

June 30, 2017

**BSE Limited**

Corporate Relationship Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

**SCRIP CODE: 503960**

**National Stock Exchange of India Limited**

Listing Department,  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400 051

**SCRIP CODE: BBL**

Dear Sir,

**SUB: OUTCOME OF 70<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY HELD ON  
JUNE 30, 2017 & DISCLOSURE OF VOTING RESULTS THEREAT**

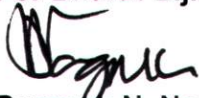
We wish to bring your kind notice that the 70<sup>th</sup> Annual General Meeting ('AGM') of the Company was held on Friday, June 30, 2017 at 3.00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai – 400 020 and all the agenda nos., viz., (1) to (5) mentioned in the Notice dated May 19, 2017, of the said AGM were discussed at the meeting. In this regard, please find enclosed the following:

1. Summary of proceedings as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR, 2015"), as '**Annexure A**';
2. Voting Results as required under Regulation 44(3) of the SEBI LODR, 2015, as '**Annexure B**';
3. Report of the Scrutinizer on e-voting and voting through ballot forms at the AGM, as required under Section 108 of the Companies Act, 2013 ("the Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014 (including any amendments thereto from time to time), as '**Annexure C**';
4. Annual Report for the Financial Year 2016-2017, as required under Regulation 34 of the SEBI LODR, 2015, duly approved and adopted by the Members as per the provisions of the Act, as '**Annexure D**'.

Request you to take the same on your record.

Yours sincerely,

**For Bharat Bijlee Limited**



**Durgesh N. Nagarkar**

**Company Secretary & Senior General Manager,  
Legal**



'Annexure D'



70TH ANNUAL REPORT 2016-17

*Powered by Trust®*





## CONTENTS

Letter from the Executive Director	02
Notice	05
Report of the Directors	17
Corporate Governance Report	38
Management Discussion and Analysis Report	57
Business Trends	58
Auditors' Report	61
Balance Sheet	66
Statement of Profit and Loss	67
Cash Flow Statement	68
Notes to the Financial Statements	69

# Letter from the Executive Director

Dear Shareholders,

The year 2016-2017 has been an eventful year for the world at large. The Asian Development Bank recently predicted that India's growth rate will improve to 7.4% for the year 2017-18, and even further the following fiscal to 7.6% keeping ahead of China. It is reassuring to hear this, yet the ground reality is that growth in the capital goods, power sector, and infrastructure has been sluggish. We have had to innovate and explore different ways to protect our bottom line from slipping. Many of these have yielded results.

The **Transformer** business achieved its highest order booking ever this last year. Order booking has gone up 36.5% (by value). This has been the result of our Business Development initiative over the last 2-3 years which is now yielding rich dividends. Our geographical reach has grown substantially and orders in the non-tendered segment of our business have more than doubled in the last two years. Transformer export has also seen some success by achieving a breakthrough order from a utility outside India. The learning curve in exports has been steep and the progress slow as it is a difficult market to break through. This remains a focus area for growth. The **Motor** business has received two awards from the Confederation of Indian Industry. One

was for operational excellence as a division and the other for product excellence in the energy efficient category. Last year we achieved a huge milestone with the launch of our super premium energy efficient motor. Increased penetration of these motors will be one of our big initiatives. The division has bid for, qualified, and bagged a prestigious order for the new generation of locomotives with the railways. We have managed to retain market share in the face of extremely stiff competition and price erosion. Cost reduction and design optimization have yielded results. Margins however remain under pressure for both motors and transformers.

The **Projects** business has seen a landmark order from a reputed solar power company. We have been able to execute all orders on time and within budget. However, heavy downward pressure on prices and business risk has forced us to cherry pick only very selective orders in this market. We are in the process of examining other areas of interest in this space. The **Drives and Automation** division has received a breakthrough order from a customer for a green regenerative motor test bed. We will soon have a new mobile application for trouble shooting, product updates, and customer service excellence. The

**Magnet Technology Machines** division has signed a purchase agreement with a tier one customer for the sale of gearless machines of a substantial number. This is a great achievement as we have developed this product completely in-house. While we continue to dominate supply of gearless machines to elevator manufacturers in the domestic market, exports have also been rising steadily.

The world today seems to be in a phase of de-globalization. Compared to ten years ago, world trade is falling, global capital flows are plunging, and the flow of migrants is slowing. The rise of nationalism also is affecting the macroeconomic landscape. This is the same sentiment that has had a major influence on the Brexit and Trump getting elected. Some sectors like IT have seen the direct impact of this. India however, is driven largely by domestic demand and this should mitigate any effect of these global events. The Indian government seems to be making an effort to improve the ease of doing business but we may have to be patient and suffer short term pain for gains in the long run.



Shome Danani  
Executive Director

---

**DIRECTORS**

Mr. Prakash V. Mehta  
(Chairman & Non-Executive Independent Director)

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

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

Mr. Shome N. Danani  
(Executive Director)

Mr. Sanjiv N. Shah  
(Non-Executive Independent Director)

Mr. Jairaj C. Thacker  
(Non-Executive Independent Director)

Mr. Ravishanker Prasad  
(Non-Executive Director)

Ms. Mahnaz A. Curmally  
(Non-Executive Director)

Mr. Rajeshwar R. Bajaaj  
(Non-Executive Independent Director)

**REGISTERED OFFICE**

Electric Mansion, 6<sup>th</sup> 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**

M/s. Dalal & Shah LLP

**SOLICITORS**

M/s. Malvi Ranchoddas & Co.

**BANKERS**

Bank of India

IDBI Bank Limited

Citibank N.A.

Standard Chartered Bank

HDFC Bank Ltd.

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

1<sup>st</sup> 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, 5<sup>th</sup> 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**

Siddha Fifth Avenue  
Space No. 3B, 3<sup>rd</sup> floor  
179 Anandapur  
Kolkata 700 107.  
Tel. No. : 033-2443 2382

**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-101, 247 Park,  
L.B.S. Marg, Vikhroli (West),  
Mumbai 400 083.  
Tel. No. : +91 22 49186270  
Fax No. : +91 22 49186060  
Email id : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website : [www.linkintime.co.in](http://www.linkintime.co.in)



**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE SEVENTIETH (70<sup>th</sup>) ANNUAL GENERAL MEETING OF THE MEMBERS OF BHARAT BIJLEE LIMITED WILL BE HELD AT 3.00 P.M. ON FRIDAY, JUNE 30, 2017 AT WALCHAND HIRACHAND HALL, INDIAN MERCHANTS' CHAMBER BUILDING, VEER NARIMAN ROAD, CHURCHGATE, MUMBAI 400020, TO TRANSACT THE FOLLOWING BUSINESSES:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2017, the audited statement of Profit and Loss for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Mahnaz A. Curmally (DIN 06907271), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this connection to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s)/re-enactment(s)/amendment(s) thereof, for the time being in force), Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018), be and is hereby appointed as the Statutory Auditors of the Company, in place of retiring Auditors Messrs. Dalal & Shah, Chartered Accountants, to hold office for a term of five (5) consecutive years, from conclusion of the 70<sup>th</sup> Annual General Meeting until the conclusion of the 75<sup>th</sup> Annual General Meeting of the Company, and subject to the ratification at the Annual General Meeting in each of the subsequent years during the aforementioned term of their appointment, at such remuneration plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them during the course of audit, as Board of Directors/Audit Committee may fix in this behalf."

**SPECIAL BUSINESS:**

4. **To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution for the ratification of Remuneration payable to the Cost Auditor:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors Rules) 2014 (including any statutory modification(s)/

re-enactment(s)/amendment(s) thereof, for the time being in force), the remuneration payable to Messrs. P M Nanabhoy & Co., Cost Accountants (Firm Registration No. 000012), appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, amounting to ₹ 93,500/- (Rupees Ninety Three Thousand Five Hundred only) plus applicable taxes and reimbursement of out of pocket expenses incurred by them during the course of audit, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or the Company Secretary be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to Section 196, 197, 198, 200 and 203 read with Section II Part II, of Schedule V of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such consents, permissions, approvals, if any required, from any appropriate authority, and as per the recommendation of the Nomination and Remuneration Committee and subsequently as per the approval of the Board of Directors, at their respective meetings held on January 24, 2017, the Company hereby approves the re-appointment of Mr. Shome N. Danani (DIN: 00217787), as a "Whole-time Director", designated as "Executive Director" of the Company, not liable to retire by rotation during his tenure as Whole-time Director, for a period of three (3) years with effect from January 28, 2017 to January 27, 2020, at a remuneration including perquisites, on the terms and conditions set out herein under, with the authority to Board/Nomination and Remuneration Committee to alter/vary the terms and conditions of the said re-appointment, including as to remuneration without further reference to the shareholders of the Company, as it may deem fit and fix the quantum, composition and periodicity of the remuneration payable to Mr. Shome N. Danani, subject however that the remuneration after alteration/variation does not exceed the limit prescribed under Section 197 read with Schedule V of the Act.

**FURTHER RESOLVED THAT** the Company approves the remuneration where in the event of no profits or inadequate profits in any financial year during



the currency of Mr. Shome N. Danani's tenure, the Company shall pay Mr. Danani, the existing remuneration as minimum remuneration subject however that such minimum remuneration shall not exceed the limit prescribed under Section II Part II, of Schedule V of the Act.

**Salary:** ₹ 3,25,000/- (Rupees Three Lakhs Twenty Five Thousand) per month with authority to the Board of Directors (which includes any Committee thereof) to grant increments to Mr. Shome N. Danani from time to time upto ₹ 7,50,000 (Rupees Seven Lakh Fifty Thousand only) per month.

**Perquisites and Allowances:**

- i. In addition to the salary and commission Mr. Shome N. Danani is also entitled to perquisites and allowances, including furnished accommodation or house rent in lieu thereof, house maintenance allowances, together with utilities thereof such as gas, electricity, water and furnishings, repairs, servants salaries, society charges and property tax, etc. medical and personal accident insurance, leave travel concessions for self and family, club fees, hospitalization expenses for self and family and such other allowances and perquisites as the Board or its Committee may in its absolute discretion determine from time to time.
- ii. Company's contribution to Provident fund and Superannuation Fund or any Annuity Fund to the extent these are either singly or together, not taxable under the Income-Tax Act, hospitalization expenses for self and family, gratuity as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of the ceiling for remuneration specified above.
- iii. Cars/drivers for use on Company's business and telephones (Fixed and Mobile) and other communication facilities at residence will not be considered as perquisites.
- iv. Leave with full pay or encashment thereof as per the Rules of the Company.
- v. Reimbursement of actual entertainment expenses, actual travelling and hotel expenses for the Company's business and/or allowances as per the Company's rules.
- vi. Other perquisites:

Subject to overall ceiling on remuneration mentioned herein below, the Executive Director, Mr. Shome N. Danani, may be given any other allowances, benefits

and perquisites as the Board of Directors (which includes any committee thereof) may from time to time decide.

Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

**Commission:**

Such remuneration by way of commission in addition to the salary, perquisites and allowances payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors (which includes any committee thereof) in its absolute discretion deem fit, for each Corporate Financial Year, provided that the total remuneration including salary, perquisites, allowances and commission shall not exceed the overall ceiling prescribed under Section 196, 197, 198, 200 and 203 read with Section II, Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

**Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein above, wherein in any financial year, during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay salary, perquisites and allowances as specified above to the Executive Director as minimum remuneration to him subject to the provisions contained in Section 196, 197, 198, 200 and 203 read with Section II, Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

The Executive Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of the Board of directors or Committees thereof.

By Order of the Board

**Durgesh N Nagarkar**  
Company Secretary &  
Senior General Manager : Legal  
ACS 5777

Place : Mumbai  
Date : May 19, 2017

**Registered Office:**

Electric Mansion, 6<sup>th</sup> Floor  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025  
CIN: L31300MH1946PLC005017

**NOTES:**

- i. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**THE PROXY FORM, TO BE VALID AND EFFECTIVE, SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AGM.**

**A PERSON APPOINTED AS PROXY SHALL ACT ON BEHALF OF NOT MORE THAN 50 MEMBERS AND HOLDING NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10%, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.**

The Members are requested to note that Address of M/s. Link Intime India Private Limited, the Registrar and Transfer Agent of the Company, has changed to C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083; Tel No: +91 22 49186270; Fax: +91 22 49186060, Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). We have already intimated the said information to BSE Limited and National Stock Exchange of India Limited, on March 1, 2017.

- ii. Corporate Members intending to send their authorised representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the AGM.
- iii. Members/Proxies/Authorised Representatives are requested to bring to the AGM, the enclosed Attendance Slip sent along with the Annual Report duly completed and signed mentioning therein details of their DP ID and Client ID/Folio Number.
- iv. A Proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on a poll.
- v. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to business under Item No. 5 set above in this Notice to be transacted at the AGM is annexed hereto.

The relevant information of the Directors seeking re-appointment, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard-2 on General Meetings, is also annexed hereto and forms part of this Notice.

- vi. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- vii. As per the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members are advised to make nomination in respect of their shareholding in the Company. The Nomination Form (SH-13) can be downloaded from the Company's website, [www.bharatbijlee.com](http://www.bharatbijlee.com). Members holding shares in physical form should file their nomination with M/s Link Intime India Private Limited, Company's Registrar and Share Transfer Agents, whilst those Members holding shares in dematerialized mode should file their nomination with their Depository Participant(s).
- viii. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agents.
- ix. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, June 23, 2017 to Friday, June 30, 2017 (both days inclusive).
- x. Members holding shares in physical form are requested to promptly notify in writing any changes in their address/bank account details/e-mail address/mandates/nominations/power of attorney/contact numbers etc., to the Link Intime India Pvt. Ltd., Unit: Bharat Bijlee Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, Tel : +91 22 49186270, Fax : +91 22 49186060.
- xi. Members holding shares in electronic form are requested to intimate immediately any changes pertaining to their address/bank account details/e-mail address/mandates, nominations/power of attorney/contact numbers etc., if any, directly to their Depository Participant(s) with whom they maintain their demat accounts.

- xii. In accordance with the provisions of Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules thereto, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Accordingly, the Notice of the AGM along with the Annual Report of the Company for the financial year 2016-17, attendance slip and Proxy Form, is being sent by electronic mode to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail address, a physical copy of the said Annual Report and Notice is being sent through permitted mode.
- xiii. To support '**Green Initiative**', the Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form or with the Company, in case shares are held in physical form.
- xiv. The Annual Report 2016-17 circulated to the Members of the Company, will be made available on the Company's website at [www.bharatbijlee.com](http://www.bharatbijlee.com) and also on the website of the respective Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
- xv. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through remote e-Voting, the said resolutions will not be decided on a show of hands at the AGM.
- xvi. The Ministry of Corporate Affairs has vide Notification No. S.O. 2866(E) dated September 5, 2016 notified the provisions of sections 124 and 125 (except for the sub-sections already notified earlier vide notification dated January 13, 2016) of the Companies Act, 2013. Further MCA vide Notification dated September 5, 2016, brought the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), w.e.f. September 7, 2016. Pursuant to the provisions of Section 124 of the Act and IEPF Rules, the dividend which remains unclaimed/unpaid for a period of seven (7) years from the date of transfer to the unpaid dividend account of the Company, is required to be transferred to

the IEPF of the Central Government. Members are informed that the unclaimed dividend for the financial year March 31, 2010 shall be transferred to the IEPF established by the Central Government by the last week of July, 2017.

It may be noted that no claims shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of seven (7) years from the dates of they become due for payment. Members who have not claimed the dividends declared for the financial year March 31, 2010 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. The Company has already send reminders to all such members at their registered address in this regard.

Further, as per Section 124(6) of the Act read with IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years has to be transferred, under sub-section 5 of the Act, to the IEPF Suspense Account (in the name of the Company) with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF. However, proviso to sub-section 6 provides that the shares transferred to the IEPF can be claimed by the concerned shareholders(s) from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

The Statement containing details of Name, Address, Folio No., Demat Account No and No. of shares due for transfer to IEPF Suspense Account is made available on [www.bharatbijlee.com](http://www.bharatbijlee.com).

The MCA on April 27, 2017, via General Circular No. 03/2017, came up with clarification on "Transfer of Shares to IEPF Authority", wherein amongst other matters, NSDL will prescribe the file formats and operational procedures for transfer of shares to special demat account of the IEPF Authority by April 30, 2017 and May 31, 2017 respectively and the due date for transfer of such shares by your Company is May 31, 2017.

However, MCA via General Circular No. 05/2017 dated May 16, 2017 notified that the aforementioned Circular No. 03/2017 stands withdrawn with immediate effect and further stated that fresh instructions on the matter to be issued in due course of time.

**xvii. Voting through electronic means**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time-to-time and Regulation 44 of Securities and Exchange Board of India (Listing Regulations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its Members, facility to exercise their right to vote on the resolutions proposed to be considered at the ensuing 70<sup>th</sup> AGM, by electronic means. The Members may cast their votes using "remote e-voting" (e-voting from place other than venue of the Annual General Meeting) facility to exercise their right to vote on all matters listed in this Notice, by electronic means.

For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating remote e-voting to enable all its Members to cast their vote electronically.

**The instructions for e-voting are as under:**

- (i) Members holding shares in physical form or in demat form as on Thursday, June 22, 2017, the cut-off date shall only be eligible for e-voting. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
- (ii) The remote e-voting period will commence at 9.00 a.m. on Tuesday, June 27, 2017 and will end at 5.00 p.m. on Thursday, June 29, 2017. During this period the eligible Members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.

- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records to log in.</p> <ul style="list-style-type: none"> <li>If the details are not recorded with the depository or Company please enter the Member ID/Folio Number in the Dividend Bank details field as mentioned in instruction (v)</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for 'Bharat Bijlee Limited' on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**General Instructions:**

- (i) The voting rights of Members shall be in proportion of their shares in the total paid-up equity share capital of the Company as on Thursday, June 22, 2017, being the cut-off date.
- (ii) The facility for voting through ballot shall also be made available at the AGM and Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their voting right at the AGM.
- (iii) The Members who have casted their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (iv) Any Person who acquires shares of the Company and becomes a Member of the Company after dispatch of the notice and holding shares as of the cutoff date i.e. Friday June 23, 2017, may obtain the login id and password by sending a request to Link Intime India Pvt. Ltd., Unit: Bharat Bijlee Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, Tel : +91 22 49186270, Fax : +91 22 49186060.
- (v) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (vi) Mr. Navnitlal L. Bhatia (Membership Number: FCS 1176, CoP Number: 422) or failing him Mr. Bharat Upadhyay (Membership Number: FCS 5436, CoP Number: 4457) or failing him Mr. Bhaskar Upadhyay (Membership Number: FCS 8663, CoP Number: 9625), of Messrs N. L. Bhatia & Associates, Practicing Company Secretaries has been appointed by the Company to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (vii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in presence of at least two (2) witnesses not in the employment of the Company and shall within a period not exceeding forty eight (48) hours from the conclusion of the AGM make a consolidated Scrutinizer's Report of the total votes cast in favour or against each of the resolutions as set out in this Notice, if any, and submit the same to the Chairman or any other Director/person authorized by the Chairman of the Company for counter signature.

- 
- (viii) The Results shall be declared by the Chairman, or any other Director/person authorized by the Chairman. The Results declared along with the Scrutinizer's Report shall be immediately placed on the Company's website viz., [www.bharatbijlee.com](http://www.bharatbijlee.com) and on the website of CDSL, and will be communicated to BSE Limited and National Stock Exchange of India Limited, who are required to place them on their website. The result will also be posted on the notice board of the Company at the registered office.
- (ix) The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be kept open for inspection at the AGM. All documents referred to in this Notice and Statement setting out material facts will be available for inspection by the Members at the Registered Office of the Company between 10.00 a.m. and 12 noon on all working days except Saturdays, Sundays and national holidays, from the date hereof up to the date of the 70<sup>th</sup> AGM.
- (x) For security reasons and for proper conduct of the AGM, entry to the place of the AGM will be regulated by the Attendance Slip, which is annexed to the Proxy Form. Members/Proxies are requested to bring their Attendance Slip complete in all respects and signed at the place provided there at and hand it over at the entrance of the venue.
- (xi) Members desiring any information relating to the annual accounts of the Company are requested to write to the Company Secretary at the Registered Office address or by sending an email to [investorcare@bharatbijlee.com](mailto:investorcare@bharatbijlee.com), at least 10 days before the AGM, to enable the Company to keep the information ready at the AGM.
- (xii) As per the Secretarial Standard-2 (SS-2) on 'General Meetings', a Route Map showing direction to reach the venue of the 70<sup>th</sup> Annual General Meeting is given at the end of this Notice.
- MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.**

**ANNEXURE TO THE NOTICE**

---

**Explanatory Statement setting out material facts under Section 102 of the Companies Act, 2013****Item No. 3**

The Explanatory Statement for this Item No. 3 is being provided voluntarily, though strictly not required as per Section 102 of the Companies Act, 2013 ('the Act'). In terms of Section 139(1) of the Companies Act, 2013, no listed company can appoint or re-appoint an audit firm (including its affiliate firm) as auditor for more than two (2) terms of five (5) consecutive years. The Act also provided for additional transition period of three (3) years from the commencement of the Act, i.e. from April 1, 2014.

The Members are informed that Messrs Dalal & Shah LLP, Chartered Accountants, having Registration No. 102021W, are Statutory Auditors of the Company since 1952. At the 67<sup>th</sup> Annual General Meeting of the Company held on September 11, 2014, Messrs Dalal & Shah LLP were appointed as Statutory Auditors for a period of period of 3 (three) years (transitional period) and to hold office as such from the conclusion of 67<sup>th</sup> Annual General Meeting until the conclusion of the 70<sup>th</sup> Annual General Meeting of the Company, subject to ratification of such appointment by the Members of the Company at every Annual General Meeting, in line with the provisions of Section 139 of the Act.

Accordingly, Messrs Dalal & Shah LLP have completed period of ten (10) years and will also be completing the additional transition period of three (3) years at the conclusion of ensuing 70<sup>th</sup> Annual General Meeting, and the Company therefore needs to appoint a new auditor in their place. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by Messrs Dalal & Shah LLP during their long association with the Company.

Pursuant to and in light of the above, the Board of Directors on the recommendation of Audit Committee has appointed Messrs Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration Number : 117366W/W-100018), Mumbai, as Statutory Auditors of the Company, for a period of five (5) consecutive years from the conclusion of 70<sup>th</sup> Annual General Meeting till the conclusion of the 75<sup>th</sup> Annual General Meeting of the Company, subject to the ratification at the Annual General Meeting in each of the subsequent years during the aforementioned term of their appointment.

The proposed auditor, Messrs Deloitte Haskins & Sells LLP, Chartered Accountants have confirmed that their appointment, if made, shall be in accordance with the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory

auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 (as amended).

Accordingly, consent of the Members is sought to the Resolution as set out at Item No. 3 of the Notice for approval.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

**Item No. 4**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with the Companies (Cost Records and Audit) Rules, 2014, (including any amendment(s), modification(s), variation or re-enactment thereof for the time being in force), the Board of Directors of the Company shall appoint an individual who is a cost accountant in practice or a firm of cost accountants in practice, as Cost Auditor, on the recommendations of the Audit Committee. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the Members.

