shares of ₹ 2 each of Siemens India Ltd. (Previous year 24,35,160 Equity Shares of ₹ 2 each)	<b>162.57</b>	185.16
5,14,900 Equity Shares of ₹ 2 each of HDFC Ltd.	<b>13.52</b>	13.52
15,821 Equity Shares of ₹ 10 each of ICICI Bank Ltd.	<b>6.16</b>	6.16
3,33,333 Equity Shares of ₹ 10 each of Hindustan Oil Exploration Co. Ltd.	<b>216.50</b>	216.50
2,500 Equity Shares of ₹ 2 each of HDFC Bank Ltd. (Previous year 500 Equity Shares of ₹ 10 each)	<b>0.05</b>	0.05
5,400 Equity Shares of ₹ 10 each of Bank of India	<b>2.43</b>	2.43
	<b>401.23</b>	423.82
<b>Unquoted:</b>		
(All fully paid up)		
1,000 Equity Shares of ₹ 10 each of Saraswat Co-operative Bank Ltd.	<b>0.10</b>	0.10
10,000 Equity Shares of ₹ 10 each of NKGSB Co-operative Bank Ltd.	<b>1.00</b>	1.00
	<b>1.10</b>	1.10
	<b>402.33</b>	424.92
<b>Aggregate Amount of Investments</b>		
<b>Quoted:</b>		
Book value	<b>401.23</b>	423.82
Market value	<b>20215.57</b>	25944.00
<b>Unquoted:</b>		
Book value	<b>1.10</b>	1.10
<b>14. Long term loans and advances</b>		
<b>Unsecured considered good</b>		
Capital Advances	<b>238.97</b>	167.03
Security Deposits	<b>237.61</b>	238.21
(including National Savings Certificates of the face value of ₹ 0.36 lakhs matured but not encashed deposited with Government Departments and Semi Government – Previous year ₹ 0.36 lakhs)		
<b>Other Loans and Advances</b>		
Employee Loans and Advances	<b>27.81</b>	38.12
Advances to Vendors	<b>165.08</b>	188.11
Sales Tax and Excise Refund Receivable including TDS on WCT	<b>1286.94</b>	574.93
Advance payments of tax and tax deducted at source (net of provision)	<b>168.98</b>	370.22
Other Deposits	<b>60.00</b>	60.00
	<b>2185.39</b>	1636.62

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

	As at 31st March, 2012	As at 31st March, 2011
<b>15. Other non-current assets</b>		
Long Term Trade Receivables		
Unsecured considered good	73.39	29.51
Unsecured considered doubtful	410.67	200.74
Less: Provision for doubtful receivable	410.67	200.74
	<u>73.39</u>	<u>29.51</u>
Deposits with Banks with maturity period more than 12 months	50.00	45.00
	<u>123.39</u>	<u>74.51</u>
<b>16. Current investments</b>		
<b>Valued at the lower of cost and fair value</b>		
<b>Unquoted:</b>		
Units in Mutual Funds		
— (Previous year 12,33,355) of Birla Sun Life Cash Manager – Instl. Plan – Growth	–	202.61
— (Previous year 76,95,327) of Birla Sun Life Floating Rate Fund – Instl. Plan – Short Term Growth	–	1000.00
— (Previous year 55,223) of UTI Floating Rate Fund – Instl. Plan – Short Term Plan Growth	–	610.85
31,282 (Previous year Nil) of UTI Liquid Cash Plan Institutional – Growth Option	550.33	–
	<u>550.33</u>	<u>1813.46</u>
<b>17. Inventories</b>		
Raw Materials and Components (In transit ₹ 143.78 Lakhs – Previous year ₹ 85.98 lakhs)	3006.06	2986.24
Work-in-Progress	2401.94	3207.94
Finished Goods	3880.08	1872.54
Stock in Trade	451.43	331.43
Stores Spare Parts and Fuel	26.19	16.64
Consumable Tools	14.88	10.38
Packing Materials	36.11	15.92
	<u>9816.69</u>	<u>8441.09</u>
<b>18. Trade receivables</b>		
<b>Secured considered good</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	3.87	6.09
Others	48.17	24.94
<b>Unsecured considered good</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	1597.93	1048.82
Others	19734.27	18086.74
	<u>21384.24</u>	<u>19166.59</u>



## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

	As at 31st March, 2012	As at 31st March, 2011
<b>19. Cash and bank balances</b>		
Cash and Cash equivalents		
Cash on hand	2.49	5.47
Cheques on hand	95.79	192.86
Remittances in transit	270.94	298.78
Bank balances		
In Cash credit Accounts	1179.32	2739.26
In Current Accounts	38.26	94.98
	<u>1586.80</u>	<u>3331.35</u>
Other bank balances		
Earmarked balances with banks		
In Current Accounts (refer footnote a)	82.63	68.17
In Fixed Deposits (refer footnote b)	45.07	–
	<u>127.70</u>	<u>68.17</u>
	<u>1714.50</u>	<u>3399.52</u>

#### Footnotes:

- (a) Balances in current accounts are earmarked towards unclaimed dividend, repayment of public deposits including interest.
- (b) Balance in fixed deposits is earmarked as margin against the public deposits maturing within next twelve months.

### 20. Short-term loans and advances

#### Unsecured considered good

Corporate Deposit	12892.87	6093.57
Employee Loans and Advances	32.85	32.82
Advances to Vendors	244.32	732.14
Sales Tax and Excise Refund Receivable including TDS on WCT	200.62	201.93
Advance payments of tax and tax deducted at source (net of provision)	218.51	79.98
MAT Entitlement	118.43	–
Others	95.20	87.20
	<u>13802.80</u>	<u>7227.64</u>

### 21. Other current assets

Export Incentive	150.79	28.51
Interest Receivable	421.45	65.56
Receivable from Sale of Investments	–	1714.21
Gross Amounts Due from Customers of Construction Contracts (Refer Note No. 37)	548.13	181.12
	<u>1120.37</u>	<u>1989.40</u>

**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.):**

<b>REVENUE FROM OPERATIONS</b>	<b>Year ended 31st March, 2012</b>	<b>Year ended 31st March, 2011</b>
<b>22. Gross Revenue From Operations</b>		
Sale of products		
Manufactured goods	<b>71874.95</b>	71763.31
Traded goods	<b>1823.76</b>	1100.34
	<b>73698.71</b>	72863.65
Sale of Services	<b>224.29</b>	211.17
Project Revenue	<b>3461.76</b>	3224.66
	<b>77384.76</b>	76299.48
Other Operating revenue		
Scrap Sales	<b>727.23</b>	602.34
	<b>78111.99</b>	76901.82
Less: Excise Duty	<b>6334.10</b>	6595.05
	<b>71777.89</b>	70306.77
<b>Details of Sales</b>		
Manufactured goods		
Electric Motors	<b>28914.06</b>	22678.43
Transformers	<b>41487.91</b>	48228.98
ESD	<b>1012.31</b>	664.81
VFD Systems	<b>460.67</b>	191.09
	<b>71874.95</b>	71763.31
Traded goods		
Drives	<b>1582.04</b>	896.20
Others	<b>241.72</b>	204.14
	<b>1823.76</b>	1100.34
	<b>73698.71</b>	72863.65
<b>23. Other Income</b>		
Interest	<b>1173.56</b>	217.68
Dividend Income	<b>177.48</b>	182.50
Profit on redemption of Current Investments	<b>231.18</b>	338.66
Profit on sale of Fixed Assets	<b>289.08</b>	29.13
Net gain on foreign currency transaction and translation	<b>–</b>	16.42
Provision no longer required/ Credit Balances appropriated	<b>50.32</b>	42.99
Miscellaneous Income	<b>38.05</b>	33.63
	<b>1959.67</b>	861.01
<b>24. Cost of Materials Consumed</b>		
Raw Materials and Components Consumed	<b>50299.98</b>	48276.49
(Including Processing charges and Subcontracting charges)		
Packing Materials Consumed	<b>988.88</b>	776.42
Project Materials Consumed	<b>2165.40</b>	1917.62
	<b>53454.26</b>	50970.53
(a) Details of materials consumed :		
Laminations	<b>6750.16</b>	8024.27
Electrolytic Copper Wires, Strips	<b>15711.39</b>	14993.72
Stampings	<b>3000.74</b>	2682.86
Hardware and Components	<b>14928.95</b>	13135.20
Others	<b>9908.74</b>	9440.44
	<b>50299.98</b>	48276.49

