

August 14, 2019

**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 / Madam,

**SUB: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2018-2019**

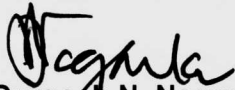
With reference to the captioned subject and pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year 2018-2019.

This is for your kind information and records.

Thanking You,

Yours sincerely,

For **Bharat Bijlee Limited**



**Durgesh N. Nagarkar**

**Company Secretary & Senior General Manager  
Legal**





72<sup>ND</sup> ANNUAL REPORT 2018-19

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# Letter from the Executive Director

Dear Shareholders,

In July 2019, after almost five decades, the Hon'ble Finance Minister Nirmala Sitharaman became the second woman in India to ever present the Union Budget. The challenges facing her were vast. The overall unemployment rate has climbed to 6.1% and India has lost the tag of the world's "fastest growing economy". Despite this, the OECD estimates India's GDP growth to be above 7% in the next two years. In the short run numbers fluctuate, so the important question is, "where is the Indian Economy headed in the future"? And will the government do enough to ignite growth?

The financial year 2018-19 has been a better year for your company compared with the previous couple of years. The **Transformer** division sales turnover has grown 9% despite harsh competition and depressed prices. Order booking was the highest ever, growing by 38%. This is an achievement in such a competitive market that has not seen any increase in overall demand. Consolidation in the industry is inevitable as over capacity has plagued the market for many years now. However, new capacities seem to somehow keep being added, and margins continue to be under pressure. Expanding our customer base has been a focus area for us over the last few years. As a result of this, our market reach has grown substantially.

The **Motor** business has had a good year registering a strong 42% year-on-year sales growth. A number of factors have contributed to this growth. A tight rein on price realizations, implementation of new energy efficiency standards, and an increased geographic and sectoral coverage have all played a key role. Our division has done well to respond to a sudden spurt in demand by ramping up capacities at short notice. As a result of these efforts market share has increased significantly. The market factors that drove this growth may not sustain and we must be cautious in our expectations. For the second time in three years we have received the CII (Confederation of Indian Industry) Award for the 'Most Innovative Energy Efficient Product' for a motor that we have developed in-house.

The **Projects** division took steps last year to identify certain high potential but low risk segments for order input. This has culminated into the booking of some good orders as per the plan. It will open up further revenue streams in oil and gas, defence, and some specific utilities. We continue to be choosy and avoid taking unnecessary risk in this space.

The **Magnet Technology Machines** division (**MTM**) grew 44% on the back of good export orders for elevator machines. Our focus in the coming year will be to maintain our leadership in the domestic market and

increase export sales. This year we will focus on new product development, both in gearless and special direct drive machines. Our new MTM plant has been certified as a 'Green Building' by IGBC (Indian Green Building Council).

**Drives & Automation** is working closely with the **MTM** division to develop solutions that will combine motor and drive to improve productivity and energy efficiency of equipment. This will have a number of applications in textiles and plastics. Foreign exchange variations have been affecting our margins and we are taking steps to address this. Our efforts to leverage the synergies of both these divisions and offer an integrated solution to the market should pay off soon.

The World Bank expects global growth to weaken to 2.6% for 2019. A number of macroeconomic factors are contributing to this. A looming trade war between the world's two biggest economies is bound to have repercussions for the rest. In Europe the Brexit stalemate continues in the United Kingdom, threatening to split the union itself. Even Germany, Europe's largest economy, has cut its GDP estimate to its lowest in the last five years. Trade barriers, renewed financial stress, and protectionist governments are taking their toll. Overall growth is muted and credit is tight.

In India the Modi government has returned with a thumping majority and hopefully they will be able to push through some major reforms. The task however is challenging with the current NBFC and banking crisis leaving financial institutions staring at an unprecedented number of NPAs (non-performing assets). The recent budget in July 2019 has mentioned a large figure to be allocated to infrastructure. It does not however tell us where this money will come from. This kind of stimulus is the need of the hour. Let us hope that this materializes soon.



**Shome Danani**  
**Executive Director**



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**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 D. 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. Deloitte Haskins & Sells LLP

**SOLICITORS**

M/s. Malvi Ranchoddas & Co.

**BANKERS**

Bank of India  
Citibank N.A.  
Standard Chartered Bank  
HDFC Bank Ltd.

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**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 SEVENTY SECOND (72<sup>nd</sup>) ANNUAL GENERAL MEETING OF THE MEMBERS OF BHARAT BIJLEE LIMITED WILL BE HELD AT 3.00 P.M. ON MONDAY, SEPTEMBER 9, 2019 AT THE "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 financial statements, namely (i) Audited Balance Sheet as at March 31, 2019, (ii) the audited statement of Profit and Loss for the financial year ended on that date (iii) Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the Financial Year 2018-2019.
3. To appoint a Director in place of Mr. Shome N. Danani (DIN: 00217787), who retires by rotation and, being eligible, offers himself for re-appointment.

**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 Auditors of the Company for the Financial Year 2019-2020:**

**"RESOLVED THAT** pursuant to the provisions of Sections 148 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Audit and Auditors Rules) 2014 (including any statutory modification(s) / re-enactment(s) / amendment(s) thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee, the remuneration payable to Messrs. P M Nanabhoy & Co., Cost Accountants (Firm Registration No. 000012), appointed by the Board of Directors, as Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, amounting to ₹ 98,000/- (Rupees Ninety Eight Thousand Only) plus applicable tax 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 (including its Committee(s) thereof) 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(s), the following resolution as a Special Resolution for the Re-appointment of Mr. Prakash V. Mehta (DIN: 00001366), Chairman, as an Independent Director of the Company, for a second term of 5 (five) consecutive years:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), and on the recommendation of Board / Nomination and Remuneration Committee, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Prakash V. Mehta (DIN: 00001366), Chairman, Non-Executive Independent Director of the Company, who holds office of Independent Director upto September 10, 2019; and

- (i) who is eligible for re-appointment for a second term of 5 (five) consecutive years, under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations;
- (ii) who meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, and who has submitted a declaration to that effect; and
- (iii) in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160(1) of the Companies Act, 2013,

as an Independent Director (Non-Executive) of the Company, to hold office for a second term of 5 (five) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation, on the Board of the Company.

**FURTHER RESOLVED THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended vide SEBI (Listing Obligations and Disclosure

Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018"), and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder (as amended from time-to-time, including any statutory modification(s) or re-enactment(s) thereof), and on the recommendation of Board / Nomination and Remuneration Committee, the approval of the Members of the Company be and is hereby accorded for the continuation of office of Mr. Prakash V. Mehta (DIN: 00001366), Chairman, who has already attained the age of 75 years, as Non-Executive Independent Director of the Company on and after September 9, 2019 till the expiry of his second term i.e. upto September 8, 2024.

**FURTHER RESOLVED THAT** the Board of Directors and / or the Company Secretary of the Company, be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

6. **To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution for the Re-appointment of Mr. Sanjiv N. Shah (DIN: 00007211), as an Independent Director of the Company, for a second term of 5 (five) consecutive years:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), and on the recommendation of Board / Nomination and Remuneration Committee, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Sanjiv N. Shah (DIN: 00007211), Non-Executive Independent Director of the Company, who holds office of Independent Director upto September 10, 2019; and

- (i) who is eligible for re-appointment for a second term of 5 (five) consecutive years, under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations;

- (ii) who meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, and who has submitted a declaration to that effect; and

- (iii) in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160(1) of the Companies Act, 2013,

as an Independent Director (Non-Executive) of the Company, to hold office for a second term of 5 (five) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation, on the Board of the Company.

**FURTHER RESOLVED THAT** the Board of Directors and / or the Company Secretary of the Company, be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

7. **To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution for the Re-appointment of Mr. Jairaj C. Thacker (DIN: 00108552), as an Independent Director of the Company, for a second term of 5 (five) consecutive years:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), and on the recommendation of Board/ Nomination and Remuneration Committee, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Jairaj C. Thacker (DIN: 00108552), Non-Executive Independent Director of the Company, who holds office of Independent Director upto September 10, 2019; and

- (i) who is eligible for re-appointment for a second term of 5 (five) consecutive years, under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations;



- (ii) who meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, and who has submitted a declaration to that effect; and
- (iii) in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160(1) of the Companies Act, 2013,

as an Independent Director (Non-Executive) of the Company, to hold office for a second term of 5 (five) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation, on the Board of the Company.

**FURTHER RESOLVED THAT** the Board of Directors and / or the Company Secretary of the Company, be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution.”