On recommendation of Audit Committee at its meeting held on Friday, May 19, 2017, the Board has considered and approved appointment of Messrs P.M. Nanabhoy & Co., Cost Accountants, for the conduct of the Cost Audit of the Company's various products for the financial year 2017-2018, at remuneration as mentioned in the resolution forming part of this Notice.

Accordingly, consent of the Members is sought to the Resolution as set out at Item No. 4 of the Notice as an Ordinary Resolution for approval and ratification.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

**Item No. 5**

Mr. Shome N. Danani (DIN: 00217787) was appointed as a "Whole-time Director", designated as "Executive Director" for a period of three (3) years, with effect from January 28, 2014 and his remuneration, was approved by the Shareholders, by means of a Postal Ballot pursuant to the provisions of Section 198, 257, 269, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 and Section 102 of the Companies Act, 2013.



Meanwhile, the Companies Act, 1956 was replaced by the Companies Act, 2013 and accordingly in order to align with the new provisions of the Companies Act, 2013, pertaining to Appointment and Remuneration of a Managerial Personnel, the consent of Shareholders was sought at their meeting held on September 11, 2014, thereby keeping the terms related to salary, perquisites, allowances, other perquisites and commission unchanged except the minimum remuneration to be paid in accordance with Schedule V, Part II, Section II(A) of the Companies Act, 2013.

Mr. Danani's term expired on January 27, 2017. In terms of Regulation 19 read with part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the "Nomination and Remuneration Policy" of the Company. The Board of Directors on the recommendation of the Nomination and Remuneration Committee at their respective meeting held on January 24, 2017, have re-appointed him as a "Whole-time Director", designated as "Executive Director" of the Company not liable to retire by rotation during his tenure as Whole-time Director for a further period of three (3) years with effect from January 28, 2017 to January 27, 2020, subject to obtaining the requisite approval of shareholders at the ensuing 70<sup>th</sup> Annual General Meeting. Their re-appointment and remuneration is in terms of Section 196, 197, 198, 200 and 203 read with Section II Part II, of Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Further, with regard to the Remuneration of a Managerial Personnel, Members are requested to note that no Central Government approval is required if the provisions under Part II of Section II of Schedule V of the Companies Act, 2013 are complied with. Also, in case of inadequate or no profits the term of appointment is restricted to three (3) years as per Clause (iii) of third (3<sup>rd</sup>) proviso of Section II Part II, of Schedule V of the Companies Act, 2013, subject to the approval of Members in the ensuing 70<sup>th</sup> Annual General Meeting of the Company by way of Special Resolution.

The proposed remuneration of the Mr. Danani, in terms of the provisions contained in Section 196, 197, 198, 200 and 203 read with Section II Part II, of Schedule V of the Companies Act, 2013, as may be applicable in the year of inadequate profits, was approved by the Nomination and Remuneration Committee at its meeting held on January 24, 2017.

Special resolutions proposing the terms and conditions of his appointment as set out in Item No. 5 of the accompanying notice is now being placed before the Members at the 70<sup>th</sup> Annual General Meeting for their approval.

Mr. Shome N. Danani holds a Bachelor's Degree in Industrial and Operations Engineering from the University of Michigan, USA and a Masters Degree in Business Administration from INSEAD, France. He joined Bharat Bijlee Ltd. in 2002 and is the Whole-time Director, since January 28, 2009. Keeping in view that Mr. Danani has rich and varied experience in the industry for more than a decade and his continuous association and active participation in the day-to-day management has been very fruitful to the Company, it would be in the interest of the Company to reappoint him for a further period of 3 years as Whole-time Director of the Company.

He is a Director in two companies, viz., Danmet Chemicals Private Limited and Rakyan Beverages Private Limited.

Mr. Danani holds 2,898 equity shares representing 0.05% of the Issued and Subscribed Equity Share Capital of the Company.

Mr. Shome N. Danani is related to Mr. Nikhil J. Danani, Director on the Board of the Company.

Mr. Nikhil J. Danani, Mr. Shome N. Danani are concerned or interested in the Resolution at Item No. 5. None of the other Directors are concerned or interested in the Resolution.

No other Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

The Directors recommend the passing of the resolution set out at Item No. 5 of the accompanying Notice.

By Order of the Board  
**Durgesh N Nagarkar**  
Company Secretary &  
Senior General Manager : Legal  
ACS 5777

Place : Mumbai  
Date : May 19, 2017

**Registered Office:**

Electric Mansion, 6<sup>th</sup> Floor,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025

**STATEMENT CONTAINING THE INFORMATION REQUIRED TO BE FURNISHED PURSUANT TO SCHEDULE V, PART II, SECTION II OF THE COMPANIES ACT, 2013 FOR ITEM NO. 5 OF THE NOTICE DATED MAY 19, 2017, IS GIVEN HEREUNDER.**

**I. GENERAL INFORMATION:**

(1)	Nature of Industry	Electrical Engineering, manufacturing and sale of Transformers, Motors, Drives, Elevator Systems and Execution of Turnkey Projects.			
(2)	Date or expected date of commencement of commercial production	The Company was incorporated on June 22, 1946 and business commenced on or around the year 1947.			
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.			
(4)	Financial performance based on given indicators	₹ in lakhs			
			Year ending 31.03.2015	Year ending 31.03.2016	Year ending 31.03.2017
		Sales Turnover (gross)	66262	70883	73068
		Capital employed	39875	44127	46972
		Net worth	26535	27254	29215
		Profit/(Loss) before Tax	(3443)	735	2014
		Profit/(Loss) after Tax	(3405)	719	1961
		Dividends	Nil	Nil	Nil
(5)	Foreign investments or collaborators, if any	There is no direct foreign investment in the Company.  The Company has entered into Foreign Collaboration agreements with M/s Permanent Magnets S. A., Spain, for manufacture and sale of Gearless Permanent Magnet Synchronous Motors, with KEB Automation AG, Germany for KEB Combivert (Drives) and with TECO Electric & Machinery Co. Ltd., to manufacture Products under BBL brand/trademarks/logos and then to be sold by BBL in India.			

**II. INFORMATION ABOUT THE APPOINTEES:**

**A. MR. SHOME N. DANANI, WHOLE-TIME DIRECTOR, DESIGNATED AS EXECUTIVE DIRECTOR**

(1) Background details	Mr. Shome N. Danani, a Bachelor's Degree in Industrial and Operations Engineering from the University of Michigan, USA and a Masters Degree in Business Administration from INSEAD, France, experience in the industry for more than a decade in the electrical engineering industry and is Whole-time Director since 2009. He has been instrumental in building scalable systems and processes.								
(2) Past remuneration	<p>Remuneration comprises of monthly salary, perquisites, retirement benefits and commission, the details of which are:</p> <table> <tr> <th></th><th>₹ in lakhs</th></tr> <tr> <td>Y.E. 31.03.2015</td><td>87.75</td></tr> <tr> <td>Y.E. 31.03.2016</td><td>87.75</td></tr> <tr> <td>Y.E. 31.03.2017</td><td>87.75</td></tr> </table>		₹ in lakhs	Y.E. 31.03.2015	87.75	Y.E. 31.03.2016	87.75	Y.E. 31.03.2017	87.75
	₹ in lakhs								
Y.E. 31.03.2015	87.75								
Y.E. 31.03.2016	87.75								
Y.E. 31.03.2017	87.75								
(3) Recognition or Awards	N.A.								

(4) Job Profile and his suitability	Mr. Shome N. Danani joined Bharat Bijlee Ltd. in 2002 and has been responsible for various initiatives and growth strategies. He is the Whole-time Director since January 28, 2009 and he has been leading the change management drive that is essential to the long term growth and success of the Company.
(5) Remuneration proposed	<p>₹ 3,25,000/- (Rupees Three Lakhs Twenty Five Thousand) per month with authority to the Board of Directors (which includes any Committee thereof) to grant increments to Mr. Shome N. Danani from time to time upto ₹ 7,50,000 (Rupees Seven Lakh Fifty Thousand Only) per month.</p> <p><b>Perquisites:</b> Housing, Personal Accident Insurance, &amp; Allowances Club Fees, Medical, Hospitalisation, Leave Travel and other perquisites and allowances as may be determined by the Board or its Committee from time to time.</p> <p><b>Commission:</b> In addition to the salary and perquisites and allowance, payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors (which includes any committee thereof) in its absolute discretion deem fit, for each Corporate Financial Year, provided that the total remuneration including salary, perquisites and commission shall not exceed the overall ceiling prescribed under Section 196, 197, 198, 200 and 203 read with Section II Part II, of Schedule V of the Companies Act, 2013.</p> <p><b>Retiral:</b> Contributions to Provident Fund, Benefits Superannuation Fund or any other Annuity Fund which shall not be part of perquisites or allowances. Use of cars/drivers and telephones (fixed and mobile) for use of Company business shall not be considered part of the above perquisites.</p>
(6) Comparative remuneration profile with respect to industry size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is in tune with the current remuneration packages of managerial personnel of Companies belonging to similar industries. Further, it is commensurate with the qualification and experience and in accordance with the highly competitive business scenario requiring recognition and reward for performance and achievement towards meeting objectives of the Company.
(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Only to the extent of his entitlement of his remuneration and is related to Mr. Nikhil J. Danani.

**III. OTHER INFORMATION:**

1. Reasons of loss or inadequate profits	The demand for the Company products has been the most impacted by sluggish demand and the margins continue to be subdued, though there are visible signs of recovery in the Power System.
2. Steps taken or proposed to be taken for improvement	Management is taking necessary and adequate steps to protect its margins by aggressively targeting private industry and also improving its productivity by optimum utilization of its resources.
3. Expected increase in productivity and profits in measurable terms	Management continues to focus on costs and margins along with internal capability building as we await a more robust business environment.

**IV. DISCLOSURES:**

The necessary disclosure required under provision (iv) of Part II, Section II (IV) to Schedule V of the Act have already been reported in the Directors Report under the heading 'Corporate Governance' forming part of the Annual Report 2016-2017 of the Company.

**BRIEF PROFILE OF DIRECTORS BEING APPOINTED/ RE-APPOINTED AT THE FORTHCOMING 70<sup>TH</sup> ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)**
**1. MRS. MAHNAZ AMIR CURMALLY:**

Name of the Director	Mrs. Mahnaz Amir Curmally
Date of Birth	August 4, 1946
Date of Appointment on the Board	July 25, 2014
Qualification	Mrs. Mahnaz A. Curmally has obtained an English Literature Honors degree from Lady Shri Ram College, Delhi University and thereafter acquired a M.A. Degree in Sociology from Bombay University.
Brief profile & nature of her expertise in specific functional areas	Mrs. Mahnaz Curmally, with over 40 years of work experience is considered one of the pioneers of corporate and marketing communications in India. She has through the course of her working life, gathered considerable understanding of industries such as infrastructure (power, realty and health); pharmaceutical (MNC and local); FMCG (food, personal care, cosmetics, apparel, household goods); and Travel and Tourism.  Currently, Mrs. Mahnaz Curmally is employed as Senior Advisor in one of the largest independent global communications firm, headquartered in Chicago, USA.
Directorship held in other companies	Mrs. Mahnaz Curmally is not a Director on the Board of any other Company.
Membership/Chairmanships of committees across all other companies	Mrs. Mahnaz Curmally is not a Member/Chairman of any Committee across all other companies.
Shareholding of Non-Executive Directors in the Company	Mrs. Mahnaz Curmally does not hold any shares in the Company.
Relationships between Directors inter-se	Mrs. Mahnaz Curmally is not related to any of the Directors or Key Managerial Personnel or their relatives in the Company.

**2. MR. SHOME N. DANANI:**

Name of the Director	Mr. Shome N. Danani
Date of Birth	March 4, 1978
Date of Appointment on the Board	January 28, 2009
Qualification	Mr. Shome N. Danani, a Bachelor's Degree in Industrial and Operations Engineering from the University of Michigan, USA and a Masters Degree in Business Administration from INSEAD, France.
Brief profile & nature of his expertise in specific functional areas	Shome N. Danani joined Bharat Bijlee Ltd. in 2002 and has been responsible for various initiatives and growth strategies. He is the Whole-time Director since January 28, 2009 and he has been leading the change management drive that is essential to the long term growth and success of the Company. He has been instrumental in building scalable systems and processes.
Directorship held in other companies	He is a Director on the Board of Danmet Chemicals Pvt. Ltd and Rakyan Beverages Private Limited.
Membership/Chairmanships of committees across all other companies	Mr. Danani is not a Member/Chairman of any Committee across all other companies.
Shareholding of Non-Executive Directors in the Company	N.A.
Relationships between Directors inter-se	Mr. Shome N. Danani is related to Mr. Nikhil J. Danani.

By Order of the Board

**Durgesh N. Nagarkar**  
Company Secretary &  
Senior General Manager : Legal  
ACS 5777

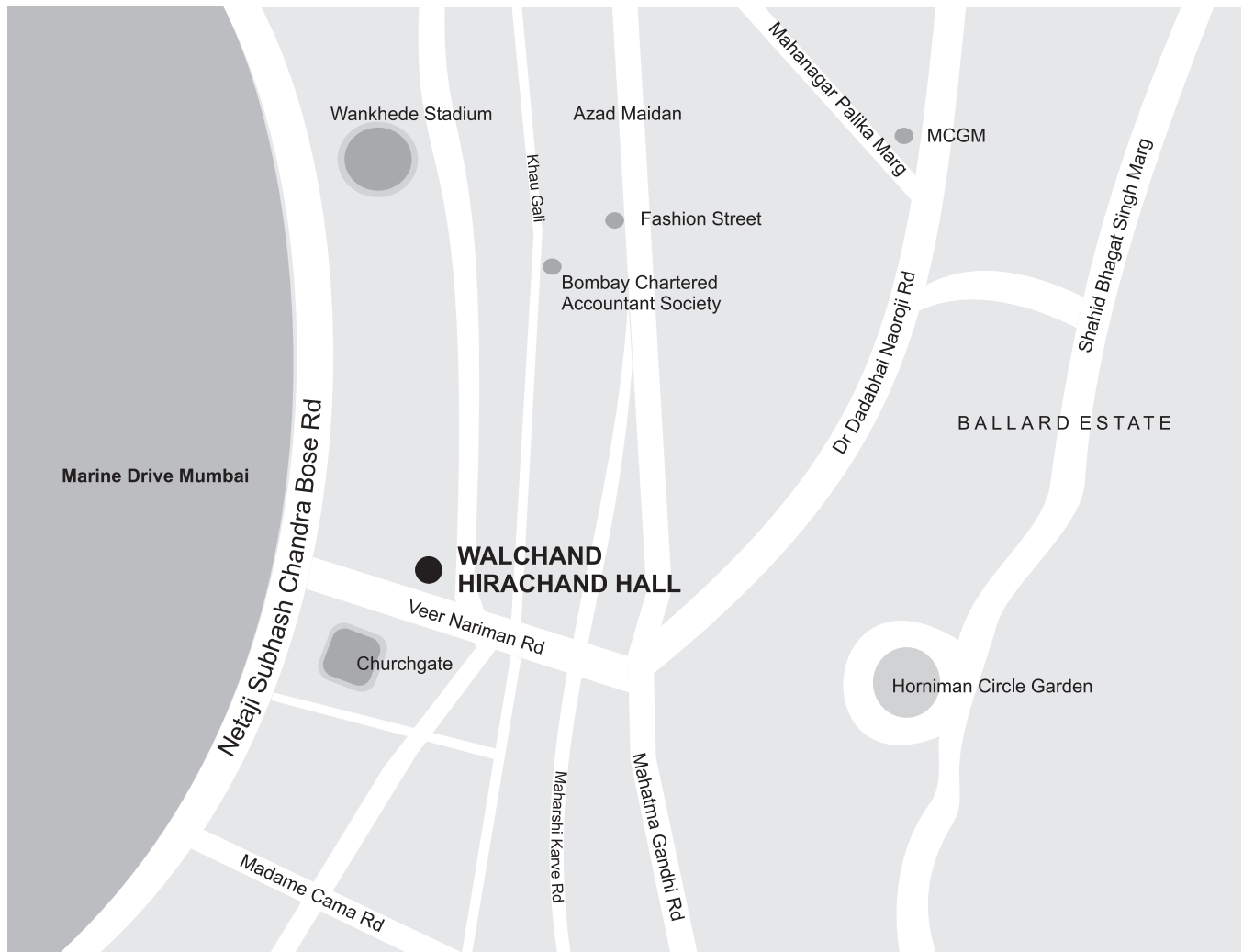
Place: Mumbai

Date : May 19, 2017

**Registered Office:**

Electric Mansion, 6<sup>th</sup> Floor,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025  
CIN: L31300MH1946PLC005017

Route Map to the venue of 70<sup>th</sup> Annual General Meeting to be held on Friday, June 30, 2017.



## REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors are pleased to present their 70<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2017.

### GENERAL OUTLOOK OF INDUSTRY AND ECONOMY:

The waiting game continues for the capital goods recovery in the domestic market. While there have been signs of recovery in the past few months, these are still early days to infer whether this is a sustainable recovery or just a post-demonetization adjustment. In any case, the margins still elude us to make a meaningful and profitable business recovery.

During the year under review, we have focused on building our order book and ensuring that our customer reach is not impacted despite the poor market conditions. We continue to enhance our design capabilities and supply chain efficiencies.

### FINANCIAL PERFORMANCE:

	(₹ in Lakhs)	
	Year Ended March 31, 2017	Year Ended March 31, 2016
Sales and Services (Gross)	<b>73,480.92</b>	71,381.14
Less: Excise Duty	<b>7,223.02</b>	7,429.82
	<b>66,257.90</b>	63,951.32
Other Income	<b>2,785.62</b>	2,092.70
	<b>69,043.52</b>	66,044.02
Profit/(Loss) before Interest & Financial Charges, Depreciation, Exceptional items and Tax	<b>4,596.45</b>	3,818.86
Less: Interest and Financial Charges	<b>1,594.82</b>	2,056.05
Less: Depreciation	<b>987.42</b>	1,027.44
Profit/(Loss) before Tax	<b>2,014.21</b>	735.37
Less: Provision for Taxation	<b>45.45</b>	52.41
Profit/(Loss) for the year	<b>1,968.76</b>	682.96
Short/(Excess) provision of Tax for earlier years	<b>7.99</b>	(36.23)
Profit/(Loss) after Taxation	<b>1,960.77</b>	719.19
Add: Profit/(Loss) Brought Forward	<b>2,217.76</b>	1,498.57
Less: Depreciation Adjustment	—	—
Net Surplus available for Appropriation	<b>4,178.53</b>	2,217.76

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

### OPERATIONS:

The capital goods industry continues to remain stagnated and investment recovery is still some way away for the Indian market.

It is in this background that the Company's operations need to be seen.

Income from Sales and Services for the Company increased from ₹ 71,381.14 lakhs in the previous year to ₹ 73,480.92 lakhs, a rise of 3%. The concentrated efforts to reach deeper into the markets, do cherry picking while accepting the orders and the value engineering helped the Company to make a profit before exceptional items and tax of ₹ 2,014.21 lakhs as against ₹ 735.37 lakhs in the previous year.

### FINANCE:

Tighter working capital management, positive cash flow from operations and lower interest rates negotiated with the banks enabled the Company to reduce the finance cost by ₹ 461 lakhs compared to the previous year. The Free Reserves of the Company as on March 31, 2017 increased by ₹ 1960.77 lakhs to ₹ 28,649.90 lakhs.

During the year ₹ 11.22 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. Productivity level continued to be subject to continuous monitoring.

Employee strength as on March 31, 2017 was 1540 as compared to 1412 in the previous year.

### SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES:

The Company has no Subsidiary/Joint Venture/Associate Companies during the Financial year ending March 31, 2017.

### DEPOSITS:

The Company has not accepted/renewed any fixed deposits from the public or the Members, within the meaning of Section 73 of the Companies Act, 2013, read with Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, during the financial year 2016-2017, and, as such, no amount of principal or interest on deposits from public or the Members, was outstanding as of the Balance Sheet date.



**MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR AND TILL THE DATE OF THIS REPORT:**

Except as disclosed elsewhere in this Board's Report, no material changes and commitments which could affect the Company's financial position have occurred since the close of the financial year, i.e., March 31, 2017 till the date of this Board's Report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

**DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate, and commensurate with the size, scale and complexity of its operation. The internal controls are tested for adequacy, efficiency and effectiveness through audits by the in-house internal audit department and the observations, corrective and preventive actions are reviewed by the management and Audit Committee of the Board of Directors.

During the financial year under review, no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such controls.

**INDIAN ACCOUNTING STANDARDS:**

Your Company shall adopt Indian Accounting Standards ('Ind AS') with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs notification dated February 16, 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. The implementation of IND AS in 2017 will be a major change process and the Company is well positioned to ensure a smooth transition.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:**

There are no significant and/or material orders passed by the Regulator(s) or Court(s) or Tribunal(s) impacting the going concern status of the Company and its business operations in future.

**PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:**

All contracts/arrangements/transactions entered by the Company during the financial year 2016-2017, with related parties, as defined under Section 188 of the Companies Act, 2013 and the Rules made there under and as per the applicable provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as "the Listing Regulations"), were in the ordinary course of business

and on arm's length basis. Further no material related party transactions were entered during the Financial Year under review, by your Company. Accordingly, disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, in Form AOC -2, is not applicable to your Company.

Further, all such contracts/arrangements/transactions were placed before the Audit Committee and Board, for their approval. Prior omnibus approval of the Audit Committee/Board is obtained on an annual basis, which is reviewed and updated on quarterly basis.

Your Company has formulated a policy on Related Party Transactions, which is also available on the website of the Company, <http://www.bharatbijlee.com>.

Your Directors draw attention of the Members to Note No. 39 of Financial Statements which sets out disclosures on related parties and transactions entered into with them during the financial year under review.

**PARTICULARS OF LOANS, GUARANTEE, INVESTMENTS AND SECURITIES:**

Particulars of loans, guarantees, investments and securities provided during the financial year under review, covered under the provisions of Section 186 of the Companies Act, 2013, have been provided in the Financial Statements which forms part of this Annual Report. (Please refer Note No. 13, 14 and 16 to the Financial Statements).

**PARTICULARS OF LOANS/ADVANCES/INVESTMENTS AS REQUIRED UNDER THE LISTING REGULATIONS:**

The details of related party disclosures with respect to loans/advances/investments at the year end and maximum outstanding amount thereof during the year, as required under Part A of Schedule V of the Listing Regulations have been provided in the notes to the Financial Statements of the Company. (Please refer Note No. 13, 14 and 16 to the Financial Statements).

**DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

**DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:**

The Company has not issued any sweat equity shares during the financial year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

**DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the financial year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

**DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:**

During the financial year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 and hence no information has been furnished.

**BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Mahnaz Amir Curmally (DIN 06907271), Non-Executive Director, being longest in the office, shall retire by rotation at the ensuing 70<sup>th</sup> Annual General Meeting and being eligible, offers herself for re-appointment.