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>24. Cost of Materials Consumed (Contd.)</b>		
(b) Value of Imported and Indigenous materials consumed		
	<b>Amount</b>	<b>Amount</b>
	<b>(%)</b>	<b>(%)</b>
Imported	1665.97 (3%)	901.47 (2%)
Indigenous	48634.01 (97%)	47375.02 (98%)
	<u>50299.98</u>	<u>48276.49</u>
<b>25. Purchases of Traded Goods</b>		
Purchases	1511.30	1015.99
	<u>1511.30</u>	<u>1015.99</u>
Details of traded goods purchases		
Drives	1280.54	848.63
Others	230.76	167.36
	<u>1511.30</u>	<u>1015.99</u>
<b>26. Changes in Inventories</b>		
<b>Changes in Inventories of Finished goods, Work-in-Progress and Stock in trade</b>		
Stock at the beginning of the year		
Work-in-Progress	3207.94	3267.28
Finished Goods	1872.54	1914.51
Stock in trade	331.43	151.45
	<u>5411.91</u>	<u>5333.24</u>
Stock at the end of the year		
Work-in-Progress	2401.94	3207.94
Finished Goods	3880.08	1872.54
Stock in trade	451.43	331.43
	<u>6733.45</u>	<u>5411.91</u>
<b>Variation in Excise duty on Finished goods</b>		
Excise duty on closing stock	540.56	229.01
Less :Excise duty on opening stock	229.01	261.52
	<u>311.55</u>	<u>(32.51)</u>
	<u>(1009.99)</u>	<u>(111.18)</u>
<b>27. Employee Benefits</b>		
Salaries and Wages	5755.41	5172.92
Workmen and Staff Welfare Expenses	857.40	878.71
Contribution to and provision for Provident and Other Funds	355.68	164.92
	<u>6968.49</u>	<u>6216.55</u>
<b>28. Finance Costs</b>		
Interest expense	905.45	721.87
Discounting Charges	182.95	174.97
Net (gain) / loss on foreign currency transaction and translation adjusted to interest cost	249.08	—
	<u>1337.48</u>	<u>896.84</u>