**8. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution for the Re-appointment of Mr. Rajeshwar D. Bajaj (DIN: 00087845), as an Independent Director of the Company, for a second term of 5 (five) consecutive years:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), and on the recommendation of Board / Nomination and Remuneration Committee, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Rajeshwar D. Bajaj (DIN: 00087845), Non-Executive Independent Director of the Company, who holds office of Independent Director upto September 10, 2019; and

- (i) who is eligible for re-appointment for a second term of 5 (five) consecutive years, under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations;

- (ii) who meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, and who has submitted a declaration to that effect; and
- (iii) in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160(1) of the Companies Act, 2013,

as an Independent Director (Non-Executive) of the Company, to hold office for a second term of 5 (five) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation, on the Board of the Company.

**FURTHER RESOLVED THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Amendment Regulations, 2018”), and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder (as amended from time-to-time, including any statutory modification(s) or re-enactment(s) thereof), and on the recommendation of Board / Nomination and Remuneration Committee, the approval of the Members of the Company be and is hereby accorded for the continuation of office of Mr. Rajeshwar D. Bajaj (DIN: 00087845), who has already attained the age of 75 years, as Non-Executive Independent Director of the Company, on and after September 9, 2019 till the expiry of his second term i.e. upto September 8, 2024.

**FURTHER RESOLVED THAT** the Board of Directors and / or the Company Secretary of the Company, be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution.”

**9. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution for the Appointment of Mrs. Mahnaz A. Curmally (DIN: 06907271), as an Independent Director of the Company, for a term of 5 (five) consecutive years:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the

applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), and on the recommendation of Board/ Nomination and Remuneration Committee, the approval of the Members of the Company be and is hereby accorded for the appointment of Mrs. Mahnaz A. Curmally (DIN: 06907271), Non-Executive Director of the Company,

- (i) who is eligible for appointment for a term of five (5) consecutive years, under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations;
- (ii) who meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, and who has submitted a declaration to that effect; and
- (iii) in respect of whom the Company has received a Notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160(1) of the Companies Act, 2013,

as an Independent Director (Non-Executive) of the Company, to hold office for a term of 5 (five) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation, on the Board of the Company.

**FURTHER RESOLVED THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018"), and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder (as amended from time-to-time, including any statutory modification(s) or re-enactment(s) thereof), and on the recommendation of Board / Nomination and Remuneration Committee, the approval of the Members of the Company be and is hereby accorded for the continuation of office of Mrs. Mahnaz A. Curmally (DIN: 06907271), who shall be attaining the age of 75 years on August 4, 2021, as Non-Executive Independent Director of the Company on and after August 4, 2021 till the expiry of her term i.e. upto September 8, 2024.

**FURTHER RESOLVED THAT** the Board of Directors and / or the Company Secretary of the Company, be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

By Order of the Board  
**Durgesh N. Nagarkar**  
Company Secretary &  
Sr. General Manager, Legal  
ACS 5777

Place: Mumbai  
Date: July 25, 2019

**Registered Office:**

Electric Mansion, 6<sup>th</sup> Floor  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025  
CIN: L31300MH1946PLC005017  
T: +91 22 2430 6237 F: +91 22 2437 0624  
Email Id: [bbllcorporate@bharatbijlee.com](mailto:bbllcorporate@bharatbijlee.com)  
Website: [www.bharatbijlee.com](http://www.bharatbijlee.com)

**NOTES:**

- i. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 72<sup>nd</sup> ANNUAL GENERAL MEETING ('AGM') IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

**THE INSTRUMENT APPOINTING A PROXY (PROXY FORM), IN ORDER TO BE VALID AND EFFECTIVE, SHOULD BE LODGED / DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE AGM.**

**A PERSON APPOINTED AS PROXY SHALL ACT ON BEHALF OF NOT MORE THAN FIFTY (50) MEMBERS AND HOLDING NOT MORE THAN 10% (TEN PERCENT) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. HOWEVER, A MEMBER HOLDING MORE THAN 10% (TEN PERCENT), 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.**

- 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. Member / 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 is annexed hereto and forms part of this Notice. The relevant information of the Directors seeking appointment / re-appointment under item No. 5 to 9 of the Notice, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Revised Secretarial Standard-2 (SS-2) on General Meetings, is also annexed hereto and forms part of this Notice. Requisite declaration has been received from the Director for seeking appointment/ re-appointment.
- 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 Agent, 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 Share Transfer Agents.
- ix. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
- x. 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 Monday, September 2, 2019 to Monday, September 9, 2019 (both days inclusive).
- xi. Members holding shares in physical form are requested to promptly notify in writing any changes in their address / bank account details / National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) / e-mail address / mandates/ nominations / power of attorney / contact numbers etc., 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, quoting their Registered Folio Number.
- xii. Members holding shares in electronic form are requested to intimate immediately any changes pertaining to their address / bank account details / National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) / 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.
- xiii. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend(s). The Company or its Registrar and Share Transfer Agent, Link Intime India Private Limited, cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective depository participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend(s) are requested to write to the Company.

- xiv. The payment of Dividend, as recommended by the Board of Directors, if declared at the 72<sup>nd</sup> AGM, will be paid on or after September 10, 2019;
- to all Members in respect of shares held in physical form, whose names are on the Company's Register of Members, after giving effect to valid transmission and transposition requests lodged with the Company before the end of business hours on Saturday, August 31, 2019.
  - To all the Beneficial Owners of the shares as at the close of business hours on Saturday, August 31, 2019, as per the details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
- xv. 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 2018-2019, Attendance Slip, Proxy Form and Route Map, 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 Members have 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.
- xvi. 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. Members whose email ids are already registered may update the changes therein, if any. This may be treated as an advance opportunity in terms of proviso to Rule 18(3) (i) of the Companies (Management and Administration) Rules, 2014.
- xvii. The Notice of the 72<sup>nd</sup> AGM, Attendance Slip, Proxy Form, Route Map and the Annual Report 2018-19 circulated to the Members of the Company, will also be hosted 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).
- xviii. 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.
- xix. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), (including any statutory modification(s)/ re-enactment(s) / amendment(s) thereof, for the time being in force), 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 Investor Education and Protection Fund Authority ('IEPF') of the Central Government. Also, attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with IEPF Rules which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for seven (7) consecutive years or more, to a special demat account to be opened by IEPF Authority.
- Further, in compliance with the provisions laid down in IEPF Rules, the Company had sent notices and also advertised in the newspapers seeking action from Shareholders who have not claimed their dividends for seven (7) consecutive years or more. Accordingly, Company has transferred all corresponding equity shares for the financial year ended March 31, 2011, on which dividend was not encashed / remained unclaimed, to the Demat Account of the IEPF, the due date of which was August 6, 2018. It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules.
- However, the Shareholders are entitled to claim their equity shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in Form IEPF-5 and sending a physical copy of the Form IEPF-5 duly signed by all the joint shareholders, if any, as per the specimen signature recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's RTA. The Rules and Form IEPF-5, as prescribed, for claiming back the shares, are available on the website of the IEPF, i.e., on [www.iepf.gov.in](http://www.iepf.gov.in). It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules.
- Members who had not claimed the dividends declared for the financial year March 31, 2012, were requested to lodge their claim on or before June 30, 2019, with the Company's Registrar and Share Transfer Agents at the address mentioned in the Annual Report. The Company had sent reminders to all such Members at their registered address in this regards.

Further, all the Members who have not claimed their dividends in the last seven (7) consecutive years from 2012 are requested to claim the same by August 16, 2019, with the Company's Registrar and Share Transfer Agents at the address mentioned in the Annual Report. In case valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. In this regard, the Company has individually informed the shareholders concerned and also published notice in the newspapers as per the IEPF Rules. It may please be noted that no claim shall lie against the Company once such share(s)/ dividend transferred to IEPF demat account, pursuant to the said Rules.

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

The Shareholders are therefore encouraged to verify their records and claim their dividends, if not claimed.

#### xx. **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 Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (Revised w.e.f. October 1, 2017), 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 72<sup>nd</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:**

- a. Members holding shares in physical form or in demat form as on **Saturday, August 31, 2019, 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.

- b. **The remote e-voting period will commence at 9.00 a.m. on Friday, September 6, 2019 and will end at 5.00 p.m. on Sunday, September 8, 2019.** 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.
- c. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- d. Click on Shareholders / Members.
- e. 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.
- f. Next enter the Image Verification as displayed and Click on Login.
- g. 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.
- h. 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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)	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. <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 (e)</li> </ul>

- i. After entering these details appropriately, click on "SUBMIT" tab.
- j. 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.

- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the EVSN of 'Bharat Bijlee Limited' on which you choose to vote.
- m. 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.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o. 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.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- r. If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- s. 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 respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

t. **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 **Saturday, August 31, 2019**, being the cut-off date.
- (ii) The facility for voting through ballot shall also be made available at the AGM and Members attending the meeting 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 meeting 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., **Saturday, August 31, 2019**, 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) The letter of appointment of representative(s) of the President of India or the Governor of a State; or the authorization in respect of the Corporations shall be received by the Scrutinizer / Company on or before close of remote e-voting.
- (vii) 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.
- (viii) The Chairman shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of ballot paper for all those Shareholders who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (ix) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, 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 meeting 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 a person authorized by him in writing, for counter signature.
- (x) The Results shall be declared by the Chairman, or a 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, viz., [www.evotingindia.com](http://www.evotingindia.com), and will be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The result will also be posted on the notice board of the Company at the registered office.
- (xi) 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 AGM.
- (xii) For security reasons and for proper conduct of the Meeting, entry to the place of the Meeting 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.
- (xiii) 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 Meeting.
- (xiv) As per the Secretarial Standard-2 (SS-2) on 'General Meetings', a Route Map showing direction to reach the venue of the 72<sup>nd</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**

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**Explanatory Statement setting out material facts under Section 102 of the Companies Act, 2013****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 the recommendation of Audit Committee at its meeting held on Monday, May 6, 2019, 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 2019-2020, 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, financially or otherwise, in the Ordinary Resolution set out at Item No. 4 of the Notice.

**Item No. 5**

Mr. Prakash V. Mehta (DIN: 00001366), was appointed as a Non-Executive Director of the Company, effective from August 7, 1990. He is a Chairman of the Company, Chairman of the Stakeholder Relationship Committee, Member of Audit Committee and Member of the Nomination and Remuneration Committee of the Board.

On April 1, 2014, the Ministry of Corporate Affairs notified Section 149 of the Companies Act, 2013 and related Rules. Pursuant to the provisions of Section 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of erstwhile Listing Agreement, Mr. Prakash V. Mehta was appointed as an Independent Director of the Company, at the 67th Annual General Meeting of Members of the Company, held on September 11, 2014, for a term of five (5) consecutive years, with effect from September 11, 2014 upto September 10, 2019 ("First Term" in line with the explanation to Section 149(10) and 149(11) of the Companies Act, 2013).

In line with Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto five (5) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five (5) consecutive years on the Board of a Company. Since Mr. Mehta will complete his First Term as an Independent Director of the Company on September 10, 2019, he is eligible for re-appointment for one more term of five (5) years.

Mr. Prakash V. Mehta obtained a Bachelors Degree in Law from the University of Bombay in 1963, thereafter qualified as a Solicitor in 1966 and since then has been practicing as a Solicitor. He is a partner of M/s. Malvi Ranchoddas & Co., a renowned firm of Solicitors. He has considerable experience in the field of Law and is also an expert in Corporate Law, Acquisitions, Joint Ventures and Foreign Collaborations. He is a Director on the Boards of several prominent companies in India. He has been a Director on the Board of the Company since August 7, 1990. As on March 31, 2019, Mr. Mehta holds 325 equity shares of ₹ 10/- each, of the Company representing 0.0058% of the Issued and Subscribed Equity share Capital of the Company.

The Board at its meeting held on July 25, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that, given his rich experience, acumen, qualification and the substantial contribution as a Chairman Non-Executive Independent Director, the association of Mr. Mehta would be of immense benefit and accordingly, it is desirable to re-appoint Mr. Prakash V. Mehta, Chairman, as an Independent Director of the Company, not liable to retire of rotation, for a Second Term, of five (5) consecutive years, effective from September 9, 2019.

Members may please note that, the Company has received from Mr. Mehta:

- (a) a Notice in writing in terms of Section 160(1) of the Companies Act, 2013, from a Member, proposing the candidature of Mr. Mehta for the office of Director
- (b) Consent in writing to act as a Director, in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014;
- (c) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013;



- (d) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended); and
- (e) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

Further, as per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), inter alia, provides that no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the Members by passing a Special Resolution to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Mr. Mehta has already attained the age of 75 years as on date and hence continuation beyond 75 years requires the approval of Members by way of a Special Resolution. Accordingly, the Nomination & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on July 25, 2019 have recommended to the Members, the continuation of office of Mr. Mehta as a Non-Executive Independent Director of the Company, on and after September 9, 2019 till the expiry of his second term i.e. upto September 8, 2024, notwithstanding that he has attained the age of 75 years.

The Board confirms that Mr. Mehta fulfils the conditions of re-appointment as an Independent Director as prescribed in the Companies Act, 2013, the rules framed thereunder and the Listing Regulations and that he is independent of the management of the Company.

Copy of the draft Letter of Appointment of Mr. Mehta setting out the terms and conditions of re-appointment as an Independent Director, are available for inspection by the Members of the Company without any fee at the Registered office of the Company.

The brief profile of Mr. Mehta under Regulation 36(3) of the Listing Regulations and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, is set out in the Annexure – I to the Explanatory Statement and forms integral part of Notice.

The Board accordingly recommends passing the Special Resolution as set out as Item No. 5 in the accompanying Notice for the approval of Members.

Mr. Prakash V. Mehta is not related to any Director on the Board of the Company.

Mr. Prakash V. Mehta, Chairman, Non-Executive Independent Director is deemed to be concerned or interested in the Resolution at Item No. 5 of this Notice. None of the other Directors are concerned or interested in the said Special Resolution.

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

#### **Item No. 6**

Mr. Sanjiv N. Shah (DIN: 00007211), was appointed as a Non-Executive Director of the Company, effective from August 14, 2002. He is a Chairman of the Audit Committee as well of Nomination and Remuneration Committee and Member of Stakeholder Relationship Committee of the Board.

On April 1, 2014, the Ministry of Corporate Affairs notified Section 149 of the Companies Act, 2013 and related Rules. Pursuant to the provisions of Section 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of erstwhile Listing Agreement, Mr. Sanjiv N. Shah was appointed as an Independent Director of the Company, at the 67<sup>th</sup> Annual General Meeting of Members of the Company, held on September 11, 2014, for a term of five (5) consecutive years, with effect from September 11, 2014 upto September 10, 2019 ("First Term" in line with the explanation to Section 149(10) and 149(11) of the Companies Act, 2013).

In line with Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto five (5) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five (5) consecutive years on the Board of a Company. Since Mr. Shah will complete his First Term as an Independent Director of the Company on September 10, 2019, he is eligible for re-appointment for one more term of five (5) years.

Mr. Sanjiv N. Shah holds a degree (B.A.) in Economics and Statistics from the University of Mumbai, a degree (B.Sc.) in Economics from the London School of Economics, is a Chartered Accountant from England and Wales and a

fellow member of the Institute of Chartered Accountants of India. He was a partner of M/s. S.B. Billimoria & Company, a renowned firm of Chartered Accountants and is presently a partner in M/s. Sanjiv N. Shah & Co., Chartered Accountants. He has specialized in the Financial Services Industry and has been a member of the Board since June 27, 2002. As on March 31, 2019, Mr. Shah holds 4,560 equity shares of ₹ 10/- each, of the Company, representing 0.0807% of the Issued and Subscribed Equity Share Capital of the Company.

The Board of Directors at its meeting held on July 25, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given his qualification, experience and the substantial contribution as a Non-Executive Independent Director, the association of Mr. Shah would be of immense benefit and accordingly, it is desirable to re-appoint Mr. Shah, as an Independent Director of the Company, not liable to retire of rotation, for a Second Term, of five (5) consecutive years, effective from September 9, 2019.

Members may please note that, the Company has received from Mr. Shah:

- (a) a Notice in writing in terms of Section 160(1) of the Companies Act, 2013, from a Member, proposing the candidature of Mr. Shah for the office of Director;
- (b) Consent in writing to act as a Director, in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014;
- (c) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013;
- (d) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended); and
- (e) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

The Board confirms that Mr. Shah fulfils the conditions of re-appointment as an Independent Director as prescribed in the Companies Act, 2013, the rules framed thereunder and the Listing Regulations and that he is independent of the management of the Company.

Copy of the draft Letter of Appointment of Mr. Shah setting out the terms and conditions of re-appointment as an Independent Director, are available for inspection by the Members of the Company without any fee at the Registered office of the Company.

The brief profile of Mr. Shah under Regulation 36(3) of the Listing Regulations and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, is set out in the Annexure - I to the Explanatory Statement and forms integral part of Notice.