The term of office of Mr. Shome N. Danani (DIN 00217787), as Whole-time Director, designated as "Executive Director" of the Company, expired on January 27, 2017. The Board of Directors on the recommendation of the Nomination and Remuneration Committee, at their respective meeting held on January 24, 2017, have accorded their approval to re-appoint Mr. Shome N. Danani as Whole-time Director, designated as "Executive Director" of the Company, for a further period of three (3) years w.e.f. January 28, 2017, subject to the approval of Members of the Company. His re-appointment and remuneration is in terms of Section 196, 197, 198, 200 and 203 read with Section II Part II, of Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. The detailed terms and conditions including remuneration have been mentioned in the Notice convening 70<sup>th</sup> Annual General Meeting. The details of Mr. Shome N. Danani (DIN 00217787), as required under Listing Regulations and SS-2 are provided in the Corporate Governance Report and Notice of 70<sup>th</sup> Annual General Meeting.

During the period under review, Mr. Nikhil J. Danani (DIN: 00056514) and Mr. Nakul P. Mehta (DIN: 00056561) were re-appointed as Managing Directors, for a period of three (3) years w.e.f. June 20, 2016, at the 69<sup>th</sup> Annual General Meeting of Members held on September 20, 2016. Their re-appointment and remuneration is in

terms of Section 196, 197, 198, 200 and 203 read with Section II Part II, of Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Except as explained hereinabove, there were no changes in Directorship of the Company as well as in Key Managerial Personnel category during the period under review. As on March 31, 2017, your Company has Nine (9) Directors consisting of four (4) Independent Directors, Three (3) Executive Directors and Two (2) Non-Executive Directors, including one (1) Woman Director.

None of the Directors of your Company is disqualified under the provisions of Section 164(2)(a) and (b) of the Companies Act, 2013.

During the period under review, no Non-Executive Director of the Company had any pecuniary relationship or transactions with the Company.

Further, necessary resolutions relating to Directors who are seeking appointment/re-appointment, as required under Regulation 36 of the Listing Regulations/SS-2, is disclosed as part of the Notice dated May 19, 2017 of the ensuing 70<sup>th</sup> Annual General Meeting.

As for the requirement under the provisions of Section 203 of the Companies Act, 2013, the Board of Directors noted that Mr. Nikhil J. Danani (DIN: 00056514), Managing Director, Mr. Nakul P. Mehta (DIN: 00056561), Managing Director, Mr. Shome N. Danani (DIN: 00217787), Executive Director, Mr. Durgesh N. Nagarkar, Company Secretary and Mr. Sandeep M. Tilak, Chief Financial Officer, are the Key Managerial Personnel of the Company as on the date of this Board's Report.

**DECLARATIONS BY INDEPENDENT DIRECTORS:**

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations, the Company has received individual declarations from all the Independent Directors, whose names are appended herein below, confirming that they fulfill the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the rules made there under to hold the office of Independent Director of the Company for the financial year ended March 31, 2017.

1. Mr. Prakash V. Mehta;
2. Mr. Sanjiv N. Shah;
3. Mr. Jairaj C. Thacker; and
4. Mr. Rajeshwar R. Bajaj.

There has been no change in the circumstances which may affect their status as Independent director during the financial year under review.



**NUMBER OF MEETINGS OF THE BOARD:**

A notice of the Board Meeting is circulated well in advance with the Agenda, including detailed explanation to be discussed, to enable the Board to take an informed decision. The Board met five (5) times during the financial year ended March 31, 2017 viz., on May 12, 2016, July 18, 2016, September 20, 2016, October 25, 2016 and January 24, 2017, in accordance with the provisions of the Companies Act, 2013 and rules made there under and Listing Regulations. Detailed information on the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been included in the Corporate Governance Report, which forms part of this Board's Report.

Additionally, during the financial year ended March 31, 2017 a separate meeting of the Independent Directors was convened on January 24, 2017, in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations. Post the Independent Directors Meeting, the collective feedback of each of the Independent Director was discussed, covering performance of the Board as a whole, performance of the Non-Independent Directors and performance of the Chairman.

**AUDIT COMMITTEE:**

An Audit Committee as constituted by the Board of Directors of the Company in accordance with the provisions of Section 177 of the Companies Act, 2013, comprises Independent Directors, namely :

1. Mr. Sanjiv N. Shah (Chairman) (DIN: 00007211);
2. Mr. Prakash V. Mehta (Member) (DIN: 00001366); and
3. Mr. Jairaj C. Thacker (Member) (DIN: 00108552).

All the recommendations made by the Audit Committee during the financial year under review were accepted by the Board. The terms of reference of Audit Committee and other details are included in the Corporate Governance Report.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee ('NRC') as constituted by the Board of Directors of the Company, in accordance with the provisions of Section 178(3) of the Companies Act, 2013, comprises:

1. Mr. Sanjiv N. Shah (Chairman) (DIN: 00007211);
2. Mr. Prakash V. Mehta (Member) (DIN: 00001366); and
3. Mr. Jairaj C. Thacker (Member) (DIN: 00108552).

Further the NRC has formulated necessary policy on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director. The details of "Nominations and Remuneration Policy" are explained in the Report on Corporate Governance along with the other details, which

forms part of this Board's Report and are also available on the website of the Company : <http://www.bharatbijlee.com>.

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholder Relationship Committee ('SRC') as constituted by the Board of Directors of the Company, in accordance with the provisions of Section 178 of the Companies Act, 2013, comprises:

1. Mr. Prakash V. Mehta (Chairman) (DIN: 00001366);
2. Mr. Sanjiv N. Shah (Member) (DIN: 00007211);
3. Mr. Nikhil J. Danani (Member) (DIN: 00056514); and
4. Mr. Nakul P. Mehta (Member) (DIN: 00056561).

The detailed terms of reference and other information about the Committee has been provided in the Corporate Governance Report.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Corporate Social Responsibility (CSR) Committee comprises of

1. Mr. Nakul P. Mehta (Chairman) (DIN: 00056514);
2. Mr. Shome N. Danani (Member) (DIN: 00217787); and
3. Mr. Jairaj C. Thacker (Member) (DIN: 00108552).

The CSR Policy of your Company as approved by the Board of Directors' is hosted on the Company's website, [www.bharatbijlee.com](http://www.bharatbijlee.com).

The frequency of CSR Committee meetings is decided by the Chairman and Members of the committee, with a minimum frequency of once a year. Over the last financial year under review, the CSR Committee has met once, i.e., on January 24, 2017, wherein all the three (3) Members were present.

The Annual Report on CSR activities as required under Section 134 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, including a brief outline of the Company's CSR Policy, total amount to be spent under CSR Policy for the financial year 2016-2017, amount unspent and the reason for the unspent amount, is set out at Annexure I, forming part of this Board's Report.

**EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out evaluation of its own performance, its Committees and individual Directors. The evaluation process has been explained in the Report on Corporate Governance, which forms part of this Board's Report.

Also, the Independent Directors, at their meeting reviewed the performance of the Board, its Chairman and Non-Executive Directors of the Company.

#### **RISK MANAGEMENT POLICY:**

The Board of Directors of the Company has approved Risk Management Policy and Guidelines, wherein all material risks faced by the Company are identified and assessed. Moreover in the said Risk Management Policy the Board has defined a structured approach to manage uncertainty, cultivating the same in their decision making pertaining to all business divisions and corporate functions. For each of the risks identified, corresponding controls are assessed and policies and procedures are put in place for monitoring, mitigating and reporting on periodic basis.

#### **VIGIL MECHANISM POLICY:**

Pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, a "Vigil Mechanism Policy" for Directors and employees of the Company is in place, to report their genuine concern of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc. During the financial year under review, no employee has been denied access to the Chairman of the Audit Committee. Also, Whistle blower complaints, if any and their redressal are discussed at the meeting of Audit Committee of the Board. During the financial year under review, no such complaints were received.

The details of "Vigil Mechanism Policy" are available on the website of the Company (<http://www.bharatbijlee.com>)

#### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

Your Company has zero tolerance policy in case of sexual harassment at workplace and is committed to provide a healthy environment to each and every employee of the Company. The Company has in place '**Policy for Prevention and Redressal of Sexual Harassment**' in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (hereinafter referred as "the said Act") and Rules made there under. As per the provisions of Section 4 of the said Act, the Board of Directors has constituted the Internal Complaints Committee ('ICC') at the Registered Office, Works and at all the Regional Offices of the Company to deal with the complaints received by the Company pertaining to gender discrimination and sexual harassment at workplace.

The ICC has been constituted covering the offices at Mumbai/Navi Mumbai, consisting of the following Members:

Sr. No.	Name of Officer	Designation	Position in Committee
1.	Ms. Aarti Madhankar	General Manager, Human Resources	Presiding Officer
2.	Mr. Durgesh N. Nagarkar	Company Secretary & Senior General Manager: Legal	Member
3.	Mr. Nitin R. Rathod	General Manager, Employee Relations	Member
4.	Ms. Anjali Ranade	Senior Manager, Design	Member
5.	Ms. Renu Rao	General Manager- Business Solutions (Information Technology)	Member

Also, each branch of the Company, has its own ICC consisting of officers from Serial No. 1, 3 and 4, as mentioned herein above, along with two more members employed at the branches, one of them consisting of a woman employed in those respective branches.

As per the provisions of Section 21 & 22 of the said Act, the Report on the details of the number of cases filed under Sexual Harassment and their disposal for the financial year under review, is as under:

Sr. No.	No. of cases pending as on the beginning of the financial year under review	No. of complaints filed during the financial year under review	No. of cases pending as on the end on the financial year under review
1.	Nil	Nil	Nil

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

In terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Board of Directors hereby confirms that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and the Directors have 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 as at March 31, 2017 and of the Profit and Loss of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **TRANSFER OF UNCLAIMED EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) SUSPENSE ACCOUNT:**

The Ministry of Corporate Affairs ('MCA') has vide Notification No. S.O. 2866(E) dated September 5, 2016 notified the provisions of Sections 124 and 125 (except for the sub-sections already notified earlier vide notification dated January 13, 2016) of the Companies Act, 2013. Further MCA vide Notification dated September 5, 2016, brought the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), w.e.f. September 7, 2016.

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for seven (7) consecutive years or more, shall be transferred to an Investor Education and Protection Fund ('IEPF') suspense account (in the name of the Company) with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF.

The process of transfer of the shares to the said Suspense Account could not be completed, due to lack of clarity in the said Rules, upto April 26, 2017. However, the Company has initiated the process and issued individual notices to the 144 shareholders holding 16,878 equity shares, who have not claimed their dividends for the last seven (7) consecutive years.

The Statement containing details of Name, Address, Folio No., Demat Account No. and No. of shares due for transfer to IEPF Suspense Account is made available on [www.bharatbijlee.com](http://www.bharatbijlee.com).

Both the unclaimed dividends and the shares transferred to the IEPF can be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the "Rules".

As per the latest development, the MCA on April 27, 2017, via General Circular No. 03/2017, came up with clarification

on "Transfer of Shares to IEPF Authority", the key highlights of which are:

- The IEPF Authority shall open a special demat account with National Securities Depository Limited ('NSDL');
- NSDL to prescribe the file formats and operational procedures for transfer of shares to special demat account of the IEPF Authority by April 30, 2017 and May 31, 2017 respectively;
- The due date for transfer of such shares by your Company is May 31, 2017.

However, MCA via General Circular No. 05/2017 dated May 16, 2017 notified that the aforementioned Circular No. 03/2017 stands withdrawn with immediate effect and further stated that fresh instructions on the matter to be issued in due course of time.

#### **PARTICULARS OF EMPLOYEES AND REMUNERATION:**

Information as required under the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s)/amendment(s)/re-enactment thereof, for the time being in force), is set out in **Annexure II** hereto, which forms part of this Board's Report.

#### **CORPORATE GOVERNANCE:**

As stipulated under the provisions of Regulation 34(3) read with Schedule V (C) of the Listing Regulations, a separate Report on Corporate Governance enclosed as Annexure V, forms integral part of this Board's Report. The requisite Compliance Certificate as required under Part E of Schedule V of the Listing Regulations, issued by Messrs Dalal and Shah LLP, Chartered Accountants, pertaining to the compliance of conditions of Corporate Governance, is annexed thereto.

#### **MANAGEMENT DISCUSSION AND ANALYSIS (MDA) REPORT:**

Pursuant to Regulation 34(3) read with Schedule V (B) of the Listing Regulations, a separate report on Management Discussion and Analysis ('MDA') forms part of this Annual Report.

#### **STATUTORY AUDITOR AND THEIR REPORT:**

In terms of Section 139(1) of the Companies Act, 2013, no listed Company can appoint or re-appoint an audit firm (including its affiliate firm) as auditor for more than two (2) terms of five (5) consecutive years. The Act also provided for additional transition period of three (3) years from the commencement of the Act, i.e. from April 1, 2014.

The Members are informed that Messrs Dalal & Shah, Chartered Accountants, having Registration No. 102021W, are Statutory Auditors of the Company since 1952. At the 67<sup>th</sup> Annual General Meeting of the Company held on September 11, 2014, Messrs Dalal & Shah were appointed as Statutory Auditors for a period of period of 3 (three) years (transitional period), to hold office as such from the conclusion of 67<sup>th</sup> Annual General Meeting until the conclusion of the 70<sup>th</sup> Annual General Meeting of the Company, subject to ratification of such appointment by the Members of the Company at every Annual General Meeting, in line with the provisions of Section 139 of the Act.

Accordingly, Messrs Dalal & Shah have completed period of ten (10) years and will also be completing the additional transition period of three (3) years at the conclusion of ensuing 70<sup>th</sup> Annual General Meeting, and the Company therefore need to appoint a new auditor in their place.

Pursuant to and in light of the above, the Company has identified Messrs Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration Number : 117366W/W-100018), Mumbai, as the new Statutory Auditors of the Company and subsequently the Board of Directors on the recommendation of Audit Committee, at their respective Meeting held on May 19, 2017, has appointed Messrs Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors of the Company, for a period of five (5) years from the conclusion of 70<sup>th</sup> Annual General Meeting till the conclusion of the 75<sup>th</sup> Annual General Meeting of the Company, subject to the ratification at the Annual General Meeting in each of the subsequent years during the aforementioned term of their appointment.

Messrs Deloitte Haskins & Sells LLP, Chartered Accountants have confirmed that their appointment, if made, shall be in accordance with the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules.

The Audit Committee and the Board of Directors wishes to place on record their deep appreciation for the professional services rendered by Messrs Dalal & Shah during their long association with the Company while maintaining the ethical standards and zenithal level of governance.

#### **OBSERVATIONS OF STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017:**

The Auditor's report given by Messrs Dalal & Shah, Statutory Auditors, on the Financial Statements of the Company, for the year ended March 31, 2017, forms part of the Annual Report. There has been no qualification, reservation or adverse remark or any Disclaimer in their Report.

#### **REPORTING OF FRAUDS:**

There have been no frauds reported by the Auditors, under sub section (12) of Section 143 of the Companies Act, 2013 (including amendments), during the financial year under review, to the Audit Committee or the Board of Directors and hence, as such there is nothing to report by the Board under Section 134 (3)(ca) of the Companies Act, 2013.

#### **SECRETARIAL AUDITORS AND THEIR REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed Messrs N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (Firm Registration No.: P1996MH055800), as its Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2016-2017.

The Report on Secretarial Audit for the financial year 2016-2017, in Form MR-3, as **Annexure VI**, forms integral part of this Board's Report. There has been no qualification, reservation or adverse remark or any Disclaimer in their Report.

In terms of Section 204 of the Companies Act, 2013, on the recommendation of the Audit Committee, the Board of Directors appointed Messrs N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai, (Firm Registration No.: P1996MH055800), as the Secretarial Auditors of the Company for the financial year 2017-2018. The Company has received their consent for the said appointment.

#### **COST AUDITORS AND THEIR REPORT:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 (including any amendment(s), modification(s), variation or re-enactment thereof for the time being in force), and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated May 19, 2017, have appointed Messrs P. M. Nanabhoy & Co., Cost Accountants (Firm Registration No.: 000012), as the Cost Auditors of the Company, for the financial year 2017-2018, to audit the cost records of Electric Motors, Power Transformers, Drives and Elevator System Products. A resolution for ratification of the payment to be made for such appointment is included in the Notice of the ensuing 70<sup>th</sup> Annual General Meeting.

A Certificate from Messrs P. M. Nanabhoy & Co., has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and the Rules framed there under.



For the financial year ending March 31, 2016, the due date of filing the Cost Audit Report submitted by Messrs. P. M. Nanabhoy & Co., Cost Accountants, Mumbai, was September 30, 2016 and the same was filed with the MCA on August 12, 2016.

**EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, the Extract of the Annual Return for the financial year ended March 31, 2017 made under the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is attached as **Annexure III**, which forms part of this Board's Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in **Annexure IV** which forms part of this Board's Report.

**ACKNOWLEDGEMENT:**

Your Company takes pride in all of its highly motivated officers, employees and workers, who have been wholeheartedly supporting and sincerely contributing their best for the sustained success and growth of your Company as well as maintaining harmonious relations throughout the Company.

Your Directors also place on record their sincere thanks and appreciation for the continuing support and assistance received from the financial institutions, banks, Government as well as non-government authorities, customers, vendors, stock exchange and members during the period under review.

**For and on behalf of the Board of Directors**

**Prakash V. Mehta**  
DIN 00001366  
Chairman

Place : Mumbai  
Date : May 19, 2017

**Registered Office:**

Electric Mansion, 6<sup>th</sup> Floor,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025.  
CIN: L31300MH1946PLC005017

**ANNEXURE I****ANNUAL REPORT ON CSR ACTIVITIES**

1. **A brief outline of the CSR policy adopted by the Company, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs:**

The Company has formulated a Corporate Social Responsibility (CSR) Policy stated in the link mentioned below pursuant to Section 135 of the Companies Act, 2013 and Notification dated February 27<sup>th</sup>, 2014, issued by the Ministry of Corporate Affairs under the said Section.

The framework of our CSR policy rests on principles of:

- Empowerment;
- Environment; &
- Employee Participation.

The following are the areas of emphasis for CSR activities under the CSR policy:

- a. The activities carried out under this CSR policy will be in the areas of health, education, livelihood/income generation and environment.
- b. These activities will be carried out in partnership with registered NGOs and Trusts who are already working in the respective fields.
- c. Monthly reports will be provided to the CSR committee and also annual consolidated report.
- d. Surplus arising out of the CSR Projects/programmes/activities, if any, shall not form part of business profits.

Web-link to the CSR Policy: <http://www.bharatbijlee.com/media/1200/csr-policy.pdf>

2. **The composition of the CSR Committee:**

The CSR Committee comprises of the following members:

- a. Mr. Nakul P. Mehta (Chairman, Managing Director);
- b. Mr. Shome N. Danani (Executive Director);
- c. Mr. Jairaj C. Thacker (Independent Director).

3. **Average Net Profit/(Loss) of the Company for last three financial years:**

The Company has incurred average net loss during the last three financial years as under:

Year	Profit/Loss (-) Amount (₹ in Lakhs)
2013-2014	(1130)
2014-2015	(3405)
2015-2016	719
<b>Total</b>	<b>(3816)</b>

**Average net profit/(loss) of previous 3 years ₹ (1,272) Lakhs.**

4. **Prescribed CSR Expenditure (two percent of the amount as per item 3 above):**

The Company is not required to spend any amount in view of average net loss during the last three financial years.

5. **Details of CSR spent during the financial year:**

- a. Total amount to be spent for the financial year: NIL
- b. Amount unspent if any: N.A.

c. Manner in which the amount spent during the financial year under review, is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:**

The Chairman of the CSR Committee, at its meeting held on January 24, 2017, brought to the notice of the Members that the Company has incurred losses in 2 out of 3 immediately preceding financial years, i.e. in 2013-2014 ₹ (1130 Lakhs) and 2014-2015 ₹ (3405 Lakhs). In the financial year 2015-2016, it has booked a profit of ₹ 719 Lakhs. Accordingly in view of average net Loss of the last three financial years, the provision pertaining to spending 2% of average net profits on CSR activities is not applicable to the Company for the financial year 2016-2017 and hence it was recommended by the CSR Committee not to incur any expenditure on the CSR activity in the financial year 2016-2017.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company:**

The CSR Committee hereby confirms that the implementation and monitoring of CSR policy has been carried out with all reasonable care and diligence and the same is in compliance with the CSR objectives and the policy of the Company. However as explained in item no. 6 above, no amount was spent on CSR activities in view of average net loss of the last three financial years.

**NIKHIL J. DANANI**

DIN: 00056514

Vice Chairman and Managing Director

**NAKUL P. MEHTA**

DIN: 00056561

Vice Chairman and Managing Director  
(Chairman of CSR Committee)

Date : May 19, 2017

Place : Mumbai



**ANNEXURE II**
**1. Disclosure in Board's Report as per the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended)**

Sl. No.	Disclosure Requirement	Disclosure Details		
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	<b>Name of the Directors</b>	<b>Category</b>	<b>Ratio</b>
		Mr. Nikhil J. Danani	Vice Chairman & Managing Director	25.26
		Mr. Nakul P. Mehta	Vice Chairman & Managing Director	25.26
		Mr. Shome N. Danani	Executive Director	18.42
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Name of the Directors</b>	<b>Category</b>	<b>% increase in remuneration</b>
		Mr. Nikhil J. Danani	Vice Chairman & Managing Director	–
		Mr. Nakul P. Mehta	Vice Chairman & Managing Director	–
		Mr. Shome N. Danani	Executive Director	–
		Mr. Durgesh N. Nagarkar	Company Secretary	10.10%
		Mr. Sandeep M. Tilak	Chief Financial Officer	8.04%
3.	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees of the Company in the financial year 2016-2017 is ₹ 4,74,967/- p.a.  The median remuneration of the employees for the year under review increased by 0.82% compared to previous financial year.		
4.	The number of permanent employees on the rolls of Company	There were 922 permanent employees of Bharat Bijlee Limited as on March 31, 2017.		
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	For the employees other than managerial personnel who were in employment the whole of FY 2015-2016 and FY 2016-2017, the average increase is 3.89%.  Average increase for managerial personnel is 8.82%.		
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes		

**2. Statement Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014 & the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016**

Name of employee	Designation of employee/Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of such employee	Last employment held by such employee before joining the Company	% of equity shares held by the employee in the Company	Remuneration (Amount in ₹)
Nikhil J. Danani	Vice Chairman & Managing Director	B.E. (Mech.) M.B.A. (Rutgers University, USA)	02.05.1975	67	I.B.M. New Jersey; Research Assistant 6 months	5.72	1,20,23,369/-
Nakul P. Mehta	Vice Chairman & Managing Director	B.Sc. B.S. Mech. Engg.; M. S. Engg., Mechanical	30.04.1984	59	NIL	3.31	1,20,23,369/-

Mr. Nikhil J. Danani and Mr. Shome N. Danani are related to each other.