**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.):**

	<b>Year ended 31st March, 2012</b>	Year ended 31st March, 2011
<b>29. Other Expenses:</b>		
Power and Fuel	<b>487.81</b>	437.83
Stores, Spare Parts and Tools consumed	<b>358.63</b>	293.28
Fuel consumed (excluding for own power generation)	<b>145.85</b>	142.69
Repairs to Buildings	<b>134.79</b>	94.85
Repairs to Machinery	<b>117.60</b>	93.28
Other Repairs	<b>57.28</b>	41.15
Insurance	<b>60.64</b>	54.31
Rent	<b>99.78</b>	80.73
Rates and Taxes	<b>258.75</b>	116.88
Royalty and Technical Service Fee	<b>18.49</b>	13.76
Post and Telecommunication Charges	<b>107.89</b>	97.95
Travelling, Conveyance and Motor Vehicle Expenses	<b>532.57</b>	461.93
Freight and Forwarding Charges (net)	<b>554.87</b>	723.95
Discount and Allowances on Sales	<b>41.13</b>	182.88
Product Advertisement and Publicity	<b>101.35</b>	68.05
Printing and Stationery	<b>90.63</b>	96.23
Data Processing Charges	<b>108.15</b>	102.49
Professional Charges	<b>513.54</b>	262.14
Commission	<b>862.68</b>	736.76
Bank Charges	<b>256.44</b>	206.90
Miscellaneous	<b>1297.24</b>	1073.38
Directors' Fees	<b>5.80</b>	4.60
Net loss on foreign currency transaction and translation	<b>76.53</b>	—
Loss on Fixed Assets sold, discarded, and scrapped	<b>23.45</b>	7.06
Provision for Doubtful Debts	<b>246.04</b>	76.62
Less: Provision for Doubtful debts no longer required	<b>36.35</b>	39.29
	<b>209.69</b>	37.33
Bad Debts /Sundry Debit Balances written off	<b>0.08</b>	3.11
	<b>6521.66</b>	5433.52

**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.):**

	<b>As at 31st March 2012</b>	As at 31st March 2011
<b>30. Contingent Liabilities not provided for in respect of :</b>		
Disputed Sales Tax Demands	<b>88.55</b>	153.66
Disputed Excise Duty Demands	<b>423.60</b>	410.09
Disputed Custom Duty Demand	<b>191.12</b>	305.83
Disputed Income Tax Demands	<b>226.29</b>	204.47
Claims against the Company not acknowledged as debts	<b>1.30</b>	3.56
<b>31. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)</b>	<b>326.72</b>	872.42
<b>32. Professional Charges include:</b>		
(a) To Auditors: (net of Service Tax)		
Audit Fees	<b>13.00</b>	13.00
Tax Audit Fee	<b>1.20</b>	1.20
Company Law	<b>0.28</b>	0.23
Others	<b>4.83</b>	0.15
Reimbursement of Out of Pocket Expenses	<b>0.39</b>	0.32
	<b>19.70</b>	14.90
(b) To Cost Auditors (net of Service Tax)	<b>0.36</b>	0.36
<b>33. Value of Imports on C.I.F. basis:</b>		
Raw Materials	<b>2497.34</b>	1407.60
Components and Spare parts	<b>22.93</b>	0.85
Capital Goods	<b>443.88</b>	564.51
<b>34. Expenditure in Foreign Currency:</b>		
Travelling	<b>35.75</b>	18.29
Technical Services Fees	<b>2.31</b>	2.46
Royalty	<b>16.18</b>	11.30
Others	<b>19.50</b>	19.76
<b>35. Earnings in Foreign Exchange:</b>		
(i) Direct Exports on F O B basis	<b>3053.47</b>	538.10
(ii) Deputation charges	-	0.19
<b>36. Deemed Exports</b>	<b>5088.04</b>	1030.57

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

#### 37. Disclosure pursuant to Accounting Standard - 7: Construction Contracts

	As at 31st March 2012	As at 31st March 2011
(a) Contract Revenue recognised for the year	3416.08	3170.21
(b) For contracts in progress as on 31st March		
(i) Aggregate amount of cost incurred and Aggregate amount of cost incurred and recognised profits (less recognised losses) recognised profits (less recognised losses)	7406.27	3986.21
(ii) Amount of advances received	293.82	258.33
(iii) Amount of retentions	530.55	215.48
(c) Gross amount due from customers	548.13	181.12
(d) Gross amount due to customers	—	56.11

2011-2012      2010-2011

#### 38. Disclosure pursuant to Accounting Standard - 15 : Employee Benefits

##### 38.1 Defined Contribution Plans

The Company has recognised the following amounts in the Statement of Profit & Loss for the year :

(1) Contribution to Employees' Provident Fund/Employees' Family Pension Fund	107.99	96.99
(2) Contribution to Employees' Superannuation Fund	78.13	76.60