The Board accordingly recommends passing the Special Resolution as set out as Item No. 6 in the accompanying Notice for the approval of Members.

Mr. Sanjiv N. Shah is not related to any Director on the Board of the Company.

Mr. Sanjiv N. Shah, Non-Executive Independent Director is deemed to be concerned or interested in the Resolution at Item No. 6 of this Notice. None of the other Directors are concerned or interested in the said Special Resolution.

No other Promoters, Directors and / or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of this Notice.

#### **Item No. 7**

Mr. Jairaj C. Thacker (DIN 00108552), was appointed as a Non-Executive Director of the Company, effective from August 14, 2002. He is a Member of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Board.

On April 1, 2014, the Ministry of Corporate Affairs notified Section 149 of the Companies Act, 2013 and related Rules. Pursuant to the provisions of Section 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of erstwhile Listing Agreement, Mr. Jairaj C. Thacker was appointed as an Independent Director of the Company, at the 67<sup>th</sup> Annual General Meeting of Members of the Company, held on September 11, 2014, for a term of five (5) consecutive years, with effect from September 11, 2014 upto September 10, 2019 ("First Term" in line with the explanation to Section 149(10) and 149(11) of the Companies Act, 2013).

In line with Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto

five (5) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five (5) consecutive years on the Board of a Company. Since Mr. Thacker will complete his First Term as an Independent Director of the Company on September 10, 2019, he is eligible for re-appointment for one more term of five (5) years.

Mr. Jairaj C. Thacker is a well known Industrialist and Educationalist. He holds a Degree in Commerce. He is also the Managing Trustee of the prestigious Shri Narsee Monjee Educational Trust and Jamnabai Narsee Public Charitable Trust, Executive and Governing Council Member of Dr. Balabhai Nanavati Hospital, Vile Parle and Executive Committee Member of Vile Parle Kelavani Mandal. He has been a member of the Board since June 27, 2002. Mr. Thacker does not hold any shares in the Company.

The Board of Directors at its meeting held on July 25, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that, given the vast experience, immense knowledge of the industry and his substantial contribution as a Non-Executive Independent Director, it is in the interest of the Company to continue to avail the benefits of his expertise, and accordingly, it is desirable to re-appoint Mr. Thacker, as an Independent Director of the Company, not liable to retire of rotation, for a Second Term, of five (5) consecutive years, effective from September 9, 2019.

Members may please note that, the Company has received from Mr. Thacker:

- (a) a Notice in writing in terms of Section 160(1) of the Companies Act, 2013, from a Member, proposing the candidature of Mr. Thacker for the office of Director;
- (b) Consent in writing to act as a Director, in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014;
- (c) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013;
- (d) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended); and

- (e) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

The Board confirms that Mr. Thacker fulfils the conditions of re-appointment as an Independent Director as prescribed in the Companies Act, 2013, the rules framed thereunder and the Listing Regulations and that he is independent of the management of the Company.

Copy of the draft Letter of Appointment of Mr. Thacker setting out the terms and conditions of re-appointment as an Independent Director, are available for inspection by the Members of the Company without any fee at the Registered office of the Company.

The brief profile of Mr. Thacker under Regulation 36(3) of the Listing Regulations and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, is set out in the Annexure – I to the Explanatory Statement and forms integral part of Notice.

The Board accordingly recommends passing the Special Resolution as set out as Item No. 7 in the accompanying Notice for the approval of Members.

Mr. Jairaj C. Thacker is not related to any Director on the Board of the Company.

Mr. Jairaj C. Thacker, Non-Executive Independent Director is deemed to be concerned or interested in the Resolution at Item No. 7 of this Notice. None of the other Directors are concerned or interested in the said Special Resolution.

No other Promoters, Directors and / or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of this Notice.

#### **Item No. 8**

Mr. Rajeshwar D. Bajaaj (DIN: 00087845), was appointed as a Non-Executive Director of the Company, effective from September 11, 2014.

On April 1, 2014, the Ministry of Corporate Affairs notified Section 149 of the Companies Act, 2013 and related Rules. Pursuant to the provisions of Section 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of erstwhile Listing Agreement, Mr. Rajeshwar D. Bajaaj was appointed as an Independent Director of the Company, at the 67<sup>th</sup> Annual General Meeting

of Members of the Company, held on September 11, 2014, for a term of five (5) consecutive years, with effect from September 11, 2014 upto September 10, 2019 ("First Term" in line with the explanation to Section 149(10) and 149(11) of the Companies Act, 2013).

In line with Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto five (5) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five (5) consecutive years on the Board of a Company. Since Mr. Bajaaj will complete his First Term as an Independent Director of the Company on September 10, 2019, he is eligible for re-appointment for one more term of five (5) years.

Mr. Bajaaj was the Chairman of the Board of Directors and Managing Director of Otis Elevators India. He also held the position of Vice President, South and Southeast Asia based in Singapore wherein the Otis country heads from India, Singapore, Thailand, Malaysia, Indonesia, Philippines and Vietnam reported to him. He has nearly four decades of experience in the elevator industry. Thereafter, for a period of three years, he joined Special Olympics Inc. as Managing Director, Asia Pacific, a nonprofit organization created by the Joseph P. Kennedy Jr. Foundation, Washington for the benefit of people with Intellectual Disabilities. He was also a Director on Board of APW President Systems for a period of two years and also served as the President of Bombay Gymkhana Limited for a period of two years. Mr. Bajaaj does not hold any shares in the Company.

The Board of Directors at its meeting held on July 25, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that, Mr. Bajaaj is a highly renowned professional who brought wide range of skills and experience to the Board, which enhanced the quality of the Board's functioning and its decision making process. The Company immensely benefitted from his strategic insights on various matters to Company's business, during his tenure as a Non-executive Independent Director. Accordingly, it is desirable to re-appoint Mr. Rajeshwar D. Bajaaj, as an Independent Director of the Company, not liable to retire of rotation, for a Second Term, of five (5) consecutive years, effective from September 9, 2019.

Members may please note that, the Company has received from Mr. Bajaaj:

- (a) a Notice in writing in terms of Section 160(1) of the Companies Act, 2013, from a Member, proposing the candidature of Mr. Bajaaj for the office of Director;

- (b) Consent in writing to act as a Director, in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014;
- (c) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013;
- (d) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended); and
- (e) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

Further, as per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), inter alia, provides that no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the Members by passing a Special Resolution to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Mr. Bajaaj has already attained the age of 75 years as on date and hence continuation beyond 75 years requires the approval of Members by way of a Special Resolution. Accordingly, the Nomination & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on July 25, 2019 have recommended to the Members, the continuation of office of Mr. Bajaaj as a Non-Executive Independent Director of the Company, on and after September 9, 2019 till the expiry of his second term i.e. upto September 8, 2024, notwithstanding that he has attained the age of 75 years.

The Board confirms that Mr. Bajaaj fulfils the conditions of re-appointment as an Independent Director as prescribed in the Companies Act, 2013, the rules framed thereunder and the Listing Regulations and that he is independent of the management of the Company.

Copy of the draft Letter of Appointment of Mr. Bajaaj setting out the terms and conditions of re-appointment as an Independent Director, are available for inspection by the

Members of the Company without any fee at the Registered office of the Company.

The brief profile of Mr. Bajaaj under Regulation 36(3) of the Listing Regulations and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, is set out in the Annexure – I to the Explanatory Statement and forms integral part of Notice.

The Board accordingly recommends passing the Special Resolution as set out as Item No. 8 in the accompanying Notice for the approval of Members.

Mr. Rajeshwar D. Bajaaj is not related to any Director on the Board of the Company.

Mr. Rajeshwar D. Bajaaj, Non-Executive Independent Director is deemed to be concerned or interested in the Resolution at Item No. 8 of this Notice. None of the other Directors are concerned or interested in the said Special Resolution.

No other Promoters, Directors and / or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of this Notice.

#### **Item No. 9**

Mrs. Mahnaz A. Curmally (DIN: 06907271), based on recommendation of Board and Nomination and Remuneration Committee, at their meetings held on July 25, 2014, was appointed as a Non-Executive Director of the Company, at the 67<sup>th</sup> Annual General Meeting of Members of the Company, effective from September 11, 2014, liable to retire by rotation.

In terms of proviso to Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board of Directors of the top 500 listed entities shall have at least one (1) Independent Woman Director by April 1, 2019 and the Board of Directors of the top 1000 listed entities shall have at least one (1) Independent Woman Director by April 1, 2020.