**ANNEXURE III**
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

<b>CIN</b>	:	L31300MH1946PLC005017
<b>Registration Date</b>	:	June 22, 1946
<b>Name of the Company</b>	:	Bharat Bijlee Limited
<b>Category/Sub – Category of the Company</b>	:	Public Company Limited by Shares
<b>Address of the Registered office and contact details</b>	:	Electric Mansion, 6 <sup>th</sup> Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 Telephone No.: +91 22 2430 6237 Fax No.: +91 22 2437 0624 Website: www.bharatbijlee.com Email id: bblcorporate@bharatbijlee.com
<b>Whether listed company</b>	:	Yes
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	:	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, Tel.: +91 22 49186000, Fax.: +91 22 49186060

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Electric Motors	27900	36%
2.	Transformers	27900	55%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/subsidiary/ associate	% of shares held	Applicable section
1.	Not Applicable				

**IV. SHARE HOLDING PATTERN (Equity Share Capital Break - up as percentage of Total Equity):**
**i. Category-wise Share holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	829742	0	829742	14.68	721325	0	721325	12.77	(1.91)
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	1191492	0	1191492	21.08	1191492	0	1191492	21.08	0
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(1):</b>	<b>2021234</b>	<b>0</b>	<b>2021234</b>	<b>35.76</b>	<b>1912817</b>	<b>0</b>	<b>1912817</b>	<b>33.85</b>	<b>(1.91)</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(2):</b>	–	–	–	–	–	–	–	–	–
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>2021234</b>	<b>0</b>	<b>2021234</b>	<b>35.76</b>	<b>1912817</b>	<b>0</b>	<b>1912817</b>	<b>33.85</b>	<b>(1.91)</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds/UTI	48621	0	48621	0.86	47328	0	47328	0.84	(0.02)
b) Venture Capital Funds	–	–	–	–	–	–	–	–	–
c) Alternate Investment Funds	–	–	–	–	–	–	–	–	–
d) Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
e) Foreign Portfolio Investor	130000	800	130800	2.31	64000	800	64800	1.15	(1.16)
f) FI/Banks	144506	560	145066	2.57	132919	560	133479	2.36	(0.21)
g) Insurance Companies	698709	0	698709	12.36	698709	0	698709	12.36	–
h) Provident Funds/Pension Funds	–	–	–	–	–	–	–	–	–
i) Any Other (specify)	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1):</b>	<b>1021836</b>	<b>1360</b>	<b>1023196</b>	<b>18.10</b>	<b>942956</b>	<b>1360</b>	<b>944316</b>	<b>16.71</b>	<b>(1.39)</b>
(2) Central Government/State Government(s)/President of India	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(2):</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
(3) Non-Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1584744	94284	1679028	29.71	1775816	87594	1863410	32.97	3.26
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	271457	11730	283187	5.01	251719	0	251719	4.45	(0.56)
b) NBFCs registered with RBI	–	–	–	–	–	–	–	–	–
c) Employee Trusts	–	–	–	–	–	–	–	–	–
d) Overseas Depositories (holding DRs) (balancing figure)	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any other (Specify)									
Trusts	0	0	0	0	1100	0	1100	0.02	0.02
Hindu Undivided Family	112032	0	112032	1.98	104866	0	104866	1.86	(0.12)
Non-Resident Indians (Non-Repatriation)	33380	0	33380	0.59	57050	0	57050	1.01	0.42
Non-Resident Indians (Repatriation)	114259	0	114259	2.02	75948	0	75948	1.34	(0.68)
Clearing Member	38461	0	38461	0.68	64822	0	64822	1.15	0.47
Bodies Corporate	345723	1060	346783	6.14	374452	1060	375512	6.64	0.50
<b>Sub-total (B)(3):</b>	<b>2500056</b>	<b>107074</b>	<b>2607130</b>	<b>46.13</b>	<b>2705773</b>	<b>88654</b>	<b>2794427</b>	<b>49.45</b>	<b>3.32</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)</b>	<b>3521892</b>	<b>108434</b>	<b>3630326</b>	<b>64.24</b>	<b>3648729</b>	<b>90014</b>	<b>3738743</b>	<b>66.15</b>	<b>1.91</b>
<b>Total (A) + (B)</b>	<b>5543126</b>	<b>108434</b>	<b>5651560</b>	<b>100.00</b>	<b>5561546</b>	<b>90014</b>	<b>5651560</b>	<b>100.00</b>	<b>0</b>
(C) Non-Promoter – Non-Public									
1) Custodian/DR Holder	–	–	–	–	–	–	–	–	–
2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	–	–	–	–	–	–	–	–	–
<b>Grand Total (A+B+C)</b>	<b>5543126</b>	<b>108434</b>	<b>5651560</b>	<b>100</b>	<b>5561546</b>	<b>90014</b>	<b>5651560</b>	<b>100.00</b>	<b>0</b>

**ii. Shareholding of Promoters:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Mr. Nikhil J. Danani	323404	5.72	Nil	323404	5.72	Nil	0
2.	Mr. Nakul P. Mehta	185830	3.29	Nil	186830	3.31	Nil	0.02
	<b>Total</b>	<b>509234</b>	<b>9.01</b>	<b>Nil</b>	<b>510234</b>	<b>9.03</b>	<b>Nil</b>	<b>0.02</b>

**iii. Change in Promoters' Shareholding (Please specify, if there is no change):**

Sl. No.		Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Mr. Nikhil J. Danani						
	At the beginning of the year	01.04.2016	323404	5.72	–	323404	5.72

Sl. No.		Shareholding at the beginning of the year				Cumulative Shareholding during the year	
	For each of the Top 10 Shareholders	Date	No. of shares	% of total shares of the Company	Reasons for Increase/ Decrease	No. of shares	% of total shares of the Company
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	No change	–	–
	At the end of the year	31.03.2017	323404	5.72	–	323404	5.72
2.	Mr. Nakul P. Mehta						
	At the beginning of the year	01.04.2016	185830	3.29	–	185830	3.29
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		1000	0.02	Transfer	186830	3.31
	At the end of the year	31.03.2017	186830	3.31	–	186830	3.31

**iv. Shareholding Pattern of Top Ten Shareholders as on March 31, 2017 (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		Shareholding at the beginning of the year				Cumulative Shareholding during the year	
	For each of the Top 10 Shareholders	Date	No. of shares	% of total shares of the Company	Reasons for Increase/ Decrease	No. of shares	% of total shares of the Company
1.	<b>Life Insurance Corporation of India</b>						
	At the beginning of the year	01.04.2016	449911	7.96	–	449911	7.96
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	No Change	No Change	–	–	–
	At the end of the year	31.03.2017	449911	7.96	–	449911	7.96
2.	<b>Danmet Chemicals Pvt. Limited</b>						
	At the beginning of the year	01.04.2016	459777	8.14	–	459777	8.14
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	No Change	No Change	–	–	–
	At the end of the year	31.03.2017	459777	8.14	–	459777	8.14
3.	<b>Gayatri Education Medical and Research Foundation Pvt Ltd</b>						
	At the beginning of the year	01.04.2016	450165	7.97	–	450165	7.97
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No Change	No Change	–	–	–
	At the end of the year	31.03.2017	450165	7.97	–	450165	7.97

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
<b>4.</b>	<b>Nasivan Investments Private Limited</b>						
	At the beginning of the year	01.04.2016	281550	4.98	–	281550	4.98
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No Change	No Change	–	–	–
	At the end of the year	31.03.2017	281550	4.98	–	281550	4.98
<b>5.</b>	<b>General Insurance Corporation of India</b>						
	At the beginning of the year	01.04.2016	172770	3.06	–	172770	3.06
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No Change	No Change	–	–	–
	At the end of the year	31.03.2017	172770	3.06	–	172770	3.06
<b>6.</b>	<b>Housing Development Finance Corporation Limited</b>						
	At the beginning of the year	01.04.2016	122480	2.17	–	122480	2.17
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No Change	No Change	–	–	–
	At the end of the year	31.03.2017	122480	2.17	–	122480	2.17
<b>7.</b>	<b>National Insurance Company Ltd</b>						
	At the beginning of the year	01.04.2016	76028	1.35	–	76028	1.35
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No change	No change	–	–	–
	At the end of the year	31.03.2017	76028	1.35	–	76028	1.35
<b>8.</b>	<b>Hypnos Fund Limited</b>						
	At the beginning of the year	01.04.2016	130000	2.30	0	130000	2.30
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	29.04.2016	(10000)	0.18	Transfer	120000	2.12
		31.03.2017	(56000)	0.99	Transfer	64000	1.13
	At the end of the year	31.03.2017	64000	1.13	–	64000	1.13
<b>9.</b>	<b>Minal Bharat Patel</b>						
	At the beginning of the year	01.04.2016	4683	0.0829	–	4683	0.083
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	29.04.2016	(870)	0.02	Transfer	3813	0.06
		20.01.2017	(2000)	0.03	Transfer	1813	0.03
		31.03.2017	56000	0.99	Transfer	57813	1.02
	At the end of the year	31.03.2017	57813	1.02	–	57813	1.02

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year			Reasons for Increase/ Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
10.	<b>Vibgyor Investors and Developers Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2016	55000	0.97	–	55000	0.97
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No change	No change	–	–	–
	At the end of the year	31.03.2017	55000	0.97	–	55000	0.97

**v. Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year			Reasons for Increase/ Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	<b>Mr. Nikhil J. Danani</b>						
	At the beginning of the year	01.04.2016	323404	5.72	–	323404	5.72
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	–	No change	No change	–	–	–
	At the end of the year	31.03.2017	323404	5.72	–	323404	5.72
2.	<b>Mr. Nakul P. Mehta</b>						
	At the beginning of the year	01.04.2016	185830	3.29	–	185830	3.29
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		1000	0.02	Transfer	186830	3.31
	At the end of the year	31.03.2017	186830	3.31	–	186830	3.31
3.	<b>Shome N. Danani</b>						
	At the beginning of the year	01.04.2016	2898	0.05	–	2898	0.05
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	No change	No change	–	–	–
	At the end of the year	31.03.2017	2898	0.05	–	2898	0.05
4.	<b>Prakash V. Mehta</b>						
	At the beginning of the year	01.04.2016	325	0.01	–	325	0.01
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	No change	No change	–	–	–
	At the end of the year	31.03.2017	325	0.01	–	325	0.01
5.	<b>Sanjiv N. Shah</b>						
	At the beginning of the year	01.04.2016	4560	0.08	–	4560	0.08



Sl. No.		Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
	<b>For each of the Directors and KMP</b>						
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	No change	No change	–	–	–
	At the end of the year	31.03.2017	4560	0.08	–	4560	0.08
<b>6.</b>	<b>Jairaj C. Thacker</b>						
	At the beginning of the year	01.04.2016	Nil	Nil	–	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	No change	No change	–	–	–
	At the end of the year	31.03.2017	Nil	Nil	–	Nil	Nil
<b>7.</b>	<b>Ravishanker Prasad</b>						
	At the beginning of the year	01.04.2016	Nil	Nil	–	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No change	No change	–	–	–
	At the end of the year	31.03.2017	Nil	Nil	–	Nil	Nil
<b>8.</b>	<b>Mahnaz A. Curmally</b>						
	At the beginning of the year	01.04.2016	Nil	Nil	–	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No change	No change	–	–	–
	At the end of the year	31.03.2017	Nil	Nil	–	Nil	Nil
<b>9.</b>	<b>Rajeshwar R. Bajaaj</b>						
	At the beginning of the year	01.04.2016	Nil	Nil	–	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No change	No change	–	–	–
	At the end of the year	31.03.2017	Nil	Nil	–	Nil	Nil
<b>10.</b>	<b>Durgesh N. Nagarkar</b>						
	At the beginning of the year	01.04.2016	Nil	Nil	–	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No change	No change	–	–	–
	At the end of the year	31.03.2017	Nil	Nil	–	Nil	Nil
<b>11.</b>	<b>Sandeep M. Tilak</b>						
	At the beginning of the year	01.04.2016	Nil	Nil	–	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No change	No change	–	–	–
	At the end of the year	31.03.2017	Nil	Nil	–	Nil	Nil

**II. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lakhs)

Particulars	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,422.38	12,450.00	–	16,872.38
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	5.34	31.43	–	36.77
<b>Total (i+ii+iii)</b>	<b>4,427.72</b>	<b>12,481.43</b>	<b>–</b>	<b>16,909.15</b>
Change in Indebtedness during the financial year				
• Addition	8,013.17	59,545.39	–	67,558.56
• Reduction	9,562.86	57,097.08	–	66,659.94
<b>Net Change</b>	<b>(1,549.69)</b>	<b>2,448.31</b>	<b>–</b>	<b>898.62</b>
Indebtedness at the end of the financial year				
i) Principal Amount	2,878.04	14,879.35	–	17,757.39
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	50.39	–	50.39
<b>Total (i+ii+iii)</b>	<b>2,878.04</b>	<b>14,929.74</b>	<b>–</b>	<b>17,807.78</b>

**III. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTM/Manager			Total Amount
		Mr. Nikhil J. Danani (Managing Director)	Mr. Nakul P. Mehta (Managing Director)	Mr. Shome N. Danani (Executive Director)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	60,00,000	39,00,000	1,59,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	60,23,369	60,23,369	48,75,000	1,69,21,738
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission	–	–	–	–
	– as % of profit	–	–	–	–
	– others, specify	–	–	–	–
5	Others, please specify	–	–	–	–
	<b>Total (A)</b>	<b>1,20,23,369</b>	<b>1,20,23,369</b>	<b>87,75,000</b>	<b>3,28,21,738</b>
	Ceiling as per the Act	1,20,23,369	1,20,23,369	1,20,00,000	3,60,46,738

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Prakash V. Mehta	Mr. Sanjiv N. Shah	Mr. Jairaj C. Thacker	Mr. Rajeshwar R. Bajaaj	
<b>1.</b>	<b>Independent Directors</b>					
	Fee for attending board/committee meetings	4,35,000	3,65,000	4,15,000	1,75,000	13,90,000
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	<b>Total (1)</b>	<b>4,35,000</b>	<b>3,65,000</b>	<b>4,15,000</b>	<b>1,75,000</b>	<b>13,90,000</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>	<b>Mr. Ravishanker Prasad</b>	<b>Ms. Mahnaz A. Curmally</b>			
	Fee for attending board/committee meetings	1,75,000	1,75,000	–	–	3,50,000
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	<b>Total (2)</b>	<b>1,75,000</b>	<b>1,75,000</b>	<b>–</b>	<b>–</b>	<b>3,50,000</b>
	<b>Total (B) = (1+2)</b>					<b>17,40,000</b>
	<b>Total Managerial Remuneration</b>					<b>3,45,61,738</b>
	Overall Ceiling as per the Act	–	–	–	–	–

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
<b>1.</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,09,198	55,90,028	88,99,226
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,64,780	67,853	2,32,633
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	–	–	–
<b>2.</b>	<b>Stock Option</b>	–	–	–
<b>3.</b>	<b>Sweat Equity</b>	–	–	–
<b>4.</b>	<b>Commission</b>	–	–	–
	– as % of profit	–	–	–
	– others, specify	–	–	–
<b>5.</b>	<b>Others, please specify</b>	–	–	–
	<b>Total</b>	<b>34,73,978</b>	<b>56,57,881</b>	<b>91,31,859</b>

**IV. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishments, compounding of offences for the financial year ended March 31, 2017.

**ANNEXURE IV**
**DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES, 2014 (as amended)**
**(A) Conservation of energy:**

Steps taken or impact on conservation of energy	<ul style="list-style-type: none"> <li>Installed energy efficient scroll chiller compressor in-place of reciprocating compressor in T-2 VPD plant, resulted in saving of ₹ 1.97 Lakh/annum.</li> <li>Installed 35 nos. 80/100 watts LED lamps in-place of 150/250 watts metal halide lamps in T-1 &amp; T-2 plants and 75 nos. 15 watts LED lamps in-place of 36 watts CFL lamps in office and shop floor passage area, resulted in saving of ₹ 1.5 Lakh/annum.</li> <li>Maintaining power factor of 0.99 to unity, resulted in saving of ₹ 36.26 Lakh/annum.</li> <li>Replaced 60 nos. Metal halide (150 watt/T5).</li> <li>Fitting with (96 watt) 30 nos. LED fitting resulting in savings of ₹ 1.10 Lakh/annum.</li> <li>Painting Booth (Water curtain) replaced with Dry type (Filters) painting booth.</li> <li>Reduction in hazardous waste generation.</li> <li>Elimination of water pollution.</li> <li>Power saving is ₹ 24000/annum.</li> <li>Change of shop floor lighting to metal allied lighting.</li> </ul>
Steps taken by the Company for utilizing alternate sources of energy	–
Capital investment on energy conservation equipment	<ul style="list-style-type: none"> <li>Procured &amp; installed scroll chiller compressor at cost of ₹ 7.5 Lakh.</li> <li>LED tubes and Hi-bay lamps procured and installed, cost of ₹ 2.00 Lakh.</li> <li>An investment of 2.9 lakhs was made on energy conservation equipment by Motor Department.</li> </ul>

**(B) Technology absorption:**

Efforts made towards technology absorption	<ul style="list-style-type: none"> <li>Old 5 ton EOT crane hook lift height increased by 1 meter in T-1 winding section for SPA assembly.</li> <li>Green gas/eco-friendly refrigerant gas is being used in scroll compressor chilling plant.</li> </ul>
	<ul style="list-style-type: none"> <li>Existing conventional Bearing pressing equipment is replaced with Medium Frequency Induction Bearing pressing equipment.</li> <li>Anti-collision device fitted on EOT crane in Winding &amp; Dispatch Dept.</li> <li>In IE4 plant 300kg Balancing machine installed.</li> <li>Provision of Emergency Preparedness siren in office area.</li> <li>High Voltage (HV) testing Equipment existing analog meters replaced with digital meter lower least count.</li> <li>IIoT (Industrial internet of things): Locally developed mobile application for trouble shooting of drives and servo motors.</li> </ul>
Benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> <li>Product improvement i.e. start of separate phase assembly (SPA) in T1 winding.</li> <li>EOHS requirement are met.</li> <li>Conservation of Energy.</li> <li>Productivity improvement.</li> <li>Quality improvement.</li> <li>Safe working environment.</li> </ul>
In case of imported technology	(imported during the last three years reckoned from the beginning of the financial year)
Details of technology imported	–
Year of import	–
Whether the technology has been fully absorbed	–
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	–
Expenditure incurred on Research and Development	–

**(C) Foreign exchange earnings and Outgo:**

	<b>1st April, 2016 to 31st March, 2017 (Current F.Y.)</b>	<b>1st April, 2015 to 31st March, 2016</b>
	<b>Amount (₹ in lakhs)</b>	<b>Amount (₹ in lakhs)</b>
Actual Foreign Exchange earnings	715.53	646.58
Actual Foreign Exchange outgo	2244.84	2718.48

**ANNEXURE V**

---

**CORPORATE GOVERNANCE REPORT****1. Company's Philosophy on Corporate Governance:**

Since inception, the Company is committed to executing sustainable business practices and creating long term value for all its stakeholders.

To pursue this objective, the Company conducts all its business operations on principles of transparency, fairness, integrity, accountability, empowerment and trusteeship while maintaining high legal and ethical standards.

The Company is in compliance with all the requirements to the Corporate Governance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations).

**2. Board of Directors & Board Meetings:****a. Composition:**

The Board consists of nine (9) Directors, out of which four (4) are Independent, two (2) are Non-Executive, including one woman Director and three (3) are Executive Directors, which is in conformity with the requirement of Regulation 17 of the Listing Regulations. The Chairman is an Independent 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 66.67% of the Board's strength against the minimum requirement of 50%. Independent Directors constitute 44.44% of the total strength of the Board as against one third (33.33%) required when the Chairman is a Non-Executive Director. The Non-Executive Directors and Independent 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 (Whole-time Director, designated as Executive Director).

Except two Managing Directors and one Whole time Director, two Non-Executive Non-Independent Directors are liable to retire by rotation. In the ensuing 70<sup>th</sup> Annual General Meeting to be held on June 30, 2017, Mr. Shome N. Danani (DIN 00217787), will be re-appointed as "Whole-time Director" designated as "Executive Director", for a further period of 3 years w.e.f. January 28, 2017 and Mrs. Mahnaz A. Curmally (DIN 06907271), a Non-Executive and Non-Independent Director, liable to retire by rotation and being eligible, will be re-appointed.

Mr. Shome N. Danani and Mr. Nikhil 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 2016-2017, five (5) Board of Directors' meetings were held on the following dates:

1. May 12, 2016,
2. July 18, 2016,
3. September 20, 2016,
4. October 25, 2016, and
5. January 24, 2017



**c. The composition of the Board, Directorships/Membership of Committee of other Companies as on March 31, 2017, no. of meetings held and attended During the financial year are under:**

Sr. No.	Name of the Director	Category of Directorship	No. of Board Mtgs. attended	Attendance at last AGM held on 20 Sept 2016	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, 2017
						As Member	As Chairman		
1.	Mr. Prakash V. Mehta – Chairman (DIN 00001366)	Independent Non-Executive	5/5	YES	14*	10* <sup>@</sup>	3	4,35,000	325
2.	Mr. Nikhil J. Danani – Managing Director (DIN 00056514)	Executive Promoter	5/5	YES	1*	–	–	–	3,23,404
3.	Mr. Nakul P. Mehta – Managing Director (DIN 00056561)	Executive Promoter	5/5	YES	2*	–	–	–	1,86,830
4.	Mr. Shome N. Danani (DIN 00217787)	Executive	5/5	YES	2*			–	2,898
5.	Mr. Sanjiv N. Shah (DIN 00007211)	Independent Non-Executive	4/5	YES	4*	2	1	3,65,000	4,560
6.	Mr. Jairaj C. Thacker (DIN 00108552)	Independent Non-Executive	5/5	YES	4*	–	–	4,15,000	
7.	Mr. Ravishanker Prasad # (DIN 06641845)	Non-Executive	5/5	YES	–	–		1,75,000	
8.	Mrs. Mahnaz A. Curmally (DIN 06907271)	Non-Executive	5/5	YES	–	–	–	1,75,000	
9.	Mr. Rajeshwar Raj Bajaj (DIN 00419623)	Independent Non-Executive	4/5	YES	3*	2	1	1,75,000	
							Total	17,40,000	

<sup>@</sup> Includes membership in Nomination & Remuneration Committee in 4 Companies.

\* Includes Directorship/Chairmanship in Pvt. Ltd. Companies.

# Representative of LIC of India, an equity owner.

**d. Appointment/Re-appointment of Directors:**

Pursuant to the provisions of Section 152 read with Section 149(13) of the Companies Act, 2013 and Regulation 36 (3) of the Listing Regulations, Mrs. Mahnaz A. Curmally Non-Executive Director, being longest in the office, is liable to retire by rotation. Mrs. Mahnaz A. Curmally has offered herself for re-appointment and resolution for her re-appointment, is incorporated in the Notice of the ensuing 70<sup>th</sup> Annual General Meeting.

The term of office of Mr. Shome N. Danani (DIN 00217787), as Whole-time Director, designated as “Executive Director” of the Company, expired on January 27, 2017. The Board of Directors on the recommendation of the Nomination and Remuneration Committee, at their respective meeting held on January 24, 2017, subject to the approval of Members of the Company, have accorded their approval to re-appoint Mr. Shome N. Danani as Whole-time Director, designated as “Executive Director” of the Company, for a further period of three (3) years w.e.f. January 28, 2017. His re-appointment and remuneration is in terms of Section 196, 197, 198, 200 and 203 read with Section II Part II, of Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

During the financial year, Mr. Nikhil J. Danani (DIN: 00056514) and Mr. Nakul P. Mehta (DIN: 00056561) were re-appointed as Managing Directors, for a period of three (3) years w.e.f. June 20, 2016, at the 69<sup>th</sup> Annual General Meeting, by the Members of the Company. Their re-appointment and remuneration is in terms of Section 196, 197, 198, 200 and 203 read with Section II Part II, of Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

**e. Code of Conduct:**

The Company has adopted a Code of Conduct for its Board Members and Senior Management and has posted the Code on the website of the Company in terms of Regulation 17 (5) of the Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Managing Director has affirmed 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.