##### 38.2 Defined Benefit Plan - Gratuity

###### (I) Changes in the Present Value of the Defined Benefits Obligation

(1) Present Value of Defined Benefit Obligation at the beginning of the year	1934.82	1468.64
(2) Interest Cost	159.62	121.16
(3) Current Service Cost	116.99	101.77
(4) Benefits paid	(182.15)	(106.91)
(5) Actuarial (Gain)/Loss on Defined Benefit Obligation	45.30	350.16
(6) Present Value of Defined Benefit Obligation at the end of the year	2074.58	1934.82

###### (II) Changes in the Fair Value of Plan Assets

(1) Fair Value of Plan Assets at the beginning of the year	1524.85	1243.02
(2) Expected Return on Plan Assets	141.05	105.65
(3) Contributions	232.15	281.91
(4) Benefits paid	(182.15)	(106.91)
(5) Actuarial Gain/(Loss) on Plan Assets	11.30	1.18
(6) Fair Value of Plan Assets at the end of the year	1727.20	1524.85

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

	2011-2012	2010-2011
<b>38. Disclosure pursuant to Accounting Standard - 15 : Employee Benefits (Contd.)</b>		
<b>(III) Amounts recognised in the Balance Sheet</b>		
(1) Present Value of Defined Benefit Obligation at the end of the year	<b>2074.58</b>	1934.82
(2) Fair Value of Plan Assets at the end of the year	<b>(1727.20)</b>	(1524.85)
(3) Liability to be recognised in the Balance Sheet	<b>347.38</b>	409.97
<b>(IV) Balance Sheet Reconciliation</b>		
(1) Net liability at the beginning of the year	<b>409.97</b>	700.55
(2) Expense recognised as under	<b>169.56</b>	(8.67)
(3) Contributions as above	<b>(232.15)</b>	(281.91)
(4) Net liability at the end of the year	<b>347.38</b>	409.97
<b>(V) Amounts recognised in the Profit &amp; Loss A/c</b>		
(1) Current Service Cost	<b>116.99</b>	101.77
(2) Interest Cost on obligation	<b>159.62</b>	121.16
(3) Expected Return on plan assets for the period	<b>(141.05)</b>	(105.65)
(4) Net Actuarial (Gain)/Loss	<b>34.00</b>	348.98
(5) Excess Provision carried forward / (written back)	<b>—</b>	(474.93)
(6) Expense Recognised in Statement of Profit & Loss	<b>169.56</b>	(8.67)
<b>(VI) Actual Return on Plan Assets</b>		
(1) Expected Return on plan assets for the period	<b>141.05</b>	105.65
(2) Actuarial Gain/(Loss) on Plan Assets	<b>11.30</b>	1.18
(3) Actual Return on Plan Assets	<b>152.35</b>	106.83
<b>(VII) Percentage of each category of Plan Assets to total Fair Value of Plan Assets</b>		
(1) Insurer managed fund	<b>100%</b>	100%
<b>(VIII) Actuarial Assumption</b>		
(1) Discount Rate	<b>8.25%</b>	8.25%
(2) Expected Rate of Return on Plan Assets	<b>9.25%</b>	8.50%
(3) The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		
<b>(IX)</b>		
		For the annual periods ended
	<b>31.03.12</b>	31.03.11 31.03.10 31.03.09 31.03.08
i. Present Value of Defined Benefit Obligation	<b>2074.58</b>	1934.82 1468.64 1484.91 1395.24
ii. Fair Value of Plan Assets	<b>1727.20</b>	1524.85 1243.02 986.66 811.98
iii. (Surplus) / Deficit in the Plan	<b>347.38</b>	409.97 225.62 498.25 583.26



## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

### 39. SEGMENT INFORMATION

#### BUSINESS SEGMENTS

Particulars	Power Systems		Industrial Systems		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
<b>Segment Revenue</b>						
External Revenue	42068.31	47577.26	28982.35	22127.17	71050.66	69704.43
Inter-segment Revenue	—	—	—	—	—	—
<b>Total Revenue</b>	<b>42068.31</b>	<b>47577.26</b>	<b>28982.35</b>	<b>22127.17</b>	<b>71050.66</b>	<b>69704.43</b>
<b>Segment Result</b>	<b>1503.43</b>	<b>6064.67</b>	<b>4744.02</b>	<b>2487.40</b>	<b>6247.45</b>	<b>8552.07</b>
Unallocated Income/(Expense) (Net)					(916.38)	(1803.05)
Finance Costs					(1337.48)	(896.84)
Exceptional Items					2608.92	3380.67
Excess/(Short) provision for tax in respect of earlier years					—	(0.03)
Provision for Taxation					(1235.28)	(1880.29)
Profit after Taxation					5367.23	7352.53
<b>Other information :</b>						
Segment Assets	25360.10	24381.79	16102.80	12533.21	41462.90	36915.00
Unallocated Assets					19128.04	15607.00
<b>Total assets</b>					<b>60590.94</b>	<b>52522.00</b>
Segment Liabilities	12123.16	11986.97	7072.22	6903.28	19195.38	18890.25
Unallocated Liabilities					9535.61	5496.93
<b>Total liabilities</b>					<b>28730.99</b>	<b>24387.18</b>
<b>Capital Expenditure</b>						
Segment Capital Expenditure	933.98	1586.19	1005.86	251.16	1939.84	1837.35
Unallocated Capital Expenditure					605.73	212.88
<b>Total Capital Expenditure</b>					<b>2545.57</b>	<b>2050.23</b>
<b>Depreciation and Amortisation</b>						
Segment Depreciation and Amortisation	668.89	436.88	159.46	139.74	828.35	576.62
Unallocated Depreciation and Amortisation					132.42	316.73
<b>Total Depreciation and Amortisation</b>					<b>960.77</b>	<b>893.35</b>
<b>Significant Non Cash Expenditure</b>						
Segment Significant Non Cash Expenditure	—	—	—	—	—	—
Unallocated Non Cash Expenditure	—	—	—	—	—	—
<b>Total Significant Non Cash Expenditure</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

- Segments have been identified in line with Accounting Standard AS 17 on the basis of production & distribution process and regulatory environment.
- Company has disclosed Business segments as Primary segments.  
Composition of Business Segments :
  - Power Systems**  
This segment comprises the design, commissioning and marketing of power transformers, EPC projects for electrical substations commissioning, erection and servicing of transformers and marketing of maintenance products.
  - Industrial Systems**  
This segment comprises the development, marketing and manufacture of a wide range of standard and customized electric motors, synchronous gearless machines for the elevator industry and the engineering and supply of AC variable-speed drives and drive systems.
- Segment Revenue, Result, Assets & Liabilities include respective amounts directly attributable to each segment & other relevant amounts allocated on reasonable basis.  
While presenting the segment results, common expenses, common assets & liabilities to the extent not directly identifiable with any one segment have been grouped as unallocable.
- Company does not have any secondary segments since risk and return are not significantly dependent on geographical locations. Further since the revenue from within India and the assets within India are greater than 90% of the total revenues and total assets, respectively, of the Company, the disclosure requirements as per the aforesaid standard is also not applicable.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

#### 40. Related Party Disclosures:

##### 40.1 RELATED PARTIES

- A. Key Management Personnel.
- A1. Mr. Nikhil J. Danani, Vice Chairman & Managing Director
- A2. Mr. Nakul P. Mehta, Vice Chairman & Managing Director
- A3. Mr. Shome N. Danani, Executive Director (son of Mr. Nikhil J. Danani)
- B. Relatives of the Key Management Personnel
- B1. Mr. Jaisingh R. Danani, a non-executive Director (father of Mr. Nikhil J. Danani)
- B2. Ms. Avanti P. Mehta (sister of Mr. Nakul P. Mehta)
- B3. Ms. Sita P. Mehta (sister of Mr. Nakul P. Mehta)
- C. Enterprises over which any of (A) or (B) can exercise control or significant influence
- C1. Danmet Chemicals Pvt. Ltd.
- C2. Nasivan Investments Pvt. Ltd.