As per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the top 500 and 1000 entities shall be determined on the basis of market capitalisation, as at the end of the immediate previous financial year. Your Company, Bharat Bijlee Limited ('BBL') stands 832 out of top 1000 Companies, based on Market Capitalisation. Hence BBL is required to appoint at least one (1) Independent Woman Director by April 1, 2020.

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. She started her career with J Walter Thompson (JWT) as a copywriter and reached the position of President, South Asia and retired from Ogilvy PR as Chairman South Asia in December 2003. Post her departure from Ogilvy, Mrs. Curmally continued to work as part time PR consultant with pharmaceutical, consumer, finance, engineering and NGO organizations and also taught communication and PR courses in three leading communication management institutes in Mumbai.

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.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee at their respective meetings held on July 25, 2019, and based on the performance evaluation, considers it is desirable to appoint Mrs. Curmally, as an Independent Director of the Company, not liable to retire of rotation, for a term, of five (5) consecutive years, effective from September 9, 2019 to September 8, 2024.

Members may please note that, the Company has received from Mrs. Curmally:

- (a) a Notice in writing in terms of Section 160(1) of the Companies Act, 2013, from a Member, proposing the candidature of Mrs. Curmally for the office of Director
- (b) Consent in writing to act as a Director, in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014;
- (c) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013;
- (d) Declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended); and

- (e) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that she has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

Further, as per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), inter alia, provides that no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the Members by passing a Special Resolution to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Mrs. Curmally will be attaining the age of 75 years on August 4, 2021, i.e., during her term of Independent Directorship and hence continuation beyond 75 years requires the approval of Members by way of a Special Resolution. Accordingly, the Nomination & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on July 25, 2019 recommended to the Members, the continuation of Mrs. Curmally's directorship as a Non-Executive Independent Director of the Company, on and after August 4, 2021 till the expiry of her second term i.e. upto September 8, 2024, notwithstanding that she will attain the age of 75 years.

The Board confirms that Mrs. Curmally fulfils the conditions of appointment as an Independent Director as prescribed in the Companies Act, 2013, the rules framed thereunder and the Listing Regulations and that she is independent of the management of the Company.

Copy of the draft Letter of Appointment of Mrs. Curmally setting out the terms and conditions of re-appointment as an Independent Director, are available for inspection by the Members of the Company without any fee at the Registered office of the Company.

The brief profile of Mrs. Curmally under Regulation 36(3) of the Listing Regulations and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, is set out in the Annexure – I to the Explanatory Statement and forms integral part of Notice.

The Board accordingly recommends passing the Special Resolution as set out as Item No. 9 in the accompanying Notice for the approval of Members.

Mrs. Mahnaz Curmally is not related to any Director on the Board of the Company.

Mrs. Mahnaz Curmally, Non-Executive Director is deemed to be concerned or interested in the Resolution at Item No. 9 of this Notice. None of the other Directors are concerned or interested in the said Special Resolution.

No other Promoters, Directors and / or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of this Notice.

By Order of the Board  
**Durgesh N. Nagarkar**  
Company Secretary &  
Sr. General Manager, Legal  
ACS 5777

Place: Mumbai  
Date: July 25, 2019

**Registered Office:**  
Electric Mansion, 6<sup>th</sup> Floor,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025  
CIN: L31300MH1946PLC005017  
T: +91 22 2430 6237 F: +91 22 2437 0624  
Email Id: [bblcorporate@bharatbijlee.com](mailto:bblcorporate@bharatbijlee.com)  
Website: [www.bharatbijlee.com](http://www.bharatbijlee.com)

**BRIEF PROFILE OF DIRECTOR BEING APPOINTED/RE-APPOINTED AT THE FORTHCOMING 72<sup>ND</sup> ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)**

**1. MR. SHOME N. DANANI:**

Name of the Director	Shome N. Danani
Director Identification Number (DIN)	00217787
Age	41 Years
Date of Birth	March 4, 1978
Date of Appointment on the Board	January 1, 2009
Qualification	Mr. 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.
Brief profile & nature of his expertise in specific functional areas	Mr. 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.
Terms and conditions of Re-appointment	Retiring by Rotation
Remuneration last drawn	₹ 87,75,000/- p.a. (for the F.Y. 2018-2019)
Details of Remuneration sought to be paid	Not Applicable
Number of Meetings of the Board attended during the financial year 2018-2019 (out of total 6 Board Meetings held)	6
Number of Shares held in Company as on March 31, 2019	2,898 Equity Shares of ₹ 10/- each
Directorship held in other companies	<ul style="list-style-type: none"> <li>– Danmet Chemicals Pvt. Ltd; and</li> <li>– Rakyan Beverages Private Limited.</li> </ul>
Membership / Chairmanships of committees across all other companies [includes Audit and Shareholders Relationship Committee]	Mr. Danani is not a Member/Chairman of any Committee across all other companies.
Inter-se Relationship between Directors and other Key Managerial Personnel	Mr. Danani is related to Mr. Nikhil J. Danani.

**2. MR. PRAKASH V. MEHTA:**

Name of the Director	Prakash V. Mehta
Director Identification Number (DIN)	00001366
Age	77 Years
Date of Birth	February 12, 1942
Date of Appointment on the Board	August 7, 1990
Qualification	Mr. Prakash V. Mehta obtained a Bachelor's Degree in Law from the University of Bombay in 1963, thereafter qualified as a Solicitor in 1966.
Brief Profile, Experience & nature of his Expertise in specific functional areas	Mr. Prakash V. Mehta has been a Director on the Board of the Company since August 7, 1990. Mr. Mehta has been practicing as a Solicitor since 1966. He is a partner of M/s. Malvi Ranchoddas & Co., a renowned firm of Solicitors. He has considerable experience in the field of Law and is also an expert in Corporate Law, Acquisitions, Joint Ventures and Foreign Collaborations.
Terms and conditions of Re-appointment	As set out in the Special Resolution at Item No. 5 read with respective Explanatory Statement of the AGM Notice
Remuneration last drawn	Sitting fees for attending the Board and its Committee Meetings.
Details of Remuneration sought to be paid	Not Applicable
Number of Meetings of the Board attended during the financial year 2018-2019 (out of total 6 Board Meetings held)	6
Number of Shares held in Company as on March 31, 2019	325 Equity Shares of ₹ 10/- each
Directorship held in other companies	<ul style="list-style-type: none"> <li>– Oriental Aromatics Limited;</li> <li>– Hikal Limited;</li> <li>– Mukand Engineers Limited;</li> <li>– Mukand Limited;</li> <li>– Advani Hotels And Resorts (India) Limited;</li> <li>– Mukand Sumi Special Steel Limited;</li> <li>– India Safety Vaults Private Limited;</li> <li>– Pegasus Assets Reconstruction Private limited;</li> <li>– Iris Investment Advisors Private Limited;</li> </ul>
Membership / Chairmanships of committees across all other companies [includes Audit and Shareholders Relationship Committee]	<p><b>Audit Committee:</b></p> <ul style="list-style-type: none"> <li>– Advani Hotels And Resorts (India) Limited (Chairman);</li> <li>– Oriental Aromatics Limited (Member);</li> <li>– Hikal Limited (Member);</li> <li>– Mukand Limited (Member);</li> <li>– Mukand Engineers Limited (Chairman)</li> </ul> <p><b>Stakeholder Relationship Committee:</b></p> <ul style="list-style-type: none"> <li>– Hikal Limited (Member);</li> </ul>
Inter-se Relationship between Directors and other Key Managerial Personnel	Mr. Mehta is not related to any Director and / or Key Managerial Personnel of the Company.



**3. MR. SANJIV N. SHAH**

Name of the Director	Sanjiv N. Shah
Director Identification Number (DIN)	00007211
Age	61 Years
Date of Birth	March 2, 1958
Date of Appointment on the Board	August 14, 2002
Qualification	<ul style="list-style-type: none"> <li>– (B.A.) in Economics and Statistics from the University of Mumbai,</li> <li>– a degree (B.Sc.) in Economics from the London School of Economics,</li> <li>– a Chartered Accountant from England and Wales;</li> </ul>
Brief Profile, Experience & nature of his Expertise in specific functional areas	Mr. Shah was a partner of M/s. S.B. Billimoria & Company, a renowned firm of Chartered Accountants and is presently a partner in M/s. Sanjiv N. Shah & Co., Chartered Accountants. He has specialized in the Financial Services Industry.
Terms and conditions of Re-appointment	As set out in the Special Resolution at Item No. 6 read with respective Explanatory Statement of the AGM Notice
Remuneration last drawn	Sitting fees for attending the Board and its Committee Meetings
Details of Remuneration sought to be paid	Not Applicable
Number of Meetings of the Board attended during the financial year 2018-2019 (out of total 6 Board Meetings held)	4
Number of Shares held in Company as on March 31, 2019	4,560 Equity Shares of ₹ 10/- each
Directorship held in other companies	<ul style="list-style-type: none"> <li>– Chowgule Steamships Limited;</li> <li>– Nemish Shah Investments P Ltd;</li> <li>– SNS Consulting Private Limited</li> </ul>
Membership / Chairmanships of committees across all other companies [includes Audit and Shareholders Relationship Committee]	<b>Audit Committee:</b> <ul style="list-style-type: none"> <li>– Chowgule Steamships Limited (Member);</li> </ul> <b>Stakeholder Relationship Committee:</b> <ul style="list-style-type: none"> <li>– Chowgule Steamships Limited (Member);</li> </ul>
Inter-se Relationship between Directors and other Key Managerial Personnel	Mr. Shah is not related to any Director and / or Key Managerial Personnel of the Company.