**f. Board Independence:**

Based on the confirmation/disclosures received from the Directors, 4 Non-Executive Directors are independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

There are no material pecuniary relationships or transactions between the independent Directors and the Company, except for sitting fees drawn by them for attending the Meetings of the Board and Committees thereof.

During the financial year, a separate meeting of the Independent Directors was held on January 24, 2017, without the presence of Managing Directors, Whole time Director, Non-Executive Directors and Management to discuss inter alia:

- 1) Review the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors;
- 2) Review the performance of Non-Independent Directors and the Board as a whole;
- 3) Assess the quality, quantity and timelessness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively perform their duties.

The terms and conditions of appointment of the Independent Directors are disclosed on the Company's website <http://www.bharatbijlee.com>.

**g. Directors' Induction & Familiarisation:**

The Independent Directors are familiarized, with the Company, their duties, roles and responsibilities, the nature of the industry, the business model of the Company, in line with the "Familiarisation programme of Independent Directors", the details of which can be viewed at <http://www.bharatbijlee.com>.

Also, familiarization programme details for the financial year 2016-2017 has been hosted on <http://www.bharatbijlee.com>.

**h. Board Evaluation:**

During the financial year under review, the Board of Directors/Independent Directors/Nomination and Remuneration Committee (as applicable) has carried out an annual evaluation of its own performance, performance of all individual Directors including Independent Directors, the performance of its Committees and the evaluation of Chairman of the Board, in terms of provisions of the Companies Act, 2013 and Regulation 25(3) and (4) of the Listing Regulations.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

**3. Audit Committee:**

The Audit committee comprised of

1. Mr. Sanjiv N. Shah — Chairman & Independent Director
2. Mr. Prakash V. Mehta — Independent Director
3. Mr. Jairaj C. Thacker — Independent Director

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 & Corporate Strategy, General Manager: Internal Audit, General Manager – Cost and Management Accounting and Senior General Manager: Finance attend the Audit Committee meetings by invitation. Statutory Auditors are also invited to attend the meetings.

**a. Meetings & Attendance:**

The Audit Committee had four (4) meetings during the Financial year 2016-17 and were held on the following dates

1. May 12, 2016;
2. July 18, 2016;
3. October 25, 2016; and
4. January 24, 2017.

Mr. Prakash V. Mehta, and Mr. Jairaj C. Thacker attended all four (4) meetings and Mr. Sanjiv N. Shah attended three (3) meetings.

- b.** The terms of reference of the Audit Committee are in line with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

**The terms of reference of audit committee are briefly described as follows:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### 4. Nomination and Remuneration Committee (NRC):

Remuneration committee comprised of

1. Mr. Sanjiv N. Shah — Chairman & Independent Director
2. Mr. Prakash V. Mehta — Independent Director
3. Mr. Jairaj C. Thacker — Independent Director

The Nomination and Remuneration Committee Meetings were held on the following dates:

1. May 12, 2016;
2. January 24, 2017.

All the members attended both the meetings.

##### a. The terms of reference and role of the Nomination & Remuneration Committee are under as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations):

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- v. Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.

##### b. Remuneration of Executive Directors:

The total remuneration payable to the Managing Directors/Executive Director for the financial year 2016-2017 is as under:

	Salary (in ₹)	Perquisites (in ₹)	Commission Payable for the FY 2016-2017	Total (in ₹)
Mr. Nikhil J. Danani	60,00,000	60,23,369	—	1,20,23,369
Mr. Nakul P. Mehta	60,00,000	60,23,369	—	1,20,23,369
Mr. Shome N. Danani	39,00,000	48,75,000	—	87,75,000

The Managing Directors were paid a fixed amount of remuneration, as approved by the Central Government upto June 19, 2016 and under Section II part II of Schedule V of the Companies Act, 2013 from June 20, 2016 to March 31, 2017 in absence of inadequate profits and Executive Director is paid fixed amount of remuneration approved and recommended by Nomination and Remuneration Committee and Board of Directors and subsequently by Shareholders of the Company at the 67<sup>th</sup> Annual General Meeting held on September 11, 2014. Also they were not paid any performance linked incentives for the financial year 2016-2017.

Mr. Shome N. Danani's term has expired on January 27, 2017. In terms of Regulation 19 read with part D of Schedule II of the Listing Regulations and the "Nomination and Remuneration Policy" of the Company, the Board of Directors on the recommendation of the Nomination and Remuneration Committee at their respective meetings held on January 24, 2017, have re-appointed him as a "Whole-time Director", designated as "Executive Director" of the Company not liable to retire by rotation, during his tenure as Whole-time Director, for a further period of three (3) years with effect from January 28, 2017 to January 27, 2020, subject to obtaining the approval of shareholders at the ensuing 70<sup>th</sup> Annual General Meeting.

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company and as per the present criteria, only sitting fees is paid to the Non-Executive Directors for attending the Meetings.

**c. Performance Evaluation criteria for Independent Directors:**

Pursuant to Section 149 of the Companies Act, 2013 read with Schedule IV, annual performance evaluation of Independent Directors was carried out by the entire Board of Directors excluding the Directors being evaluated. Evaluation form(s) duly finalised by Mr. Rajeshwar R. Bajaaj, Non-Executive Independent Director along with Mr. Durgesh N. Nagarkar, Company Secretary & Senior General Manager was circulated to the respective Directors with a request to send the completed forms addressed to the Chairman of the Board of Directors.

The Board thereafter reviewed the evaluation of each Independent Director and expressed that the performance of each Independent Director was good and that the established process of evaluation was also satisfactory.

**d. Nomination & Remuneration Policy:**

The Company has a Nomination and Remuneration Policy and the same has been displayed on the website of the Company i.e. [www.bharatbijlee.com](http://www.bharatbijlee.com)

**Objective**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The objective of this policy is to lay down a framework in relation to the nomination and remuneration of Directors, KMP, Senior management personnel and other employees. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- 1.3. Formulation of criteria for evaluation of Independent Director and the Board.
- 1.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.8. To develop a succession plan for the Board and to regularly review the plan.
- 1.9. To assist the Board in fulfilling responsibilities.
- 1.10. To Implement and monitor policies and processes regarding principles of corporate governance.

**Constitution of Committee**

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration Committee (NRC) consisting of three or more Non-Executive Directors out of which not less than one-half are independent Directors. The Chairman of the Committee is an Independent Director. However, the Chairperson of the Company (whether Executive or Non-Executive) may be appointed as a member of the NRC but shall not chair such Committee. The meetings of the Committee shall be held at such regular intervals as may be required. The Company Secretary of the Company shall act as Secretary of the Committee.

**Applicability**

- a) Directors (Executive and Non-Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel

**Definitions**

“Act” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“Board” means Board of Directors of the Company.

“Directors” mean Directors of the Company.

“Key Managerial Personnel” means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer/Vice President : Finance;
- iii. Company Secretary; and
- iv. Such other officer as may be prescribed.

“Senior Management” means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Managing/Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**Policy for Appointment and Removal of Director, KMP and Senior Management****1. Appointment Criteria and Qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**2. Term/Tenure**

- a) Managing Director/Whole-time Director:  
The Board shall appoint or re-appoint any person as its Chairman (Executive/Non-Executive), Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director:
  - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
  - No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.



- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such other number as may be prescribed under the Act.
- 3. **Evaluation**  
The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals as may be decided by them.
- 4. **Removal**  
Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.
- 5. **Retirement**  
The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**Policy for Remuneration to Directors/KMP/Senior Management Personnel**

1. **Remuneration to Managing/Whole-time/Executive/Managing Director, KMP and Senior Management Personnel:**  
The Remuneration/Compensation/Commission etc. to be paid to Director/Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
2. **Fixed pay:**  
The Whole-time Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including employer's contribution to PF, pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board/the person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.
3. **Minimum Remuneration:**  
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
4. **Provisions for excess remuneration:**  
If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limit prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
5. **Increments to the existing remuneration structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.**
6. **Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurances shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.**
7. **Remuneration to Non-Executive/Independent Director:**  
The Non-Executive Independent Director may receive remuneration/compensation/commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**Duties in Relation to Nomination Matters**

The duties of the Committee in relation to nomination matters include:

1. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
2. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
3. Identifying and recommending Directors who are to be put forward for retirement by rotation;
4. Determining the appropriate size, diversity and composition of the Board;
5. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
6. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
7. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
8. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
9. Recommend any necessary changes to the Board; and
10. Considering any other matters, as may be requested by the Board.

**Duties in Relation to Remuneration Matters**

The duties of the Committee in relation to remuneration matters include:

Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

Delegating any of its powers to one or more of its members or the Secretary of the Committee.

Considering any other matters as may be requested by the Board.

**Minutes of Committee Meetings:**

Proceedings of all NRC meetings must be minuted and signed by the Chairman of the Committee at the subsequent meetings. Minutes of the NRC meetings will be tabled at the subsequent Board and Committee meetings.

**Review and Amendment:**

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

**5. Stakeholders Relationship Committee:**

The Stakeholders' Relationship Committee comprised of

1. Mr. Prakash V. Mehta — Chairman & Independent Director
2. Mr. Sanjiv N. Shah — Independent Director
3. Mr. Nikhil J. Danani — Executive Director
4. Mr. Nakul P. Mehta — Executive Director

Mr. D. N. Nagarkar, Company Secretary, is the Secretary of the Committee. The Committee has met once, on 24<sup>th</sup> January, 2017, wherein all members were present. The total number of grievances received and resolved by the Committee to the satisfaction of the shareholders was 5, all related to non-receipt of dividend and Annual Report. There were no requests for share transfer/transmission/deletions of names etc. pending as on 31<sup>st</sup> March, 2017 and all such requests were processed and delivered within thirty days (30 days) of lodgment 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 Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**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. Corporate Social Responsibility (CSR) Committee:**

The Corporate Social Responsibility (CSR) Committee was constituted with the following three (3) members:

1. Mr. Nakul P. Mehta — Chairman, Managing Director
2. Mr. Shome N. Danani — Executive Director
3. Mr. Jairaj C. Thacker — Independent Director

Mr. D. N. Nagarkar, Company Secretary, is the Secretary of the Committee. The Committee has met once, on January 24, 2017 wherein all the members were present.

The Chairman of the CSR Committee, at its meeting held on January 24, 2017, stated that the Company has incurred losses in 2 out of 3 immediately preceding financial years, i.e. in 2013-2014 (₹ 1,130 lakhs) and 2014-2015 (₹ 3,405 lakhs). In the financial year 2015-2016, it has booked a profit of ₹ 719 lakhs. Accordingly, in view of the average net loss in the previous three financial years, it was recommended by the CSR Committee to defer any CSR activities for the time being, and accordingly it would be practical not to incur any expenditure on the recognized CSR activity in the financial year 2016-2017.

**a. Terms of Reference:**

- i. Formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII and the prescribed Rules under Sections 135 of the Companies Act, 2013.
- ii. Recommend the amount of expenditure to be incurred on the activities.
- iii. Monitor the CSR Policy of the Company from time to time.
- iv. Ensure disclosure of the CSR Policy in the Board Report and on the website of the Company.
- v. Ensure activities as included in CSR Policy are undertaken and are monitored regularly.
- vi. Ensure the CSR spend is made in terms of Section 135 (5), i.e. at least 2% of the average net profits of the Company made during the 3 annually preceding financial years.

**7. Separate Meeting of Independent Directors:**

During the financial year a separate meeting of Independent Directors was held on January 24, 2017 and was attended by Mr. Rajeshwar R. Bajaaj (Chairman), Mr. Prakash V. Mehta, Mr. Sanjiv N. Shah and Mr. Jairaj C. Thacker, without the attendance of Non-Independent Directors and members of management, inter alia to:

1. Review the performance of Non-Independent Directors and the Board as a whole;
2. Review the performance of the Chairperson of the Company taking into account the views of the Executive Director and the Non-Executive Director;
3. Assess the quality, quantity and functions of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**8. Annual General Meetings:**

The last three Annual General Meetings were held as under:

Financial Year	Date, Time & Venue	No. of Special Resolutions passed	Special Resolutions passed
2015-2016	20-09-2016 at 3.00 p.m. at Walchand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020	2	1) Re-appointment and to fix the Remuneration of Mr. Nikhil J. Danani as Managing Director for a period of 3 years from June, 20, 2016 to June 19, 2019. 2) Re-appointment and to fix the Remuneration of Mr. Nakul P. Mehta as Managing Director for a period of 3 years from June, 20, 2016 to June 19, 2019.
2014-2015	22-09-2015 at 3.00 p.m. at Walchand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020	—	No Special Resolution was passed
2013-2014	11-09-2014 at 3.00 p.m. at Walchand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020	2	1. To pay remuneration including minimum remuneration to Mr. Shome N. Danani, Executive Director, pursuant to the provisions of Section 196, 197 & 198 read together with Schedule V, Part II, Section II(A), along with the rules there under, as per the Companies Act, 2013. 2. Approval for increase in borrowing limits of the Company as per the provisions of Section 180(1)(c) of the Companies Act, 2013.

**9. Postal Ballot:**

No Resolution is proposed to be passed through postal ballot under the provisions of the Companies Act, 2013.

During the financial year under review, no special resolution was passed through Postal Ballot.

**10. Vigil Mechanism/Whistle Blower Policy:**

The Company has in place a Vigil Mechanism/Whistle Blower Policy, in terms of provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, which was approved by the Board of Directors on November 11, 2014. The Company's personnel have direct access to the Chairman of the Audit Committee to report concerns about unethical behavior (actual or suspected), frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee. Adequate safeguards are provided against victimization of whistle blowers availing of such mechanism. It is hosted on the website of the Company, i.e., <http://www.bharatbijlee.com>.

**11. Disclosure Relating to Demat Suspense Account/Unclaimed Suspense Account:**

The requisite disclosures under Schedule V of the Listing Regulations, 2015, in respect of the unclaimed shares, pursuant to Regulation 39 read with Schedule VI of the Listing Regulations, 2015, are provided herein under:

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the Financial Year 2016-2017	89	11730
Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during the Financial Year 2016-2017	1	550
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2016-2017	88	11180

The voting rights in respect of the above 11,180 equity shares are frozen until the rightful owner claims the equity shares.

All corporate benefits on such shares in the nature of Bonus Shares, split of shares, Rights etc., shall be credited to 'Unclaimed Suspense Account', as applicable for a period of 7 years and thereafter be transferred in line with the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with Section 124(5) and Section 124(6) of the Companies Act, 2013.

## **12. 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 184, 188 & 189 of the Companies Act, 2013 is tabled and signed. Related party transactions as per Note No. 39.2 appearing in Financial Statements of the financial year are approved by the Audit Committee and recommended to the Board of Directors for their approval. During the financial 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. The Policy on Related party Transactions is hosted on the website of the Company, i.e. <http://www.bharatbijlee.com>
- ii. Quarterly Disclosures – Results and notes thereon.
- iii. Risk Management activities are driven by a stated risk management policy and a process that is overseen by a Risk Management co-ordinator. The status of risk management is 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 Schedule V (C) of the Listing Regulations. The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the Listing Regulations, have been made in this Corporate Governance report. All the details required under clauses (b) to (i) (except clause (h), since not applicable) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of the Company at <http://www.bharatbijlee.com>.
- viii. Compliance:

The Company has complied with the mandatory requirements as required under Listing Regulations.

Compliance Report on Non-Mandatory requirements as stipulated in Part E of Schedule II of the Listing Regulations.

- a. The Board – The Chairman of the Company is a Non-Executive Director. The Company has adequate facilities at its registered office to maintain an office for the Chairman but presently no such entitlement is explicitly given.
- b. Shareholder Rights – The quarterly and year to date financial statements are disseminated through Stock Exchanges, published in newspaper and also uploaded on Company's website.
- c. Modified opinion(s) in audit report – The Statutory Auditors of the Company have issued an unmodified Audit Report on the financial statements of the Company for the financial year ended March 31, 2017.
- d. Separate posts of Chairman and CEO – The Company has maintained separate posts of a Non-Executive Independent Chairman and Managing Director.
- e. Reporting of Internal Auditor – The Internal auditor reports directly to the CFO and is present in most Audit Committee Meetings. He has direct access to the Audit Committee.
- ix. The shares held by the promoters have not been pledged with any Banks, Financial Institutions or with any third party.

**13. 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. Half yearly report is not sent to each shareholder in view of its publication in newspapers. All such financial results are also posted on Company's website [www.bharatbijlee.com](http://www.bharatbijlee.com). The Stock Exchanges are also informed of all materially significant events which have taken place during the financial year under review. No official releases of any disclosures have been made during the financial year which does not form part of this report.
- ii. The Company has made no presentation to any Institutional Investors/Analysts during the financial year.
- iii. Management Discussion and Analysis is covered as part of this Annual Report.
- iv. Further, SEBI has in place the (Prohibition of Insider Trading) Regulations, 2015 which came into force from May 15, 2015. Accordingly the Directors have approved and adopted the 'Code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders' in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Code"). Mr. Durgesh N. Nagarkar, Company Secretary and Senior General Manager, Legal, is the Compliance officer for the purpose of this Code.

The Company has its own website, [www.bharatbijlee.com](http://www.bharatbijlee.com).

**14. General Shareholders Information:**
**i. Annual General Meeting:**

**Day** : Friday

**Date** : June 30, 2017

**Time** : 3.00 p.m.

**Venue**: Walchand Hirachand Hall, 4<sup>th</sup> 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 Regulations.

**iii. Dates of Book Closure:**

Friday June 23, 2017 to Friday June 30, 2017 (both days inclusive).

**iv. Dividend Payment Date:** Not Applicable

**v. Listing of Equity Shares on Stock Exchanges:**
**Name of Stock Exchange**

Bombay Stock Exchange (BSE)

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

Tel. Nos. : +91 22-2272 1233/34 Fax Nos. : +91 22-2272 1919

E-mail : [is@bseindia.com](mailto:is@bseindia.com) • Website : [www.bseindia.com](http://www.bseindia.com)

**Stock Code**

503960

National Stock Exchange (NSE)

National Stock Exchange of India Limited (NSE) Exchange Plaza,  
Plot No. C/1, G. Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

Tel. Nos. : +91 22-2659 8100-114 Fax Nos. : +91 22-2659 8120

E-mail : [nseiscum@nse.co.in](mailto:nseiscum@nse.co.in) • Website : [www.nseindia.com](http://www.nseindia.com)

BBL

The listing fees for the financial year 2017-18 have been paid to both BSE & NSE.

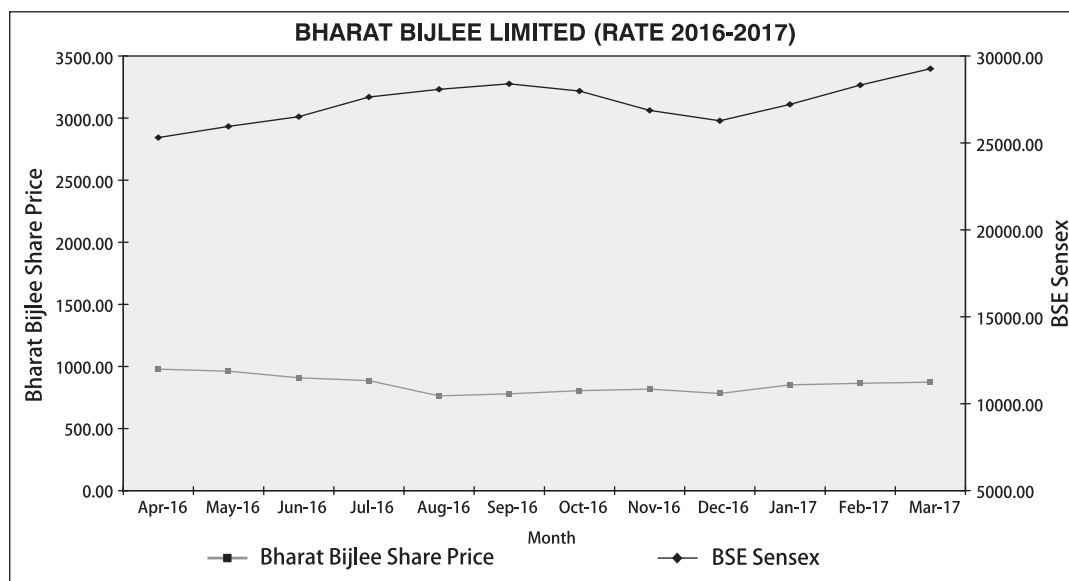
Demat international security Identification No. is:

INE 464A01028 NSDL & CDSL



**vi. Stock Price data at the Stock Exchanges:**

Month	BSE	BSE	NSE	NSE
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2016	1088.00	869.25	1089.70	870.15
May, 2016	1109.75	814.70	1108.90	811.50
June, 2016	956.80	861.00	959.00	859.10
July, 2016	990.00	782.55	989.90	786.00
August, 2016	807.00	719.75	806.95	715.55
September, 2016	834.00	726.25	835.00	732.20
October, 2016	860.00	750.00	858.00	746.00
November, 2016	908.50	727.75	908.00	725.00
December, 2016	815.00	749.00	812.90	747.65
January, 2017	949.00	753.60	949.80	755.00
February, 2017	915.00	815.00	914.85	813.50
March, 2017	940.80	805.00	939.00	804.10


**vii. Registrar and Transfer Agents:**

Link Intime India Pvt. Ltd  
 C-101, 1<sup>st</sup> Floor, 247 Park,  
 Lal Bahadur Shastri Marg, Vikhroli (West),  
 Mumbai 400 083, India.  
 Telephone: +91 22 49186270 Fax: +91 22 49186060  
 E-mail id : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) • Website : [www.linkintime.co.in](http://www.linkintime.co.in)

**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 31-03-2017:**

Sr. No.	No. of Equity Shares held	No. of shareholders	No. of shares	% of shareholders	% of shareholding
1.	1-500	19,555	11,87,273	96.09	21.01
2.	501-1,000	419	3,13,828	2.06	5.55
3.	1,001-2,000	189	2,72,680	0.93	4.83
4.	2,001-3,000	69	1,75,846	0.34	3.11
5.	3,001-4,000	24	85,338	0.12	1.51
6.	4,001-5,000	21	97,442	0.10	1.72
7.	5,001-10,000	32	2,26,799	0.16	4.01
8.	10,001- above	40	32,92,354	0.20	58.26
	<b>Total</b>	<b>20,349</b>	<b>56,51,560</b>	<b>100.00</b>	<b>100.00</b>

**Shareholding Pattern as on 31-03-2017**

Sr. No.	Category	No. of shares	% to total shareholding
1.	Promoters & Promoter Group	19,12,817	33.85
2.	Financial Institutions/Banks	8,32,188	14.72
3.	Mutual Funds/UTI	47,328	0.84
4.	Foreign Portfolio/FII	64,800	1.15
5.	NRIs/OCBs	1,32,998	2.35
6.	Corporate Bodies	3,75,512	6.64
7.	Indian Public	22,85,917	40.45
	<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 31<sup>st</sup> March, 2017, 98.41% 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.**
**xii. Commodity price risk or foreign exchange risk and hedging activities:**

To control and minimize foreign exchange risk, the Company has formulated "Foreign Exchange Management Policy", according to which each eligible foreign transaction is individually hedged without resorting to natural hedges across transactions, i.e., netting off of inflows and outflows and hedging the net flows will not be resorted to.