Related parties' relationship as stated in I(A) to I(C) above are as identified by the Company and relied upon by the Auditors.

##### 40.2 TRANSACTIONS WITH RELATED PARTIES

Nature of Transaction	Related Parties														
	Referred in I(A) above					Referred in I(B) above					Referred in I(C) above				
	With	During the Year		Closing Balance Dr/(Cr)		With	During the Year		Closing Balance Dr/(Cr)		With	During the Year		Closing Balance Dr/(Cr)	
		CY	PY	CY	PY		CY	PY	CY	PY		CY	PY	CY	PY
Remuneration	A1	169.93	240.90	36.08	107.57										
	A2	168.80	240.27	36.08	107.57										
	A3	84.10	131.44	23.35	70.68										
Sitting Fee						B1	0.70	0.20							
Purchases											C1	211.95	152.88	(46.69)	(12.63)
Deposit taken	A2			(25.00)	(25.00)	B2	1.00	1.00	(1.00)	(1.00)	C2		5.50	(5.50)	(5.50)
						B3	1.00	1.00	(1.00)	(1.00)					
Loan taken											C1	999.00	1,735.00		(410.00)
Loan repaid											C1	1,409.00	1,940.00		
Interest Paid	A2	2.50	2.50			B2	0.10	0.10			C1	33.26	70.05		(2.76)
						B3	0.10	0.10			C2	0.30	0.11	(0.30)	(0.09)
Rent Received											C1	3.10	2.80		
Asset Sold		610.86									C1	4.20	2.19		

a. No amount has been written off or written back during the year ended 31.03.2012.

b. CY = Current Year, PY = Previous Year

#### 41. Disclosure pursuant to Accounting Standard - 19 : Leases

As a lessee in an Operating Lease :

Non-cancellable

The Company has hired assets under non-cancellable operating lease arrangements at stipulated rentals. The future Minimum Lease Payments (MLP) under these leases are as under :

	As at 31st March, 2012	As at 31st March, 2011
MLP due not later than one year	37.93	12.38
MLP due later than one year but not later than five years	72.28	33.55

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.):

#### 42. Disclosure pursuant to Accounting Standard - 20 : Earnings Per Share

		<b>Year ended 31st March, 2012</b>	Year ended 31st March, 2011
Profit after Tax	A	<b>5367.23</b>	7352.53
Less: Exceptional Item	B	<b>2608.92</b>	3,380.67
Profit after Tax excluding Exceptional Item	C=A-B	<b>2758.31</b>	3971.86
Weighted Average number of Equity Shares	D	<b>5,651,560</b>	5,651,560
Nominal Value Per Share (₹)	E	<b>10.00</b>	10.00
Basic & Diluted Earning per Share (₹)			
– including exceptional item	A/D	<b>94.97</b>	130.10
– excluding exceptional item	C/D	<b>48.81</b>	70.28

#### 43. Disclosure as required by AS 29 - Provisions for Warranty Costs

Provision for Warranty Costs in connection with repairs and free replacement of parts during warranty period is determined based on past experience and estimates and are accrued in the year of sale. The detail of the same is as under:

Warranty	Carrying amount as on 01.04.2011	Provision made/Increase in Provision	Amount used during the year	Carrying amount as on 31.03.2012
	<b>104.29</b>	<b>376.15</b>	<b>212.26</b>	<b>268.18</b>
	(87.58)	(191.33)	(174.62)	(104.29)

Figures in the bracket are for the previous year.