**4. MR. JAIRAJ C. THACKER**

Name of the Director	Jairaj C. Thacker
Director Identification Number (DIN)	00108552
Age	67 Years
Date of Birth	December 3, 1951
Date of Appointment on the Board	August 14, 2002
Qualification	– holds a Degree in Commerce,
Brief Profile, Experience & nature of his Expertise in specific functional areas	Mr. Thacker is also the Managing Trustee of the prestigious Shri Narsee Monjee Educational Trust and Jamnabai Narsee Public Charitable Trust, Executive and Governing Council Member of Dr. Balabhai Nanavati Hospital, Vile Parle and Executive Committee Member of Vile Parle Kelavani Mandal.
Terms and conditions of Re-appointment	As set out in the Special Resolution at Item No. 7 read with respective Explanatory Statement of the AGM Notice
Remuneration last drawn	Sitting fees for attending the Board and its Committee Meetings
Details of Remuneration sought to be paid	Not Applicable
Number of Meetings of the Board attended during the financial year 2018-2019 (out of total 6 Board Meetings held)	4
Number of Shares held in Company as on March 31, 2019	NIL
Directorship held in other companies	<ul style="list-style-type: none"> <li>– Golden Chemicals Private Limited;</li> <li>– Shiva Buildcon Private Limited;</li> <li>– Nirant Investments &amp; Trading Company Private Limited;</li> <li>– Max Edusol Private Limited</li> </ul>
Membership / Chairmanships of committees across all other companies [includes Audit and Shareholders Relationship Committee]	N.A.
Inter-se Relationship between Directors and other Key Managerial Personnel	Mr. Thacker is not related to any Director and / or Key Managerial Personnel of the Company.

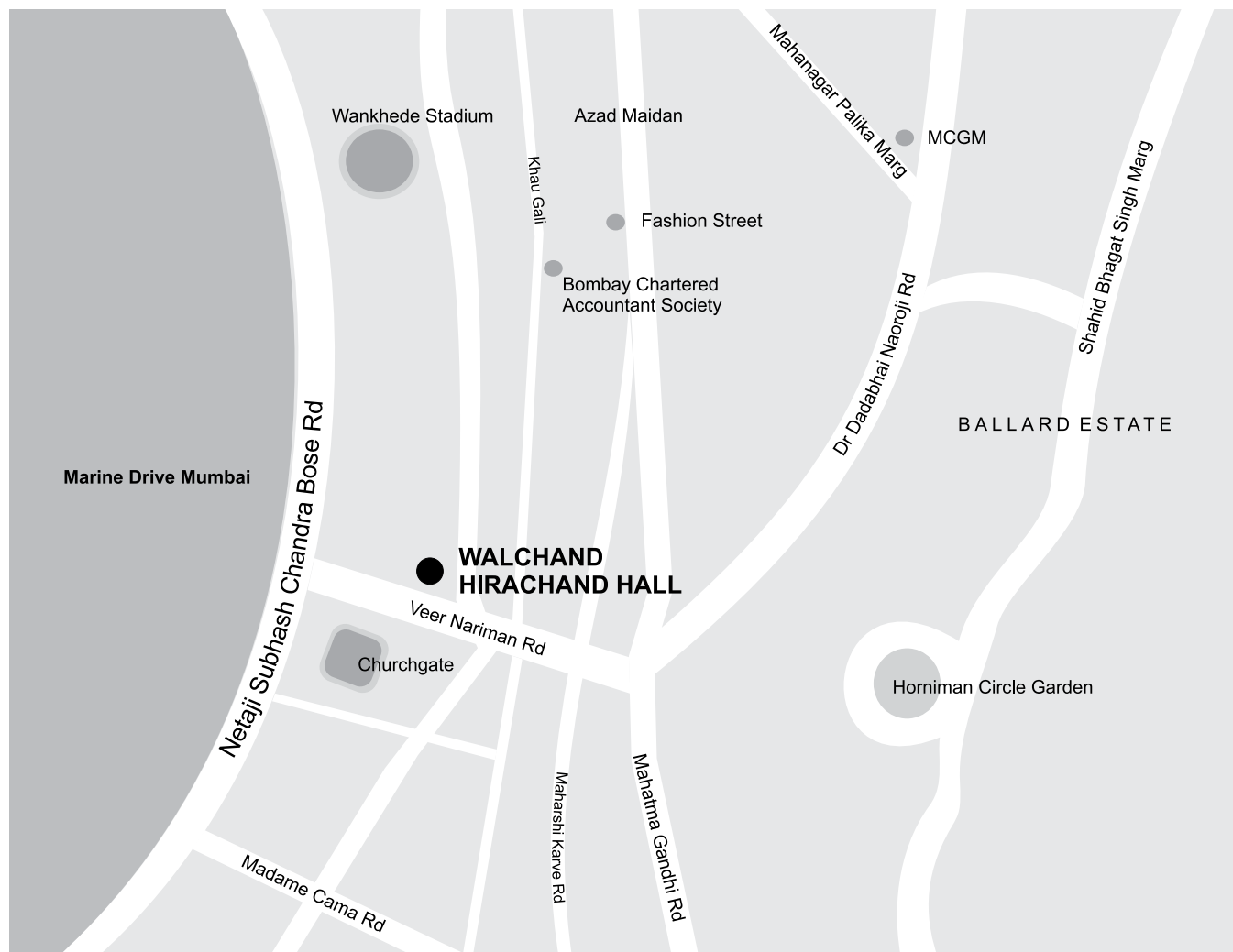
**5. MR. RAJESHWAR D. BAJAAJ**

Name of the Director	Rajeshwar D. Bajaj
Director Identification Number (DIN)	00087845
Age	77 Years
Date of Birth	December 4, 1942
Date of Appointment on the Board	September 11, 2014
Qualification	Bachelor in Science and LLB
Brief Profile, Experience & nature of his Expertise in specific functional areas	Mr. Bajaj was the Chairman of the Board of Directors and Managing Director of Otis Elevators India. He also held the position of Vice President, South and Southeast Asia based in Singapore wherein the Otis country heads from India, Singapore, Thailand, Malaysia, Indonesia, Philippines and Vietnam reported to him. He has nearly four decades of experience in the elevator industry. Thereafter, for a period of three years, he joined Special Olympics Inc. as Managing Director, Asia Pacific, a nonprofit organization created by the Joseph P. Kennedy Jr. Foundation, Washington for the benefit of people with Intellectual Disabilities. He was also a Director on Board of APW President Systems for a period of two years and also served as the President of Bombay Gymkhana Limited for a period of two years
Terms and conditions of Re-appointment	As set out in the Special Resolution at Item No. 8 read with respective Explanatory Statement of the AGM Notice
Remuneration last drawn	Sitting fees for attending the Board and its Committee Meetings
Details of Remuneration sought to be paid	Not Applicable
Number of Meetings of the Board attended during the financial year 2018-2019 (out of total 6 Board Meetings held)	5
Number of Shares held in Company as on March 31, 2019	Nil
Directorship held in other companies	– Lerch Bates Private Limited;
Membership / Chairmanships of committees across all other companies [includes Audit and Shareholders Relationship Committee]	N.A.
Inter-se Relationship between Directors and other Key Managerial Personnel	Mr. Bajaj is not related to any Director and / or Key Managerial Personnel of the Company.