**xiii. Plant Location:**

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

**xiv. Address for correspondence:**

The Corporate Secretarial Department is located at the Company's Registered Office situated at Electric Mansion, 6<sup>th</sup> 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-101, 1 <sup>st</sup> Floor, 247 Park,<br>Lal Bahadur Shastri Marg,<br>Vikhroli (West), Mumbai 400 083.<br>Tel : +91 22 49186270<br>Fax : +91 22 49186060 | 2. Bharat Bijlee Limited.<br>Electric Mansion, 6 <sup>th</sup> Floor,<br>Appasaheb Marathe Marg,,<br>Prabhadevi, Mumbai 400 025.<br>Tel : 022 24306237<br>Fax : 022 24370624 |
|--|--|
2. As per the requirement of the Company has created a dedicated email ID (investorcare@bharatbijlee.com) exclusively for the purpose of registering complaints of Investors and this is prominently displayed on the Company's website: www.bharatbijlee.com

**For and on behalf of the Board of Directors**

**Prakash V. Mehta**  
DIN 00001366  
Chairman

Place : Mumbai  
Date : May 19, 2017

**CEO CFO CERTIFICATION 2017**

The Board of Directors

**Bharat Bijlee Limited**

Dear Sirs,

We, the Vice Chairman & Managing Director, Mr. Nikhil J. Danani and the Vice President Finance & Corporate Strategy, Mr. S. M. Tilak, hereby certify in terms of Regulation 17(8) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material act or contain statements that might be misleading.
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Nikhil J. Danani**  
Vice Chairman & Managing Director  
DIN 00056514

Date : May 10, 2017  
Place : Mumbai

**S. M. Tilak**  
Vice President  
Finance & Corporate Strategy

---

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

As required under Schedule V (D) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Members of the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the financial year ended March 31, 2017.

**For Bharat Bijlee Limited**

**Nikhil J. Danani**

DIN 00056514

Vice Chairman & Managing Director

Place : Mumbai

Date : May 19, 2017

---

## **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 March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

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, 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 SEBI Listing Regulations, 2015.

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 and on behalf of

**Dalal & Shah LLP**

Chartered Accountants

Firm Registration Number: 102021W/W100110

**Sarah George**

Partner

Membership No: 045255

Place : Mumbai

Date : May 19, 2017

**ANNEXURE VI**

---

**SECRETARIAL AUDIT REPORT****FORM NO. MR-3****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Bharat Bijlee Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharat Bijlee Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (4) Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulation made there under to the extent applicable;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **Not applicable to the Company during the Financial Year**
  - (f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2013;
  - (g) The Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993: **Not applicable to the Company during the Financial Year**
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not applicable to the Company during the Financial Year**
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **Not applicable to the Company during the Financial Year**
- (6) Other applicable Laws:
  1. Factories Act, 1948 and Rules made thereunder
  2. Industrial Employment (Standing Orders) Act, 1946 & Rules 1957
  3. Payment of Bonus Act, 1965 & Rules, 1965
  4. Maternity Benefit Act, 1961 & Rules
  5. Employees Compensation Act, 1923 & Rules

6. Minimum Wages Act, 1948, M.W(C) Rules, 1950
7. Child Labour (P&R) Act, 1986 & Rules.
8. Air (Prevention and Control of Pollution) Act, 1981
9. Water (Prevention and Control of Pollution) Act, 1974
10. The Noise (Regulation and Control) Rules, 2000
11. The Environment (Protection) Act, 1986
12. Payment of Wages Act, 1936
13. Employees State Insurance Act, 1948
14. Employees PF & Miscellaneous Provisions Act, 1952
15. Contract Labour (Regulation & Abolition) Act, 1970
16. Payment of Gratuity Act, 1972
17. Industrial Disputes Act, 1947
18. Indian Contract Act, 1872
19. The States Shops and Establishment Acts
20. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
21. Tax Laws

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**All the decisions were passed unanimously in the Board Meetings and with requisite majority in the General Meetings.**

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date: April 26, 2017

Place: Mumbai

**For N. L. Bhatia & Associates  
Company Secretaries**

**N L Bhatia**  
FCS No. 1176  
CP No. 422



---

**MANAGEMENT DISCUSSION AND ANALYSIS**

---

Demand recovery and demand-supply mismatch have been key issues that have plagued both the Power Systems and Industrial Systems business segments of your Company. While the business environment has not deteriorated further, it still does not seem to be getting into recovery mode either. Despite specific businesses being impacted adversely by demonetization in the middle of the year, things seem to have stabilized and we hope that this is a longer term bottom from where demand will revive, albeit slowly.

On a more positive note, the Power Systems business has seen good order booking in the past year. In fact, the order book this year has been the highest ever for your Company. However, this has come in the backdrop of intense efforts from the order acquisition team in the face of even more intense competition. As a result, while we have been able to book orders, the margins continue to be subdued.

The Industrial Systems segment has been the most impacted by sluggish demand and demonetization. The past few months have seen better demand but it needs to be ascertained whether that is just a correction of the demonetization related demand drop in the preceding months.

If the UP election results are any indication of political stability in the country, we would expect more on the reform story. The recent commentary from RBI on inflation and demand recovery does create some uncertainty about the pace of economic recovery for the domestic markets. The global economy continues to face different challenges including geopolitics, Brexit and now the Trump effect. While all these events set the tone for our domestic and export demand, we continue to focus on order booking and capability building as we sail through these tough times.

**SEGMENT ANALYSIS**

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

**Power Systems:**

The Power Systems segment comprises of Power Transformers upto 200 MVA, 220 KV voltage class and EPC projects for electrical substations upto 400 KV.

We had highlighted in the past, the inherent dependence on State and Central utilities for the Transformer business.

Our efforts to de-risk our portfolio have started bearing fruit and this is reflected in the order booking for this year. We hope to continue to maintain the momentum and look forward to a revival of the private sector capital expenditure.

**Industrial Systems:**

This segment comprises of a full range of low and medium voltage industrial motors, permanent magnet technology machines and AC variable drives and drive systems.

The Motors business is positively co-related with the overall economic environment in India and we continue to face demand related issues. Due to the subdued economic conditions, the Drives business also faces challenges in acquiring new customers and gain traction in growing the business. MTM sales growth also suffered due to demonetization in the past few months but we hope that it was an isolated event with no longer term implications.

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

The internal controls of your Company have been reviewed and are undergoing automation related upgrades to ensure a more robust controlling environment.

The SAP ERP system ensures that there is reasonable assurance about the financial and accounting records and controls. System driven controls also ensure ease of monitoring and consistency of operations and compliances.

Internal controls in all business operations are regularly reviewed and tested both by the Company's Internal Audit function and the Statutory Auditors. The top management and Audit Committee are also updated periodically of the significant audit observations.

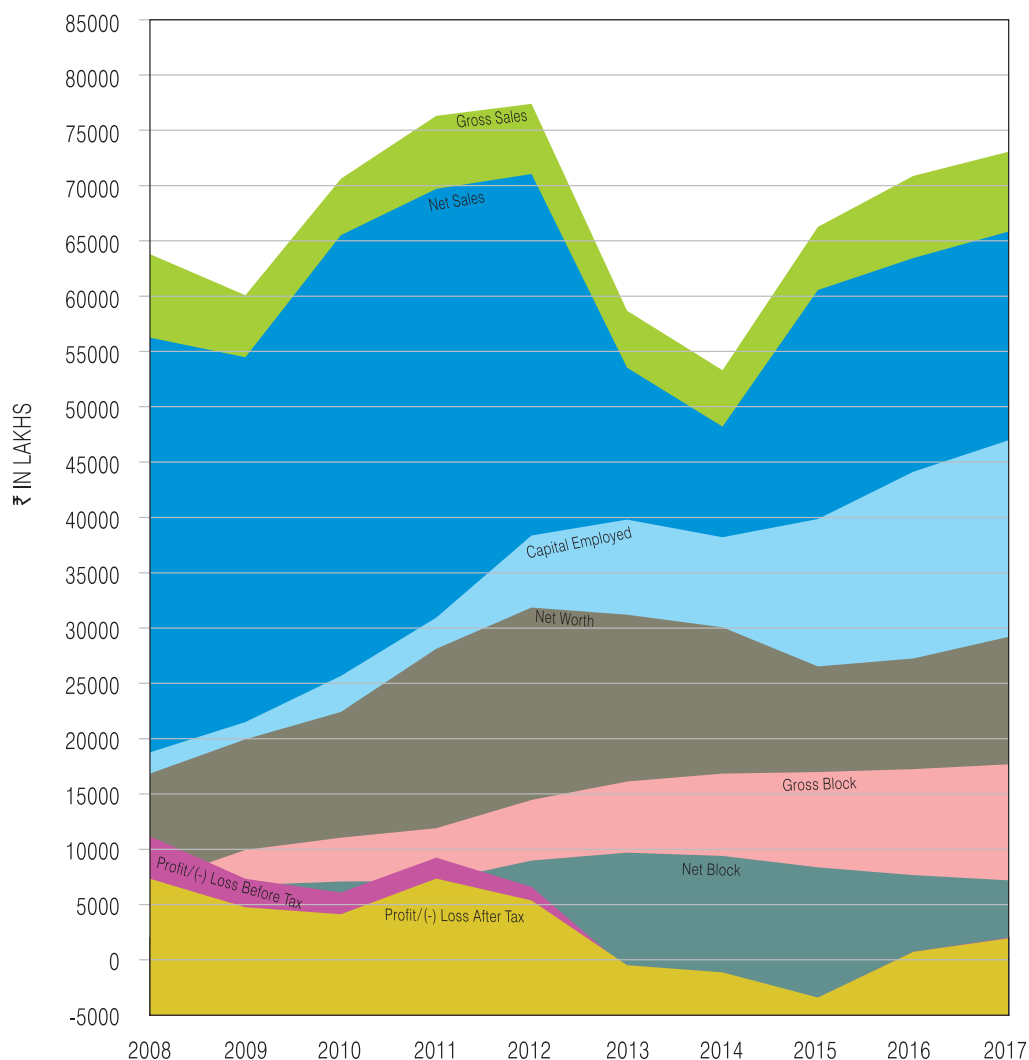
The Company has defined a framework for Risk Management and gets regularly reviewed and updated along with all business divisions of the Company.

**RISKS AND CONCERNS**

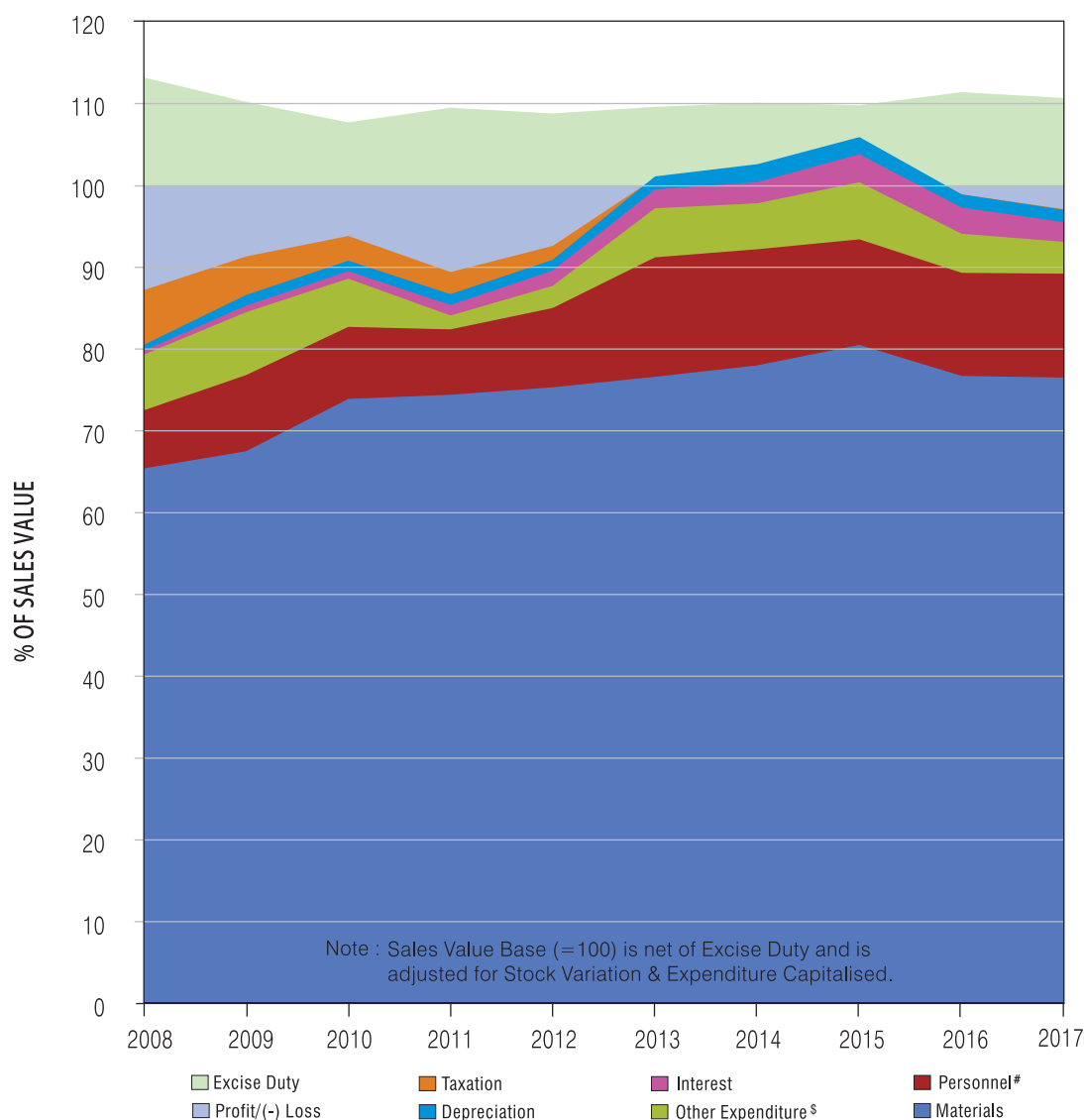
Recovery of private investment cycle remains a key risk.

**FUTURE OUTLOOK**

We believe that business conditions have stabilized at these low levels. However, revival is likely to be slow and challenging to business growth.

**BUSINESS TRENDS**


Particulars	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Gross Sales	63790	60077	70609	76299	77385	58683	53306	66262	70883	73068
Net Sales	56240	54470	65514	69704	71051	53534	48205	60562	63453	65845
Cptl. Empld.	18776	21507	25668	30951	38375	39807	38224	39875	44127	46972
Net Worth	16850	19950	22424	28135	31860	31208	30078	26535	27254	29215
Gross Block	6940	9941	11043	11913	14465	16127	16845	16986	17258	17679
Net Block	4403	6752	7094	7124	8989	9688	9400	8370	7672	7197
Profit/(Loss) Before Tax	11169	7342	6096	9233	6603	(819)	(1342)	(3443)	735	2014
Profit/(Loss) After Tax	7249	4753	4122	7353	5367	(478)	(1130)	(3405)	719	1961

**COST TRENDS**


Particulars	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excise Duty	13.2	10.2	7.7	9.5	8.8	9.6	10.1	9.8	11.4	10.7
Profit/(Loss)	12.8	8.7	6.2	10.6	7.4	(0.9)	(2.2)	(5.9)	1.1	2.9
Taxation	6.7	4.7	3.0	2.7	1.7	(0.6)	(0.4)	(0.1)	–	0.1
Depreciation	0.7	1.3	1.3	1.3	1.3	2.0	2.2	2.1	1.6	1.5
Interest	0.5	0.8	0.9	1.3	1.9	2.3	2.6	3.4	3.2	2.4
Other Exp. \$	6.8	7.7	6.5	1.7	2.7	6.0	5.6	7.0	4.8	3.9
Personnel #	7.1	9.3	8.2	8.0	9.7	12.6	14.2	12.9	12.6	12.7
Materials	65.4	67.5	73.9	74.4	75.3	78.6	78.0	80.5	76.7	76.5

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

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

**TEN YEARS FINANCIAL DATA**

(₹ in lakhs)										
Period ended	March 2017	March 2016	March 2015	March 2014	March 2013	March 2012	March 2011	March 2010	March 2009	March 2008
SALES & EARNINGS										
Sales	73067.66	70882.85	66262.36	53305.60	58682.72	77384.76	76299.48	70608.64	60077.08	63789.81
Profit/(Loss) Before Taxes	2014.21	735.37	(3443.14)	(1342.12)	(819.33)	6602.51	9232.85	6095.96	7341.95	11168.72
Profit/(Loss) After Taxes Net of Adjustments	1960.77	719.19	(3404.95)	(1197.92)	(489.50)	5367.23	7352.53	4122.35	4752.79	7249.18
Dividends	—	—	—	—	141.29	1412.89	1412.89	1412.89	1412.89	1695.47
Earnings Per Share (₹)	34.69	12.73	(60.25)	(19.98)	(8.61)	94.97	130.10	72.94	84.10	128.27
Equity Dividend Rate (₹ Per Share)	—	—	—	—	2.50	25.00	25.00	25.00	25.00	30.00
Net Worth Per Share (₹)	516.94	482.24	469.52	532.21	552.20	563.74	497.82	396.78	352.99	298.14
Debt Equity Ratios+	—	—	0.01:1	0.04:1	0.05:1	0.04:1	0.07:1	0.08:1	0.06:1	0.11:1
+ Debt = Loan Funds less cash credit & Short-Term Loans from Banks; Equity = Shareholders' Funds										

**INDEPENDENT AUDITORS' REPORT**

---

**To The Members of Bharat Bijlee Limited****Report on the Financial Statements**

1. We have audited the accompanying financial statements of Bharat Bijlee Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute

of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

9. As required by 'the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and 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 it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best

of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its financial statements.
- ii. The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures, and relying on the management representation, we report that, the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 44 to the Financial Statement.

For Dalal & Shah LLP  
Chartered Accountants  
Firm Registration Number 102021W/W100110

Mumbai,  
May 19, 2017

**Sarah George**  
Partner  
Membership Number 045255



## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Bharat Bijlee Limited on the financial statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Bharat Bijlee Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal

financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dalal & Shah LLP  
Chartered Accountants  
Firm Registration Number 102021W/W100110

**Sarah George**  
Partner  
Mumbai,  
May 19, 2017  
Membership Number 045255

**Annexure B to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Bharat Bijlee Limited on the financial statements for the year ended March 31, 2017.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not

material and have been appropriately dealt with in the books of accounts.

- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans to the parties covered under Section 185 of the Act. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, 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.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) 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 which have not been deposited on account of any dispute. The particulars of dues of sales tax including value added tax, duty of customs and duty of excise and service tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act	Duty of Excise & Service Tax	238.75	1986-1995, 1998-2004, 2011-12 and 2014-15	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Duty of Excise & Service Tax	12.52	2011-2016	Commissioner Appeals – Excise
Local Sales Tax	Local Sales Tax (including Value Added Tax, Works Contract Tax etc.)	145.38	2009-2012 and 2014-15	Commissioner Appeals – Sales Tax
Local Sales Tax	Works Contract Tax	45.49	2002 to 2004	High Court
Customs Act	Duty of Customs	180.83	1996-1999	Supreme Court

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank and the Company does not have any loans or borrowings from any financial institution or Government, nor has it issued any debentures as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act except for the appointment of the one of the executive director which is pending approval of the shareholders in the ensuing Annual General Meeting.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Dalal & Shah LLP  
Chartered Accountants  
Firm Registration Number 102021W/W100110

Mumbai,  
May 19, 2017

**Sarah George**  
Partner  
Membership Number 045255

**BALANCE SHEET AS AT 31ST MARCH, 2017**

	Note	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES:</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital	3	565.16	565.16
Reserves and Surplus	4	28649.90	26689.13
		<b>29215.06</b>	27254.29
<b>NON-CURRENT LIABILITIES:</b>			
Deferred Tax Liability (Net)	5	–	–
Other Long-term liabilities	6	144.19	121.28
Long-term provisions	7	145.82	281.80
		<b>290.01</b>	403.08
<b>CURRENT LIABILITIES:</b>			
Short-term borrowings	8	17757.39	16872.38
Trade payables	9		
– Total outstanding dues of Micro Enterprises and Small Enterprises		–	–
– Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		15551.95	15082.26
Other current liabilities	10	4462.53	3568.41
Short-term provisions	11	986.52	1013.15
		<b>38758.39</b>	36536.20
<b>Total</b>		<b>68263.46</b>	64193.57
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS:</b>			
Fixed Assets	12		
Tangible assets		7111.02	7595.29
Intangible assets		85.76	76.61
		<b>7196.78</b>	7671.90
Capital Work-in-Progress		56.26	62.80
Non-current investments	13	401.33	401.33
Long-term loans and advances	14	8452.49	12563.46
Other non-current assets	15	2944.10	3854.20
		<b>19050.96</b>	24553.69
<b>CURRENT ASSETS:</b>			
Current investments	16	–	410.34
Inventories	17	12318.71	10607.25
Trade receivables	18	22359.51	22392.88
Cash and bank balances	19	1962.25	802.78
Short-term loans and advances	20	10433.18	5353.71
Other current assets	21	2138.85	72.92
		<b>49212.50</b>	39639.88
<b>Total</b>		<b>68263.46</b>	64193.57
General Information	1		
Significant Accounting Policies	2		
The Notes are an integral part of these financial statements			

As per our report of even date.