#### 44. Foreign currency exposures not hedged at the close of the year.

Nature of Transaction	Currency	<b>As at 31st March, 2012</b>	As at 31st March, 2011
Trade Payable	USD	<b>37645</b>	450
	GBP	<b>243</b>	–
Trade Receivable	USD	<b>1718280</b>	7772
Export Packing Credits	USD	<b>1955907</b>	–

45. The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our attached report of even date.  
For DALAL & SHAH,  
Firm Registration No. 102021W  
Chartered Accountants,

S. Venkatesh  
Partner  
Membership No. F-037942

D. N. Nagarkar  
Company Secretary & Senior General Manager :  
Legal

S. B. Godbole  
Vice President :  
Finance

Nikhil J. Danani }  
Nakul P. Mehta } Vice Chairmen &  
Managing Directors

Shome N. Danani Executive Director

Sanjiv N. Shah Director

Mumbai, 16th May, 2012

Mumbai, 16th May, 2012



Bharat Bijlee Limited

Registered Office: Electric Mansion, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025

**ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT**

To  
Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai-400 078  
**(IN CASE OF PHYSICAL HOLDING ONLY)**

To,  
The Depository Participant Concerned

**(IN CASE OF ELECTRONIC HOLDING ONLY)**

Dear Sir,

**FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND (BHARAT BIJLEE LTD.)**

Please fill in the information in CAPITAL LETTERS in ENGLISH only. Please TICK wherever applicable.

1. For Shares held in Physical Form

Master Folio No.

2. For Shares held in Electronic Form

[Shareholders holding shares in Electronic Form should forward this form to their respective Depository Participant].

DP ID

Client ID

3. Shareholder's Name Shri/Smt./Kum./Ms. \_\_\_\_\_

4. Shareholders Address: \_\_\_\_\_

5. Particulars of Bank	
Bank Name	
Branch Name & Address	
Branch Code	<input type="text"/> (9 Digits Code Number appearing on the MICR Band of the Cheque supplied by the Bank. Please attach a xerox copy of a Cheque or a Blank Cheque of your Bank duly cancelled for ensuring accuracy of the Bank Name, Branch Name and Code Numbers).

Account Type	<input type="text"/>	Savings	<input type="text"/>	Current	<input type="text"/>	Cash Credit	<input type="text"/>
A/c. No. (As appearing in the Cheque Book)	<input type="text"/>						

6. Date from which the mandate should be effective:

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company/Registrars & Share Transfer Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through ECS.

Place:

Member's Signature





Bharat Bijlee Limited

Registered Office: Electric Mansion, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025

## ATTENDANCE SLIP

TO BE COMPLETED AND HANDED OVER AT THE ENTRANCE OF THE AUDITORIUM

I hereby record my presence at the 65th ANNUAL GENERAL MEETING of the Company held at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai 400 020, on Friday, 29th June, 2012 at 3.00 p.m.

Folio No.....DP ID NO..... CLIENT ID NO.....

Name.....

Member/Proxy.....

Signature.....



Bharat Bijlee Limited

## FORM OF PROXY

Folio No..... DP ID NO.....CLIENT ID NO..... NO. OF SHARES.....

I/We .....

of .....

.....

.....

..... being a member/members of the  
above named Company hereby appoint.....

.....

of .....

or failing him/her.....

of .....

.....as my/our proxy

to vote for me/us on my/our behalf at the 65th ANNUAL GENERAL MEETING of the Company to be held on Friday, 29th June, 2012 at 3.00 p.m. and at any adjournment thereof.

Signed this..... day of .....2012

Affix  
Revenue  
Stamp

(Signature of Member)

### NOTES:

- The form should be signed across the stamp as per specimen signature registered with the Company.
- The Companies Act, 1956, lays down that the instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time fixed for holding the meeting.
- A proxy need not be a member.







**Bharat Bijlee Limited**

Electric Mansion 6th Floor  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025

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