**6. MRS. MAHNAZ C. CURMALLY**

Name of the Director	Mahnaz C. Curmally
Director Identification Number (DIN)	06907271
Age	72 Years
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, Experience & nature of her Expertise in specific functional areas	<p>Mrs. Curmally started her career with J Walter Thompson (JWT) as a copywriter and reached the position of President, South Asia and retired from Ogilvy PR as Chairman South Asia in December 2003. Post her departure from Ogilvy Mrs. Curmally continued to work as part time PR consultant with pharmaceutical, consumer, finance, engineering and NGO organizations and also taught communication and PR courses in three leading communication management institutes in Mumbai.</p> <p>Mrs. 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.</p>
Terms and conditions of Re-appointment	As set out in the Special Resolution at Item No. 9 read with respective Explanatory Statement of the AGM Notice
Remuneration last drawn	Sitting fees for attending the Board and its Committee Meetings
Details of Remuneration sought to be paid	Not Applicable
Number of Meetings of the Board attended during the financial year 2018-2019 (out of total 6 Board Meetings held)	6
Number of Shares held in Company as on March 31, 2019	Nil
Directorship held in other companies	N.A.
Membership / Chairmanships of committees across all other companies [includes Audit and Shareholders Relationship Committee]	N.A.
Inter-se Relationship between Directors and other Key Managerial Personnel	Mrs. Curmally is not related to any Director and / or Key Managerial Personnel of the Company.

Route Map to the venue of 72<sup>nd</sup> Annual General Meeting to be held on Monday, September 9, 2019.



## REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors are pleased to present their 72<sup>nd</sup> Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2019.

### GENERAL OUTLOOK OF INDUSTRY AND ECONOMY:

The financial year 2018-19 saw the GDP growth decelerating to its lowest level in the past five years at 6.80%. Domestically the risk to growth stems from lower capacity utilization, weak investment rate and credit constraints.

While the capital goods industry still remains fiercely competitive, we continue to tread cautiously concentrating on our market position and profitable market opportunities.

We have been focusing on enhancing our internal capabilities and reaching deeper into markets to seize opportunities when investment cycle revives.

### FINANCIAL PERFORMANCE:

	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Sales and Services	93,232.23	78,980.95
Other Income	2,961.32	2,116.88
	<b>96,193.55</b>	81,097.83
Profit/(Loss) before Interest & Financial Charges, Depreciation, Exceptional items and Tax	8,722.12	5,449.61
Less : Interest and Financial Charges	1,691.43	1,928.27
Less : Depreciation	837.69	931.44
Profit / (Loss) before Exceptional Items and Tax	6,193.00	2,589.90
Add: Exceptional Items	-	4,677.92
Profit before Tax	6,193.00	7,267.82
Less: Provision for Taxation	2,039.94	1,171.06
Profit/(Loss) after Taxation	4,153.06	6,096.76
Add: Profit /(Loss) Brought Forward	11,507.27	5,341.71
Less: Dividend on Equity shares	(141.29)	-
Less: Tax on Dividend on Equity Shares	(29.04)	-
(Less) / Add: Other Comprehensive Income arising from re-measurement of Defined Benefit Plan (net of tax)	(9.00)	68.80
Net Surplus available for Appropriation	15,481.00	11,507.27
<b>Profit Carried Forward</b>	<b>15,481.00</b>	11,507.27

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

### DIVIDEND:

Your Directors are pleased to recommended a dividend of ₹ 12.50 (Twelve Rupees and Fifty Paise only) (125%) (Previous year ₹ 2.50) per equity share of ₹ 10/- each, for the financial year 2018-2019. The dividend, if approved by the Members at the 72<sup>nd</sup> Annual General Meeting will result in the total dividend appropriation of ₹ 851.66 lakhs (Previous year ₹ 170.33 lakhs) including dividend distribution tax of ₹ 145.21 lakhs (Previous year ₹ 29.04 lakhs).

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 Monday, September 2, 2019, to Monday, September 9, 2019 (both days inclusive), for the purpose of payment of the dividend for the Financial year ended March 31, 2019 and the Annual General Meeting.

### OPERATIONS:

Income from Sales and Services for the Company increased from ₹ 77,399.06 lakhs (Net of Excise duty) in the previous year to ₹ 93,232.23 lakhs, a rise of 21%. The profit before exceptional items and tax improved from ₹ 2,589.90 lakhs in the previous year to ₹ 6,193.00 lakhs.

### FINANCE:

Tight leash on working capital and positive cash flow from operations helped the Company to reduce the finance cost by ₹ 236.84 lakhs compared to the previous year. The free Reserves of the Company as on March 31, 2019 increased by ₹ 3,973.73 lakhs to ₹ 39,952.37 lakhs. The credit rating for the bank facilities enjoyed by the Company has improved from ICRA A (Long Term) and ICRA A1 (Short Term) to ICRA A+ (Long Term) and ICRA A1+ (Short Term).

During the year, ₹ 11.23 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, teamwork and result orientation continue to be addressed. Productivity level continued to be subject to continuous monitoring.

Employee strength as on March 31, 2019 was 1,685 as compared to 1,603 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, 2019. Accordingly, a statement under the provisions of Section 129(3) of the Companies Act, 2013, containing salient features of the financial statements of the Company's subsidiary(ies) in Form AOC-1 is not enclosed.

**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 2018-2019, 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, 2019 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 framework as designed and implemented by the Company is adequate and commensurate with the size, scale and complexity of its operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding of assets, transactional controls and ensuring compliance with the Company's policies & procedures. 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 weakness in the design or effectiveness was observed.

The framework on Internal Financial Controls over Financial Reporting has been reviewed by the internal and the external auditors and concluded to be adequate & effective as at March 31, 2019.

**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 2018-2019, 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, [www.bharatbijlee.com](http://www.bharatbijlee.com).

Your Directors draw attention of the Members to Note no. 34.2 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 Nos. 5, and 10 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 Nos. 5, 8, 10 and 12 to the Financial Statements).

#### **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, Mr. Shome N. Danani (DIN: 00217787), Whole-time Director, being longest in the office, shall retire by rotation at the ensuing 72<sup>nd</sup> Annual General Meeting and being eligible, offers himself for re-appointment.

During the period under review, Mr. Nikhil J. Danani (DIN: 00056514) and Mr. Nakul P. Mehta (DIN: 00056561), on the recommendation of Nomination and Remuneration Committee as well as Board, were re-appointed as Managing Directors, for a period of five (5) years with effect from June 20, 2019 to June 19, 2024, in line with the provisions of Sections 196, 197, 198, 200 and 203 read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder. The respective re-appointments were approved by Members vide Postal Ballot (including e-Voting) concluded on March 5, 2019.

Further, a Special Resolution was passed pursuant to Section 196 (3) read with Part-I of Schedule V of the Companies Act, 2013, vide Postal Ballot (including e-Voting) concluded on March 5, 2019, which allows Mr. Nikhil J. Danani (DIN: 00056514), to continue holding office of Managing Director, upto the expiry of his term of office, i.e. from June 20, 2019 to June 19, 2024, who shall be attaining the age of seventy (70) years on August 31, 2019.

In line with the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which came into effect from April 1, 2019, a person who has attained the age of seventy five (75) years can continue directorship in a Listed entity as a Non-Executive Director, only if approval of Members of the said entity is obtained by way of a Special Resolution. Mr. Prakash V. Mehta (DIN: 00001366), Chairman (Independent Non-Executive Director) and Mr. Rajeshwar D. Bajaj (DIN: 00087845) (Independent Non-Executive Director), had already attained the age of 75 years before April 1, 2019. In view of the same, Members approval was sought by passing respective Special Resolutions, vide Postal Ballot (including e-Voting) concluded on March 5, 2019,

for continuation of directorship of Mr. Mehta and Mr. Bajaj, for their respective remaining term, valid upto September 10, 2019.

Further, pursuant to Section 149 of the Companies Act, 2013 and Regulation 25 of Listing Regulations, Mr. Prakash V. Mehta, aged about 77 years, Mr. Sanjiv N. Shah, Mr. Jairaj C. Thacker and Mr. Rajeshwar D. Bajaj, aged about 76 years, were appointed as Independent Directors of the Company, at the 67<sup>th</sup> Annual General Meeting of the Members of the Company, held on September 11, 2014, for a first term of five (5) consecutive years, with effect from September 11, 2014 upto September 10, 2019. Accordingly, the first term of all the four Independent Directors of the Company is expiring on September 10, 2019. Keeping in view, the rich experience, acumen, qualification, immense knowledge of the industry and the substantial contribution, by the aforementioned directors, as well as based on their respective Performance Evaluation, as a Member of the Board, Committee(s) of the Board, the Board and Nomination and Remuneration Committee recommend to the Members, for the re-appointment of Mr. Mehta, Mr. Shah, Mr. Thacker and Mr. Bajaj, as Independent Directors, for another term of five (5) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation. Accordingly, appropriate resolutions are proposed for approval and necessary details are given in the resolutions and explanatory statement in accompanying Notice of convening ensuing 72<sup>nd</sup> Annual General Meeting.