For DALAL &amp; SHAH LLP

Chartered Accountants

Firm Registration No. 102021W/W100110

Sarah George

Partner

Membership No. 045255

D. N. Nagarkar

Company Secretary &amp; Senior General Manager :

Legal

S. M. Tilak

Vice President : Finance and Corporate Strategy

Nikhil J. Danani

Nakul P. Mehta

} Vice Chairmen &  
Managing Directors

Shome N. Danani

Executive Director

Prakash V. Mehta

Director

Mumbai, 19th May, 2017

Mumbai, 19th May, 2017

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>REVENUE:</b>			
Gross Revenue from Operations	22	73480.92	71381.14
Less: Excise Duty		7223.02	7429.82
Net Revenue from Operations		66257.90	63951.32
<b>OTHER INCOME</b>	23	2785.62	2092.70
<b>TOTAL REVENUE</b>		69043.52	66044.02
<b>EXPENSES:</b>			
Cost of materials consumed	24	50102.34	47560.95
Purchases of stock in trade	25	1425.02	2260.66
Changes in inventories	26	(1439.86)	(1527.42)
Employee benefits	27	8570.05	8193.48
Finance costs	28	1594.82	2056.05
Depreciation and amortisation expense	12	987.42	1027.44
Other expenses	29	5789.52	5737.49
<b>TOTAL EXPENSES</b>		67029.31	65308.65
<b>PROFIT/(LOSS) BEFORE TAX</b>		2014.21	735.37
<b>TAX EXPENSE</b>			
Current Tax		263.27	83.55
MAT (credit)/set-off		(217.82)	(31.14)
Net Current Tax		45.45	52.41
Deferred Tax Charge/(Credit)		—	—
		45.45	52.41
		1968.76	682.96
Short/(Excess) Provision for Tax for earlier years		7.99	(36.23)
<b>PROFIT/(LOSS) AFTER TAX</b>		1960.77	719.19
Basic and diluted Earning/(loss) per share (in ₹)	41		
[nominal value ₹ 10 per share]		34.69	12.73

The Notes are an integral part of these financial statements

As per our report of even date.  
For DALAL & SHAH LLP  
Chartered Accountants  
Firm Registration No. 102021W/W100110

Sarah George  
Partner  
Membership No. 045255

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

S. M. Tilak  
Vice President : Finance and Corporate Strategy

Nikhil J. Danani

Nakul P. Mehta

 Vice Chairmen &  
Managing Directors

Shome N. Danani

Executive Director

Prakash V. Mehta

Director

Mumbai, 19th May, 2017

Mumbai, 19th May, 2017



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Taxation	2014.21	735.37
Adjustments for:		
Depreciation and amortisation	987.42	1027.44
Loss/(Profit) on sale of Fixed Assets (net)	4.78	(25.27)
Profit on redemption of current investments	(129.09)	(1.50)
Finance Cost	1594.82	2056.05
Interest Income	(1746.68)	(1634.07)
Dividend Income	(808.02)	(300.66)
Unrealised exchange (gain)/loss (net)	2.55	(5.26)
	<b>(94.22)</b>	<b>1116.73</b>
Operating Profit/(Loss) Before Working Capital changes	<b>1919.99</b>	<b>1852.10</b>
Changes in Working Capital:		
Increase/(Decrease) in trade payable	422.21	(367.20)
Increase/(Decrease) in provisions	(162.61)	151.71
Increase/(Decrease) in other current liabilities	896.33	274.92
Increase/(Decrease) in other long-term liabilities	22.91	17.48
(Increase)/Decrease in trade receivables	31.37	(1157.55)
(Increase)/Decrease in inventories	(1711.46)	(1495.32)
(Increase)/Decrease in loans and advances	(573.25)	63.84
(Increase)/Decrease in other current assets	8.17	59.53
(Increase)/Decrease in other non-current assets	9.92	6.43
	<b>(1056.41)</b>	<b>(2446.16)</b>
Cash generated from Operations	<b>863.58</b>	<b>(594.06)</b>
Direct Taxes (paid)/Refund	<b>462.18</b>	<b>83.69</b>
Net Cash inflow/(outflow) from Operating Activities	<b>(A) 1325.76</b>	<b>(510.37)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(470.91)	(385.80)
Proceeds from Sale of Fixed Assets	1.43	30.81
Proceeds from Sale of Long Term Investments	-	-
Proceeds from Sale/(Purchase) of Current Investments (net)	539.43	1.50
Inter Corporate Deposits given	(5383.42)	(4478.42)
Inter Corporate Deposits redeemed	4478.42	4041.55
(Increase)/Decrease in other bank balance (net)	4.31	11.43
Fixed Deposit with Banks placed	-	(1470.00)
Fixed Deposit with Banks matured	-	160.00
Interest received	572.76	644.42
Dividend received	808.02	310.96
Net Cash inflow/(outflow) from Investing Activities	<b>(B) 550.04</b>	<b>(1133.55)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Short Term Loans from Banks (net)	885.01	3532.45
Interest paid	(1581.21)	(2084.10)
Unclaimed/Dividend including Dividend Distribution Tax paid	(10.61)	(7.82)
Net Cash inflow/(outflow) from Financing Activities	<b>(C) (706.81)</b>	<b>1440.53</b>
<b>(A+B+C)</b>	<b>1168.99</b>	<b>(203.39)</b>
Net Increase /(Decrease) in Cash and Cash equivalents	<b>1168.99</b>	<b>(203.39)</b>
Cash and Cash equivalents at the beginning of the year	<b>267.15</b>	<b>470.54</b>
Cash and Cash equivalents at the end of the year (Refer Note No. 19)	<b>1436.14</b>	<b>267.15</b>

The Notes are an integral part of these financial statements

As per our report of even date.

For DALAL &amp; SHAH LLP

Chartered Accountants

Firm Registration No. 102021W/W100110

Sarah George

Partner

Membership No. 045255

D. N. Nagarkar

Company Secretary &amp; Senior General Manager :

Legal

S. M. Tilak

Vice President : Finance and Corporate Strategy

Nikhil J. Danani

Nakul P. Mehta

Shome N. Danani

Prakash V. Mehta

Vice Chairmen &  
Managing Directors

Executive Director

Director

Mumbai, 19th May, 2017

Mumbai, 19th May, 2017



**NOTES TO THE FINANCIAL STATEMENTS**

---

**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, electric motors, magnet technology machines and drives. The Company also undertakes turnkey projects (switchyards). The Company has a well established all-India marketing network that ensures responsive pre and after sales service.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.01 Basis of Presentation:**

- a) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current-non current classification of assets and liabilities.

- 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.

**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) Revenue from sale of products and construction contracts are stated exclusive of Value Added Tax/ Sales Tax, Returns and Trade discounts for the year.
- d) Service income is recognised, net of service tax, when the related services are provided.

**2.03 Other Income:**

- a) Dividend income is recognised on establishment of the right to receive the same.
- b) Interest income is recognised on the time proportion basis.
- c) Insurance and other claims are accounted as and when unconditionally admitted by the appropriate authorities.
- d) Eligible export incentives are recognised in the year of export.

**NOTES TO THE FINANCIAL STATEMENTS**

---

**Notes (Contd.)****2.04 Tangible Fixed Assets and Depreciation:**

Tangible Fixed assets are stated at historical cost net of Cenvat, other set-offs, accumulated depreciation and accumulated impairment loss, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The Company has adopted the useful life of assets as prescribed in Schedule II of the Act as it reflects the actual usage of the assets. Depreciation is provided on pro-rata basis on the straight line method over the useful life of assets. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

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

Spares in 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.

**2.05 Intangible Fixed Assets:**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

- a) Expenditure on technical know-how is amortised on straight line method 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.

**2.06 Investments:**

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually.

**2.07 Inventories:**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of raw materials and components, packing materials, stores, spare parts and traded finished goods are determined on the basis of weighted average method.

Cost of Materials in transit and materials in bonded warehouse are determined at cost-to-date.

Cost of Work-in-progress and manufactured finished goods comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

**NOTES TO THE FINANCIAL STATEMENTS**

---

**Notes (Contd.)****2.08 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) Forward Exchange Contracts: The premium or discount arising at the inception of Forward Exchange Contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

**2.09 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.
- d) The actuarial valuation is carried out at the end of each financial year.

**2.10 Borrowing Costs:**

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

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 Statement of Profit and Loss in the period in which they are incurred.

**2.11 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.

Current Tax Assets and Current Tax Liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred Tax Assets and Deferred Tax Liability are offset when they relate to the same governing taxation laws.

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.

**Notes (Contd.)****2.12 Leases:****Operating Leases**

The Company's operating lease arrangements are for premises and vehicles.

For premises/vehicles, taken/given on operating lease, lease rentals payable/receivable are charged/credited in the statement of Profit and Loss.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments/Receipts made under operating leases are charged/credited to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

**2.13 Impairment of Assets:**

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

**2.14 Provisions and Contingent Liabilities:**

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**2.15 Cash and cash equivalents:**

Cash and Cash equivalents include cash, cheques on hand, cash at bank and short term deposits with banks having maturity of three months or less.

**2.16 Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**2.17 Government Grants:**

Government grants, which are revenue in nature and are towards compensation for the related costs, are recognised as income in the Statement of Profit and Loss in the period in which the matching costs are incurred.

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

	As at 31st March, 2017	As at 31st March, 2016
<b>3. Share Capital:</b>		
<b>Authorised:</b>		
2,00,000 (Previous Year – 2,00,000) 12% Non-Convertible Redeemable Cumulative Preference Shares of ₹ 100 each	200.00	200.00
80,00,000 (Previous Year – 80,00,000) Equity Shares of ₹ 10 each	800.00	800.00
	<u>1000.00</u>	<u>1000.00</u>
<b>Issued and Subscribed and fully paid-up shares</b>		
56,51,560 (Previous Year – 56,51,560) Equity Shares of ₹ 10 each	565.16	565.16
	<u>565.16</u>	<u>565.16</u>
<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	449911 (7.96)	449911 (7.96)
2. Danmet Chemicals Pvt. Ltd.	459777 (8.14)	459777 (8.14)
3. Gayatri Education Medical & Research Foundation Pvt. Ltd.	450165 (7.97)	450165 (7.97)
4. Nikhil J. Danani	323404 (5.72)	323404 (5.72)
<b>(b) Rights, preferences and restrictions attached to shares</b>		
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.		
<b>4. Reserves and Surplus:</b>		
<b>General Reserve</b>		
Balance as at the beginning of the year	24471.37	24471.37
Balance as at the end of the year	<u>24471.37</u>	<u>24471.37</u>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	2217.76	1498.57
Add: Profit/(Loss) for the year	1960.77	719.19
Balance as at the end of the year	<u>4178.53</u>	<u>2217.76</u>
	<u>28649.90</u>	<u>26689.13</u>

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

	As at 31st March, 2017	As at 31st March, 2016
<b>5. Deferred Tax Liability (Net):</b>		
Deferred Tax Liability		
Depreciation	952.15	956.39
Deferred Tax Asset		
Provision for doubtful debt	268.72	259.18
U/s 43B of the Income Tax Act, 1961	217.92	242.65
Provision for Contracts	50.73	10.77
Unabsorbed Depreciation	414.78	443.79
	<u>952.15</u>	<u>956.39</u>
	<u>-</u>	<u>-</u>
<b>6. Other Long-term liabilities:</b>		
Deposits from Vendors, Dealers	144.19	121.28
	<u>144.19</u>	<u>121.28</u>
<b>7. Long-term provisions:</b>		
<b>Employee benefits:</b>		
Provision for Gratuity (Refer Note No. 37)	31.12	167.10
<b>Others</b> (Refer Note No. 42)	114.70	114.70
	<u>145.82</u>	<u>281.80</u>
<b>8. Short-term borrowings:</b>		
<b>Secured:</b>		
Working Capital Facilities from Banks repayable on demand	2878.04	4422.38
	<u>2878.04</u>	<u>4422.38</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. The oral equitable mortgage, ranking second and subservient to mortgages created, on immovable properties excluding vacant land at Company's Kalwe factory is in the process of being satisfied as the same has been waived by the banks.		
<b>Unsecured:</b>		
Short Term Loans from Banks	14879.35	12450.00
	<u>14879.35</u>	<u>12450.00</u>
	<u>17757.39</u>	<u>16872.38</u>



## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

	As at 31st March, 2017	As at 31st March, 2016
<b>9. Trade payables:</b>		
Due to Micro Enterprises and Small Enterprises	–	–
Due to creditors other than Micro Enterprises and Small Enterprises		
(i) Acceptances	8556.64	7709.52
(ii) Others	6995.31	7372.74
	<u>15551.95</u>	<u>15082.26</u>
(a) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006		
There are no Micro and Small Enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2017 and as at 31st March, 2016. 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 MSMED Act read with Notification No. GSR 679(E) dated 4th September 2015 issued by the Ministry of Corporate Affairs:		
Principal amount remaining unpaid and interest due thereon	–	–
Interest paid in terms of Section 16	–	–
Interest paid, other than under Section 16	–	–
Interest due and payable for the period of delay in payment	–	–
Interest accrued and remaining unpaid	–	–
Further interest remaining due and payable for earlier years	–	–
<b>10. Other current liabilities:</b>		
Interest accrued but not due on borrowings	50.39	36.78
Unclaimed dividends*	29.37	39.98
Unclaimed matured deposits and interest accrued thereon*	16.50	21.71
Other payables:		
Advances from Customers	1357.33	837.57
Employee Benefits	1008.28	736.19
Project Amount due to customers (Refer Note No. 36)	71.13	30.41
Statutory dues	1040.37	960.59
Others	889.16	905.18
	<u>4462.53</u>	<u>3568.41</u>
* As at the year end there is no amount due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013.		
<b>11. Short-term provisions:</b>		
Employee benefits:		
Provision for Leave Entitlement	497.66	484.23
Others		
Provision for Warranty Costs (Refer Note No. 42)	285.75	418.26
Provision for Contracts	203.11	110.66
	<u>986.52</u>	<u>1013.15</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 12. Fixed Assets:

Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK
	As At 01.04.2016	Additions	Deductions	As At 31.03.2017	As At 01.04.2016	For the year	On Deductions	As At 31.03.2017	As At 31.03.2017
<b>TANGIBLE ASSETS</b>									
Leasehold Land	12.95	–	–	12.95	7.53	0.12	–	7.65	5.30
Buildings Incl. Roads+	3808.20	9.75	–	3817.95	1064.48	110.08	–	1174.56	2643.39
Plant and Machinery	10896.69	374.28	51.03	11219.94	6397.94	716.38	47.02	7067.30	4152.64
Furniture and Fixtures	356.92	10.40	1.87	365.45	218.37	37.48	1.83	254.02	111.43
Office Equipment	370.07	44.00	44.63	369.44	294.55	35.67	42.47	287.75	81.69
Motor Vehicles	186.06	–	–	186.06	52.73	16.76	–	69.49	116.57
<b>SUB-TOTAL - A</b>	<b>15630.89</b>	<b>438.43</b>	<b>97.53</b>	<b>15971.79</b>	<b>8035.60</b>	<b>916.49</b>	<b>91.32</b>	<b>8860.77</b>	<b>7111.02</b>
<b>INTANGIBLE ASSETS</b>									
Application Software	1555.34	80.08	–	1635.42	1478.73	70.93	–	1549.66	85.76
Technical Know-how	71.89	–	–	71.89	71.89	–	–	71.89	–
<b>SUB-TOTAL - B</b>	<b>1627.23</b>	<b>80.08</b>	<b>–</b>	<b>1707.31</b>	<b>1550.62</b>	<b>70.93</b>	<b>–</b>	<b>1621.55</b>	<b>85.76</b>
<b>TOTAL A+B</b>	<b>17258.12</b>	<b>518.51</b>	<b>97.53</b>	<b>17679.10</b>	<b>9586.22</b>	<b>987.42</b>	<b>91.32</b>	<b>10482.32</b>	<b>7196.78</b>

Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK
	As At 01.04.2015	Additions	Deductions	As At 31.03.2016	As At 01.04.2015	For the year	On Deductions	As At 31.03.2016	As At 31.03.2016
<b>TANGIBLE ASSETS</b>									
Leasehold Land	12.95	–	–	12.95	7.41	0.12	–	7.53	5.42
Buildings Incl. Roads+	3811.39	1.41	4.60	3808.20	956.52	109.84	1.88	1064.48	2743.72
Plant and Machinery	10867.23	64.83	35.37	10896.69	5657.62	773.94	33.62	6397.94	4498.75
Furniture and Fixtures	352.61	6.98	2.67	356.92	188.14	32.85	2.62	218.37	138.55
Office Equipment	365.74	24.84	20.51	370.07	278.30	35.74	19.49	294.55	75.52
Motor Vehicles	46.46	139.60	–	186.06	42.78	9.95	–	52.73	133.33
<b>SUB-TOTAL - A</b>	<b>15456.38</b>	<b>237.66</b>	<b>63.15</b>	<b>15630.89</b>	<b>7130.77</b>	<b>962.44</b>	<b>57.61</b>	<b>8035.60</b>	<b>7595.29</b>
<b>INTANGIBLE ASSETS</b>									
Application Software	1458.22	97.12	–	1555.34	1413.73	65.00	–	1478.73	76.61
Technical Know-how	71.89	–	–	71.89	71.89	–	–	71.89	–
<b>SUB-TOTAL - B</b>	<b>1530.11</b>	<b>97.12</b>	<b>–</b>	<b>1627.23</b>	<b>1485.62</b>	<b>65.00</b>	<b>–</b>	<b>1550.62</b>	<b>76.61</b>
<b>TOTAL A+B</b>	<b>16986.49</b>	<b>334.78</b>	<b>63.15</b>	<b>17258.12</b>	<b>8616.39</b>	<b>1027.44</b>	<b>57.61</b>	<b>9586.22</b>	<b>7671.90</b>

+ Includes ₹ 16,350 (Previous Year – ₹ 16,350) being the value of 326 shares (Previous Year – 326 shares) in Co-operative Societies for owned premises.

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

		<b>As at</b>	<b>As at</b>
		<b>31st March, 2017</b>	<b>31st March, 2016</b>
<b>13. Non-current Investments</b>			
<b>Non Trade – at cost</b>			
<b>Quoted:</b>			
(All fully paid-up)			
<b>Equity</b>			
21,38,160	(Previous Year – 21,38,160) Equity Shares of ₹ 2 each of Siemens India Ltd.	<b>162.57</b>	162.57
5,14,900	(Previous Year – 5,14,900) Equity Shares of ₹ 2 each of HDFC Ltd.	<b>13.52</b>	13.52
79,105	(Previous Year – 79,105) Equity Shares of ₹ 2 each of ICICI Bank Ltd.	<b>6.16</b>	6.16
3,33,333	(Previous Year – 3,33,333) Equity Shares of ₹ 10 each of Hindustan Oil Exploration Co. Ltd.	<b>216.50</b>	216.50
2,500	(Previous Year – 2,500) Equity Shares of ₹ 2 each of HDFC Bank Ltd.	<b>0.05</b>	0.05
5,400	(Previous Year – 5,400) Equity Shares of ₹ 10 each of Bank of India	<b>2.43</b>	2.43
		<b>401.23</b>	401.23
<b>Unquoted:</b>			
(All fully paid-up)			
1,000	(Previous Year – 1,000) Equity Shares of ₹ 10 each of Saraswat Co-operative Bank Ltd.	<b>0.10</b>	0.10
		<b>0.10</b>	0.10
		<b>401.33</b>	401.33
<b>Aggregate Amount of Investments</b>			
<b>Quoted:</b>			
<b>Equity</b>			
	Book value	<b>401.23</b>	401.23
	Market value	<b>35153.75</b>	29508.75
<b>Unquoted:</b>			
	Book value	<b>0.10</b>	0.10

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

	As at 31st March, 2017	As at 31st March, 2016
<b>14. Long-term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Capital Advances	26.44	20.57
Security Deposits	279.00	280.36
(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)		
Other Loans and Advances		
Corporate Deposit	4846.92	9340.67
Employee Loans and Advances	12.07	14.97
Advances to Vendors	18.99	19.00
Sales Tax and Excise Refund Receivable including TDS on WCT	2785.50	1891.93
Advance payments of tax and tax deducted at source (net of provision ₹ 263.27 lakhs – Previous Year ₹ 83.55 lakhs)	0.08	724.63
Prepaid Expenses	16.71	22.51
MAT Entitlement	404.45	186.63
Other Deposits	62.33	62.19
	<u>8452.49</u>	<u>12563.46</u>
<b>15. Other non-current Assets</b>		
<b>Unsecured, considered good (unless otherwise stated)</b>		
Long Term Trade Receivables		
Unsecured, considered doubtful	776.45	783.88
Less: Provision for doubtful receivable	776.45	783.88
	–	–
Deposits with Banks with maturity period more than 12 months	2500.00	2500.00
Interest Receivable on Maturity	444.10	1344.28
Other Receivables	–	9.92
	<u>2944.10</u>	<u>3854.20</u>

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

**As at**                      **As at**  
**31st March, 2017**    **31st March, 2016**

**16. Current Investments**
**Valued at the lower of cost and fair value**
**Quoted:**

Units in Mutual Funds

**Current portion of Non-current Investments**

NIL (Previous Year – 41,03,418) of ICICI Prudential – FMP Series 68 - 369 Days Plan K Regular Plan Cumulative (NAV – Nil, Previous Year – ₹ 522.78 lakhs)	–	410.34
---	---	--------

	–	410.34
--	---	--------

Aggregate Amount of Investments

**Quoted:**

Book value	–	410.34
Market value	–	522.78

**17. Inventories**

Raw Materials and Components (In transit ₹ 0.79 lakhs – Previous year ₹ 46.48 lakhs)	<b>2719.36</b>	2413.28
Work-in-Progress	<b>4132.98</b>	2540.66
Finished Goods	<b>4917.64</b>	5089.64
Stock in Trade	<b>458.19</b>	482.64
Stores Spare Parts and Fuel	<b>26.24</b>	26.18
Consumable Tools	<b>23.97</b>	14.01
Packing Materials	<b>40.33</b>	40.84
	<b><u>12318.71</u></b>	<b><u>10607.25</u></b>

**18. Trade Receivables**
**Secured, considered good**

Outstanding for a period exceeding 6 months from the date they are due for payment	<b>10.15</b>	20.49
Others	<b>44.70</b>	44.13

**Unsecured, considered good**

Outstanding for a period exceeding 6 months from the date they are due for payment	<b>1203.98</b>	1424.88
Others	<b>21100.68</b>	20903.38
	<b><u>22359.51</u></b>	<b><u>22392.88</u></b>

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

	As at 31st March, 2017	As at 31st March, 2016
<b>19. Cash and Bank Balances</b>		
Cash and Cash equivalents		
Cash on hand	3.63	5.41
Cheques on hand	62.79	76.48
Remittances in transit	50.85	77.12
Bank balances		
In Cash Credit Accounts	1218.51	49.25
In Current Accounts	100.36	58.89
	<u>1436.14</u>	<u>267.15</u>
Other bank balances		
Earmarked balances with banks (refer footnote)		
In Current Accounts	46.70	62.52
In Fixed Deposits	9.41	3.11
Other		
Deposits with Banks with maturity period less than 12 months	470.00	470.00
	<u>526.11</u>	<u>535.63</u>
	<u>1962.25</u>	<u>802.78</u>
<i>Footnote:</i>		
Earmarked balances are towards unclaimed dividend, repayment of public deposits including interest and margin against bank guarantee.		
<b>20. Short-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Corporate Deposit	9877.18	4478.43
Employee Loans and Advances	16.12	20.82
Advances to Vendors	129.68	66.98
CENVAT Credit and Sales Tax Refund Receivable including TDS on WCT	103.13	518.09
Advance payments of tax and tax deducted at source (net of provision ₹ 44.60 lakhs, Previous Year ₹ 15.70 lakhs)	25.61	34.50
Prepaid Expenses	269.22	226.59
Others	12.24	8.30
	<u>10433.18</u>	<u>5353.71</u>
<b>21. Other Current Assets</b>		
Export Incentive	–	0.13
Interest Receivable	2095.38	21.28
Gross Amounts Due from Customers of Construction Contracts (Refer Note No. 36)	28.91	22.98
Other Receivables	14.56	28.53
	<u>2138.85</u>	<u>72.92</u>



**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.)**
**REVENUE FROM OPERATIONS**
**22. Gross Revenue From Operations**

	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of products		
Manufactured goods	69806.06	66677.65
Traded goods	1783.04	2593.14
	<u>71589.10</u>	<u>69270.79</u>
Sale of Services	471.09	481.20
Project Revenue	1007.47	1130.86
	<u>73067.66</u>	<u>70882.85</u>
Other Operating revenue		
Scrap Sales	413.26	498.29
	<u>73480.92</u>	<u>71381.14</u>
Less: Excise Duty	7223.02	7429.82
	<u>66257.90</u>	<u>63951.32</u>

**Details of Sales**

Manufactured goods		
Electric Motors	26552.51	25166.85
Transformers	39377.48	37993.76
Magnet Technology Machines	2489.05	2497.29
Drive Systems	1387.02	1019.75
	<u>69806.06</u>	<u>66677.65</u>
Traded goods		
Drives	1552.18	2358.56
Others	230.86	234.58
	<u>1783.04</u>	<u>2593.14</u>
	<u>71589.10</u>	<u>69270.79</u>

**23. Other Income**

Interest	1746.68	1634.07
Dividend Income	808.02	300.66
Profit on redemption of Current Investments	129.09	1.50
Profit on sale of Fixed Assets	0.30	27.93
Net gain on foreign currency transaction and translation	1.97	15.38
Provision no longer required/Credit Balances appropriated	26.15	76.14
Miscellaneous Income	73.41	37.02
	<u>2785.62</u>	<u>2092.70</u>

**24. Cost of Materials Consumed**

Raw Materials and Components Consumed	48364.36	45988.55
(Including Processing charges and Subcontracting charges)		
Packing Materials Consumed	1154.97	1019.50
Project Materials Consumed	583.01	552.90
	<u>50102.34</u>	<u>47560.95</u>

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

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>24. Cost of Materials Consumed (Contd.)</b>		
(a) Details of materials consumed:		
Laminations	7366.03	7931.48
Electrolytic Copper Wires, Strips	13496.78	12852.09
Stampings	2699.76	2546.67
Hardware and Components	15149.98	14353.74
Others	9651.81	8304.57
	<b>48364.36</b>	<b>45988.55</b>
(b) Value of Imported and Indigenous materials consumed		
	<b>Amount</b>	<b>Amount</b>
	<b>(%)</b>	<b>(%)</b>
Imported	1445.94	1122.57
	(2.99%)	(2.44%)
Indigenous	46918.42	44865.98
	(97.01%)	(97.56%)
	<b>48364.36</b>	<b>45988.55</b>
<b>25. Purchases of Stock in Trade</b>		
Purchases	1425.02	2260.66
	<b>1425.02</b>	<b>2260.66</b>
Details of purchases of stock in trade		
Drives	1208.57	2041.00
Others	216.45	219.66
	<b>1425.02</b>	<b>2260.66</b>
<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	2540.66	3079.35
Finished Goods	5089.64	2735.32
Stock in trade	482.64	402.70
	<b>8112.94</b>	<b>6217.37</b>
Stock at the end of the year		
Work-in-Progress	4132.98	2540.66
Finished Goods	4917.64	5089.64
Stock in trade	458.19	482.64
	<b>9508.81</b>	<b>8112.94</b>
<b>Variation in Excise duty on Finished goods</b>		
Excise duty on closing stock	700.11	744.10
Less: Excise duty on opening stock	744.10	375.95
	<b>(43.99)</b>	<b>368.15</b>
	<b>(1439.86)</b>	<b>(1527.42)</b>
<b>27. Employee Benefits</b>		
Salaries and Wages	7067.69	6460.15
Workmen and Staff Welfare Expenses	1186.22	1194.95
Contribution to and provision for Provident and Other Funds (Refer Note 37)	316.14	538.38
	<b>8570.05</b>	<b>8193.48</b>

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

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>28. Finance Costs</b>		
Interest expense	1386.84	1774.04
Discounting Charges	29.59	114.83
Net (gain)/loss on foreign currency transaction and translation adjusted to interest cost	178.39	167.18
	<u>1594.82</u>	<u>2056.05</u>
<b>29. Other Expenses:</b>		
Power and Fuel	584.61	562.60
Stores, Spare Parts and Tools consumed	291.19	258.63
Fuel consumed (excluding for own power generation)	77.17	91.88
Repairs to Buildings	54.13	71.13
Repairs to Machinery	129.05	112.27
Other Repairs	36.78	32.03
Insurance	55.79	58.76
Rent	154.99	145.83
Rates and Taxes	226.38	183.70
Royalty	53.97	46.85
Post and Telecommunication Charges	145.70	133.01
Travelling, Conveyance and Motor Vehicle Expenses	625.15	616.21
Freight and Forwarding Charges (net)	456.76	691.85
Discount and Allowances on Sales	230.61	132.27
Product Advertisement and Publicity	79.75	75.16
Printing and Stationery	105.98	95.98
Data Processing Charges	142.71	123.28
Professional Charges	421.14	420.90
Commission	382.21	300.58
Bank Charges	265.60	253.42
Directors' Fees	17.40	15.45
Loss on Fixed Assets sold, discarded, and scrapped	5.08	2.66
Provision for Doubtful Debts	166.66	198.88
Less: Provision for Doubtful debts no longer required	<u>174.09</u>	<u>228.31</u>
	(7.43)	(29.43)
Bad Debts/Sundry Debit Balances written off	65.28	16.18
Others	1189.52	1326.29
	<u>5789.52</u>	<u>5737.49</u>
(a) Value of Imported and Indigenous stores, spare parts and tools consumed:		
	Amount (%)	Amount (%)
Imported	4.55 (1.56%)	3.92 (1.52%)
Indigenous	286.64 (98.44%)	254.71 (98.48%)
	<u>291.19</u>	<u>258.63</u>

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

	As at 31st March, 2017	As at 31st March, 2016
--	---------------------------	---------------------------

**30. Contingent Liabilities:**

Disputed Sales Tax Demands	204.55	344.75
Disputed Excise Duty Demands	252.71	263.88
Disputed Custom Duty Demand	126.12	126.12
Disputed Income Tax Demands	28.01	28.01

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

**31. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)**

38.07	25.89
-------	-------

**32. Professional Charges include:**

## (a) To Auditors: (net of Service Tax)

Audit Fees	17.50	17.50
Tax Audit Fees	3.50	3.95
Others	19.00	13.25
Reimbursement of Out of Pocket Expenses	0.52	0.65
	40.52	35.35

## (b) To Cost Auditors (net of Service Tax)

0.85	0.85
------	------

**33. Value of Imports on C.I.F. basis:**

Raw Materials	990.51	981.14
Traded Goods	1137.51	1620.78
Components and Spare parts	–	2.64
Capital Goods	7.46	7.65

**34. Expenditure in Foreign Currency:**

Travelling	28.65	54.02
Royalty	53.97	46.85
Others	26.74	5.40

**35. Earnings in Foreign Exchange:**

Direct Exports on F O B basis	667.49	627.17
Others		
Services Rendered	48.04	19.41

**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.)**
**36. Disclosure pursuant to Accounting Standard - 7: Construction Contracts**

	As at 31st March, 2017	As at 31st March, 2016
(a) Contract Revenue recognised for the year (net of excise duty ₹ Nil, Previous Year ₹ 19.49 lakhs) (Refer Note 22)	1007.47	1111.37
(b) For contracts in progress as at year end		
(i) Aggregate amount of cost incurred and recognised profits (less recognised losses)	2471.63	2422.23
(ii) Amount of advances received from customers	120.33	3.28
(iii) Amount of retentions due from customers	185.39	128.60
(c) Gross amount due from customers	28.91	22.98
(d) Gross amount due to customers	71.13	30.41

2016-2017      2015-2016

**37. Disclosure pursuant to Accounting Standard - 15 : Employee Benefits**
**37.1 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	260.17	233.98
(2) Contribution to Employees' Superannuation Fund	55.97	55.28

**37.2 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	2200.94	2182.90
(2) Interest Cost	176.08	174.63
(3) Current Service Cost	132.48	119.73
(4) Benefits paid	(219.54)	(313.36)
(5) Actuarial (Gain)/Loss on Defined Benefit Obligation	(37.44)	37.04
(6) Present Value of Defined Benefit Obligation at the end of the year	<u>2252.52</u>	<u>2200.94</u>

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

(1) Fair Value of Plan Assets at the beginning of the year	2033.84	2044.92
(2) Expected Return on Plan Assets	142.37	219.83
(3) Contributions	130.00	220.00
(4) Benefits paid	(219.54)	(313.36)
(5) Actuarial Gain/(Loss) on Plan Assets	134.73	(137.55)
(6) Fair Value of Plan Assets at the end of the year	<u>2221.40</u>	<u>2033.84</u>

**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.)**
**2016-2017**      **2015-2016**
**37. Disclosure pursuant to Accounting Standard - 15 : Employee Benefits (Contd.)**
**(III) Amounts recognised in the Balance Sheet**

(1) Present Value of Defined Benefit Obligation at the end of the year	<b>2252.52</b>	2200.94
(2) Fair Value of Plan Assets at the end of the year	<b>2221.40</b>	2033.84
(3) Liability to be recognised in the Balance Sheet	<b>31.12</b>	167.10

**(IV) Balance Sheet Reconciliation**

(1) Net liability at the beginning of the year	<b>167.10</b>	137.98
(2) Expense recognised in the Statement of Profit and Loss	<b>(5.98)</b>	249.12
(3) Contributions	<b>(130.00)</b>	(220.00)
(4) Net liability at the end of the year	<b>31.12</b>	167.10

**(V) Amounts recognised in the Statement of Profit and Loss**

(1) Current Service Cost	<b>132.48</b>	119.73
(2) Interest Cost on obligation	<b>176.08</b>	174.63
(3) Expected Return on Plan Assets for the period	<b>(142.37)</b>	(219.83)
(4) Net Actuarial (Gain)/Loss	<b>(172.17)</b>	174.59
(5) Expense recognised in the Statement of Profit & Loss	<b>(5.98)</b>	249.12

**(VI) Actual Return on Plan Assets**

(1) Expected Return on Plan Assets for the period	<b>142.37</b>	219.83
(2) Actuarial Gain/(Loss) on Plan Assets	<b>134.73</b>	(137.55)
(3) Actual Return on Plan Assets	<b>277.10</b>	82.28

**(VII) Percentage of each category of Plan Assets to total Fair Value of Plan Assets**

Insurer managed fund	<b>100%</b>	100%
----------------------	-------------	------

**(VIII) Actuarial Assumption**

(1) Discount Rate	<b>7.50%</b>	8.00%
(2) Expected Rate of Return on Plan Assets	<b>7.00%</b>	10.75%
(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) Expected Contribution to the Funds in the next financial year</b>	<b>–</b>	44.98
---	----------	-------

**(X) The amount for the current annual period and previous four annual periods of:**

	For the annual periods ended				
	<b>31.03.17</b>	31.03.16	31.03.15	31.03.14	31.03.13
i. Present Value of Defined Benefit Obligation	<b>2252.53</b>	2200.95	2182.90	2104.40	2104.99
ii. Fair Value of Plan Assets	<b>2221.41</b>	2033.85	2044.92	1938.41	1831.97
iii. (Surplus)/Deficit in the Plan	<b>31.12</b>	167.10	137.98	165.99	273.02
iv. Experience adjustment on Plan Liability (Gain)/Loss	<b>(85.11)</b>	34.25	(74.72)	25.70	(76.58)
v. Experience adjustment on Plan Assets Gain/(Loss)	<b>134.73</b>	(137.55)	72.65	(45.70)	18.80

**37.3 Other Employee Benefits**

(1) Leave Entitlement - Debit to the Statement of Profit and Loss	<b>67.94</b>	69.58
---	--------------	-------



**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.)**
**38. Segment Information**
**BUSINESS SEGMENTS**

Particulars	Power Systems		Industrial Systems		Total	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
<b>Segment Revenue</b>						
External Revenue	37403.42	35902.40	28854.48	28048.92	66257.90	63951.32
Inter-segment Revenue	—	—	—	—	—	—
<b>Total Revenue</b>	37403.42	35902.40	28854.48	28048.92	66257.90	63951.32
<b>Segment Result</b>	2770.87	2282.72	1288.00	1562.20	4058.87	3844.92
Unallocated Income/(Expense) (Net)					(449.84)	(1053.50)
Finance Costs					(1594.82)	(2056.05)
Exceptional Items					—	—
Excess/(Short) provision for tax in respect of earlier years					(7.99)	36.23
Tax Expense (Debit)/Credit					(45.45)	(52.41)
Profit/(Loss) after Taxation					1960.77	719.19
<b>Other information:</b>						
Segment Assets	28326.36	27202.48	15485.33	15047.81	43811.69	42250.29
Unallocated Assets					24451.77	21943.28
<b>Total assets</b>					68263.46	64193.57
Segment Liabilities	13383.30	12108.45	7054.83	7178.85	20438.13	19287.30
Unallocated Liabilities					18610.27	17651.98
<b>Total liabilities</b>					39048.40	36939.28
<b>Capital Expenditure</b>						
Segment Capital Expenditure	71.10	27.67	112.32	95.62	183.42	123.29
Unallocated Capital Expenditure					287.49	262.51
<b>Total Capital Expenditure</b>					470.91	385.80
<b>Depreciation and Amortisation</b>						
Segment Depreciation and Amortisation	528.19	589.87	280.18	286.51	808.37	876.38
Unallocated Depreciation and Amortisation					179.05	151.06
<b>Total Depreciation and Amortisation</b>					987.42	1027.44
<b>Significant Non Cash Expenditure</b>						
Segment Significant Non Cash Expenditure	—	—	—	—	—	—
Unallocated Non Cash Expenditure	—	—	—	—	—	—
<b>Total Significant Non Cash Expenditure</b>	—	—	—	—	—	—

- Segments have been identified in line with Accounting Standard AS 17 on the basis of production and distribution process and regulatory environment.
- Company has disclosed Business segments as Primary segments.  
Composition of Business Segments:
  - Power Systems**  
This segment comprises of the design, commissioning and marketing of power transformers; EPC projects for electrical substations including delivery, rectification, commissioning and servicing of transformers and marketing of maintenance products.
  - Industrial Systems**  
This segment comprises of the development, marketing and manufacture of a wide range of standard and customized electric motors; magnet technology machines 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 and other relevant amounts allocated on reasonable basis.  
While presenting the segment results, common expenses, common assets and 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 for secondary segment as per the aforesaid standard is also not applicable.

**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.)**
**39. Related Party Disclosures**
**39.1 RELATED PARTIES**
**A. Key Management Personnel**

A1. Mr. Nikhil J. Danani, Vice Chairman &amp; Managing Director

A2. Mr. Nakul P. Mehta, Vice Chairman &amp; Managing Director

A3. Mr. Shome N. Danani, Executive Director (son of Mr. Nikhil J. Danani)

**B. Enterprises over which any of (A) can exercise control or significance influence**

B1. Danmet Chemicals Pvt. Ltd.

**39.2 TRANSACTIONS WITH RELATED PARTIES**

Nature of Transaction	Related Parties									
	Referred in I(A) above					Referred in I(B) above				
	With	During the Year		Closing Balance Dr/(Cr)		With	During the Year		Closing Balance Dr/(Cr)	
		CY	PY	CY	PY		CY	PY	CY	PY
Remuneration	A1	120.23	121.06	(6.69)	(8.76)					
	A2	120.23	121.07	(7.14)	(8.15)					
	A3*	87.75	87.75	(5.54)	(5.54)					
Purchases						B1	228.23	228.51	(16.56)	(21.58)
Rent Received						B1	4.68	4.10	–	

\* The appointment and remuneration proposed in terms of Schedule V of the Companies Act, 2013, of Mr. Shome N. Danani, Whole-time Director, designated as Executive Director, is subject to approval of the Members of the Company at the ensuing Annual General Meeting scheduled on June 30, 2017. The salary paid to Mr. Danani for the period, January 28, 2017 to March 31, 2017, which is subject to approval of the members aggregates to ₹ 15.15 lakhs.

a. No amount has been written off or written back during the year ended 31.03.2017 (Previous Year Nil).

b. **CY = Current Year**, PY = Previous Year

**40. 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. These lease arrangements range for a period between 11 months and 9 years. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

With respect to all operating leases :

	<b>Year ended 31st March, 2017</b>	Year ended 31st March, 2016
Lease payments recognised in the Statement of Profit and Loss during the year	<b>161.31</b>	154.40

The future Minimum Lease Payments (MLP) under these leases are as under:

	<b>As at 31st March, 2017</b>	As at 31st March, 2016
MLP due not later than one year	<b>20.13</b>	36.00
MLP due later than one year but not later than five years	<b>5.77</b>	24.82
MLP later than five years	–	–

**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.)**
**41. Disclosure pursuant to Accounting Standard - 20 : Earnings Per Share**

		<b>Year ended 31st March, 2017</b>	Year ended 31st March, 2016
Profit/(Loss) after Tax	A	<b>1960.77</b>	719.19
Weighted Average number of Equity Shares	B	<b>5,651,560</b>	5,651,560
Nominal Value Per Share (₹)	C	<b>10.00</b>	10.00
Basic and diluted Earning/(loss) per share (in ₹)	A/B	<b>34.69</b>	12.73

**42. Disclosure pursuant to Accounting Standard - 29 : Provisions, Contingent Liabilities and Contingent Assets**

	Carrying amount as on 01.04.2016	Provision made during the year	Amount used during the year	Carrying amount as on 31.03.2017
Others#	<b>114.70</b>	–	–	<b>114.70</b>
	(114.70)	–	–	(114.70)
Warranty*	<b>418.26</b>	<b>177.51</b>	<b>310.02</b>	<b>285.75</b>
	(254.06)	(397.21)	(233.01)	(418.26)

Figures in the bracket are for the previous year.

# Others represent liability in respect of statutory dues which is sub-judice and payment thereon will depend upon the outcome of the case.

\* 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.

**43. Hedged and Unhedged Foreign currency exposures at the end of the year.**

Nature of Transaction	Currency	As at 31st March, 2017		As at 31st March, 2016	
		Hedged	Unhedged	Hedged	Unhedged
Trade Payable	EUR*	<b>16471</b>	<b>1797</b>	3359	1115
	INR	(11.50)	(1.25)	(2.54)	(0.84)
Trade Payable	USD*	<b>25157</b>	<b>17625</b>	110104	31156
	INR	(16.38)	(11.47)	(73.15)	(20.70)
Trade Payable	GBP*	<b>8408</b>	–	2598	–
	INR	(6.86)	–	(2.48)	–
Trade Payable	CNY*	<b>388982</b>	<b>2415</b>	–	–
	INR	(37.74)	(0.23)	–	–
Trade Receivable	USD*	–	<b>570</b>	–	6200
	INR	–	(0.37)	–	(4.08)
Trade Receivable	EUR*	<b>68183</b>	<b>5561</b>	–	61466
	INR	(46.75)	(3.81)	–	(45.57)
FCNR (B) based loan	USD*	<b>3748913</b>	–	3637422	–
	INR	(2440.54)	–	(2416.70)	–

\* Denotes amounts in full figures.

**Notes (Contd.)**
**44. Specified Bank Notes held and transacted during the period 08.11.2016 to 30.12.2016**

		Amount in ₹
	SBNs	Other denomination notes
Closing cash in hand as on 08.11.2016	557,500	51,165
(+) Permitted receipts	–	
(-) Permitted payments	–	
(-) Amount deposited in Banks	557,500	
Closing cash in hand as on 30.12.2016	–	

The disclosures with respect to 'Permitted Receipts', 'Permitted Payments', 'Amount Deposited in Banks' and 'Closing cash in hand as on 30.12.2016' is understood to be applicable in case of SBNs only.

**45. Previous year's figures have been regrouped/recast/reclassified, wherever necessary.**

As per our report of even date.

For DALAL &amp; SHAH LLP

Chartered Accountants

Firm Registration No. 102021W/W100110

Sarah George

Partner

Membership No. 045255

D. N. Nagarkar

 Company Secretary & Senior General Manager :  
Legal

S. M. Tilak

Vice President : Finance and Corporate Strategy

Nikhil J. Danani

Nakul P. Mehta

 } Vice Chairmen &  
Managing Directors

Shome N. Danani

Executive Director

Prakash V. Mehta

Director

Mumbai, 19th May, 2017

Mumbai, 19th May, 2017



## Bharat Bijlee Limited

Regd. Office: Electric Mansion, 6<sup>th</sup> Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025.  
CIN: L31300MH1946PLC005017, Phone: 022-2430 6237, Fax: 022-2437 0624  
Website: [www.bharatbijlee.com](http://www.bharatbijlee.com) • E-mail: [bbllcorporate@bharatbijlee.com](mailto:bbllcorporate@bharatbijlee.com)

### FORM NO. MGT – 11

### PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered Address:

E-mail ID

Folio No./Client ID:

DP ID:

I/We being the Member(s) of ..... equity shares of ₹ 10 each of Bharat Bijlee Limited, hereby appoint:

- Name: ..... E-mail Id: .....  
Address: .....  
..... Signature: .....  
or failing him / her .....
- Name: ..... E-mail Id: .....  
Address: .....  
..... Signature: .....  
or failing him / her .....
- Name: ..... E-mail Id: .....  
Address: .....  
..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 70<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, June 30, 2017 at 3.00 p.m. at 'Walchand Hirachand Hall', Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai – 400 020 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution No.	Brief details of the Resolution
<b>ORDINARY BUSINESS</b>	
1.	Adoption of Audited Balance Sheet as at March 31, 2017, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon.
2.	Re-appointment of Mrs. Mahnaz A. Curmally (DIN 06907271) as a Director, who is liable to retire by rotation and, being eligible, offers herself for re-appointment.
3.	Appointment of Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018), as Statutory Auditors of the Company and fix their remuneration.
<b>SPECIAL BUSINESS</b>	
4.	Ratification of Cost Auditors Remuneration to be paid to Messrs. P M Nanabhoy & Co., Cost Accountants (Firm Registration No. 000012) for the financial year ending March 31, 2018.
5.	Re-appointment of Mr. Shome N. Danani (DIN: 00217787) as the Whole-time Director, designated as an Executive Director of the Company, for a period of three (3) years, with effect from January 28, 2017.

Signed: this ..... day of ..... 2017

Signature of Member(s): .....

Signature of the Proxy holder(s): .....

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 70<sup>th</sup> Annual General Meeting.
- A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

Affix  
Revenue  
Stamp  
of ₹ 1







## Bharat Bijlee Limited

Regd. Office: Electric Mansion, 6<sup>th</sup> Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025.

CIN: L31300MH1946PLC005017, Phone: 022-2430 6237, Fax: 022-2437 0624

Website: [www.bharatbijlee.com](http://www.bharatbijlee.com) • E-mail: [bblcorporate@bharatbijlee.com](mailto:bblcorporate@bharatbijlee.com)

### ATTENDANCE SLIP

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

I hereby record my presence at the 70<sup>th</sup> ANNUAL GENERAL MEETING of the Company held at 'Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai – 400 020, on Friday, June 30, 2017 at 3:00 P.M.

DP ID*	Folio No.
Client ID*	No. of Shares

Sr. No.		
Shareholder(s) Name		
Address of the Shareholder(s)		
If Shareholder(s), please sign here	If proxy, please mention name and sign here	
	Name of Proxy	Signature

\* Applicable for shareholders holding shares in electronic form.

### ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	*Default Sequence Number

\* Members who have not updated their PAN with the Company/Depository Participant shall use default Sequence Number in the PAN field. Other members should use their PAN.

**Bharat Bijlee Limited**

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

T: +91 22 2430 6237 / 6071  
E: [bblcorporate@bharatbijlee.com](mailto:bblcorporate@bharatbijlee.com)  
W: [www.bharatbijlee.com](http://www.bharatbijlee.com)  
CIN: L31300MH1946PLC005017