In terms of Regulation 17(1A) of the Listing Regulations, approval of the Members of the Company is required for continuation of directorship of Mr. Prakash V. Mehta and Mr. Rajeshwar D. Bajaj, during their proposed second term of appointment, as Non-Executive Independent Director, who have exceeded the age of 75 years as on date. Accordingly, appropriate resolutions are proposed for approval and necessary details are given in the resolutions and explanatory statement in accompanying Notice of convening ensuing 72<sup>nd</sup> Annual General Meeting.

All the aforementioned directors have declared that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

Securities and Exchange Board of India (SEBI) amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 published in the Official Gazette vide Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018.



In terms of proviso to Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board of Directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019 and the Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020.

As on March 31, 2019, your Company stands 832 out of top 1000 Companies, based on Market Capitalisation. Accordingly, Company is required to appoint at least one (1) Independent Woman Director by April 1, 2020. To comply with this provision, the Board on the recommendation of Nomination and Remuneration Committee at their respective meetings held on July 25, 2019, approved the appointment of Mrs. Mahnaz A. Curmally (DIN: 06907271), Non-Executive Director of the Company, as an Independent Director, to hold office for a term of 5 (five) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation, and recommend to the Members of the Company.

Further, in terms of Regulation 17(1A) of the Listing Regulations, approval of the Members of the Company is required for continuation of directorship of Mrs. Curmally, during her proposed term of appointment, as Non-Executive Independent Director, who will be attaining the age of 75 years on August 4, 2021. Accordingly, appropriate resolutions are proposed for approval and necessary details are given in the resolutions and explanatory statement in accompanying Notice of convening ensuing 72<sup>nd</sup> Annual General Meeting.

Mrs. Curmally has declared that she meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

Further, 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, 2019, 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 are disqualified under the provisions of Section 164(2)(a) and (b) and Section 165 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 July 25, 2019, of the ensuing 72<sup>nd</sup> Annual General Meeting.

During the year under review, Mr. Sandeep M. Tilak resigned as Vice President: Finance & Corporate Strategy, Chief Financial Officer ('CFO') and Key Managerial Person ('KMP') of the Company, and was relieved on May 31, 2018.

Consequent upon the resignation of Mr. Sandeep M. Tilak, the Board on the recommendation of the Nomination and Remuneration Committee at their meeting held on May 10, 2018, approved the appointment of Mr. Yogendra S. Agarwal as the Chief Financial Officer ('CFO') and Key Managerial Person ('KMP') of the Company, pursuant to the provisions of Section 2(19) and Section 203 and any other applicable provisions of the Companies Act, 2013 read with, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, effective from June 1, 2018.

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. Yogendra S. Agarwal, Chief Financial Officer, are 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 and to hold the office of Independent Director of the Company for the financial year ended March 31, 2019.

1. Mr. Prakash V. Mehta;
2. Mr. Sanjiv N. Shah;
3. Mr. Jairaj C. Thacker; &
4. Mr. Rajeshwar D. 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:**

The Board meets at regular intervals to discuss on Company / Business policy and financial results apart

from other Board business. The maximum interval between any two Board Meetings did not exceed one hundred and twenty (120) days, as stipulated under Section 173(1) of the Companies Act, 2013 and Regulation 17(2) of the Listing Regulations and the Secretarial Standard issued by the Institute of Company Secretaries of India. A notice of the Board Meeting along with the Agenda which includes detailed notes on the items to be discussed at the Meeting, is circulated a week prior to the date of the Board / Committee Meeting, to enable the Board / Committee Members to take an informed decision.

Prior approval of Board is sought for circulating the agenda items with shorter notice for matters that form part of the Board and Committee Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

Minimum four prescheduled Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the financial year under review, the Board of Directors met six (6) times, in accordance with the provisions of the Companies Act, 2013 and rules made there under and Listing Regulations.

Sr. No.	Date on which Board Meetings were held	Total strength of the Board	No. of Directors Present
1	May 10, 2018	9	8
2	June 28, 2018	9	8
3	July 25, 2018*	9	7
4	August 10, 2018	9	8
5	November 13, 2018	9	9
6	January 24, 2019	9	8

\* The Board Meeting held on July 25, 2018 was adjourned due to lean and late attendance of Directors on account of "MUMBAI BANDH", and was re-scheduled on August 10, 2018.

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, 2019 a separate meeting of the Independent Directors without the presence of Executive Directors or Management Representatives, was held on January 24, 2019, 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 scaled and measured on defined ratings, thereby covering the performance of Board as a whole, performance of the non-independent directors and performance of the Chairman.

#### AUDIT COMMITTEE:

Your Company has an Audit Committee of the Board in place. The terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and the Listing Regulations (as amended). The Committee consists entirely of the Independent Directors, namely :

Sr. No.	Name of Member	DIN	Designation	Category
1.	Mr. Sanjiv N. Shah	00007211	Chairman	Independent Director
2.	Mr. Prakash V. Mehta	00001366	Member	Independent Director
3.	Mr. Jairaj C. Thacker	00108552	Member	Independent Director

The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Whistle Blower Policy) and reviews the findings of investigation into cases of material nature and the actions taken in respect thereof.

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, which forms part of this Board's Report.

#### — Total Number of Audit Committee Membership – as a Member / as a Chairperson

In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. Further all Directors have informed about their Directorships, Committee Memberships / Chairmanships including any changes in their positions.

#### NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee ('NRC') of the Board has been constituted, in terms of the provisions of Section 178(3) of the Companies Act, 2013 and Listing Regulations.

The NRC consists entirely of the Independent Directors, namely:

Sr. No.	Name of Member	DIN	Designation	Category
1.	Mr. Sanjiv N. Shah	00007211	Chairman	Independent Director
2.	Mr. Prakash V. Mehta	00001366	Member	Independent Director
3.	Mr. Jairaj C. Thacker	00108552	Member	Independent Director

Further the Board on the recommendation of the NRC approved “Nomination and Remuneration Policy” for Directors, Key Managerial Personnel and Senior Management Employees. The Remuneration Policy is directed towards rewarding performance, based on review of achievements. It aims to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The details of “Nominations and Remuneration Policy” are hosted on the website of the Company, [www.bharatbijlee.com](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:

Sr. No.	Name of Member	DIN	Designation	Category
1.	Mr. Prakash V. Mehta	00001366	Chairman	Independent Director
2.	Mr. Sanjiv N Shah	00007211	Member	Independent Director
3.	Mr. Nikhil J. Danani	00056514	Member	Executive Director
4.	Mr. Nakul P. Mehta	00056561	Member	Executive Director

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

#### — Total Number of Stakeholder Relationship Committee Membership – as a Member / as a Chairperson

In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all listed entities in which he/she is

a Director. Further all Directors have informed about their Directorships, Committee Memberships / Chairmanships including any changes in their positions.

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to the requirement of Section 135 of the Companies Act, 2013, a duly constituted Corporate Social Responsibility Committee (‘CSR’) is in place. The Committee comprises of :

Sr. No.	Name of Member	DIN	Designation	Category
1.	Mr. Nakul P. Mehta	00056514	Chairman	Executive Director
2.	Mr. Shome N. Danani	00217787	Member	Executive Director
3.	Mr. Jairaj C. Thacker	00108552	Member	Independent Director

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. During the financial year under review, no meeting of CSR was held.

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 2018-2019, 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 Non-Independent Directors, Board and Chairman of the Company was evaluated by the Independent Directors of the Company in a separate meeting of Independent Directors held on January 24, 2019. The Independent Directors expressed their satisfaction with the evaluation process.

In line with Section 178(2) of the Companies Act, 2013, it was unanimously approved by the Nomination & Remuneration Committee in its Meeting held on January 24, 2019, that from the financial year 2018-2019 onwards, only the Board should carry out the Performance Evaluation process of:

- Board as a Whole;
- Various Committees of the Board ; and
- Individual Directors.

Accordingly, the annual performance evaluation of Board as a whole, various Committees of the Board, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Banking Committee and of all the Directors, was undertaken in the Board Meeting held on January 24, 2019. The Board of Directors expressed their satisfaction with the evaluation process.

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

The Risk Management Policy approved by the Board of Directors of the Company drives the enterprise-wide function of Risk Management, 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, and Regulation 22 of the Listing Regulations, the Company has adopted a "Whistle Blower Policy", to provide formal vigil mechanism to the Directors and employees of the Company, to report their genuine concern of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct etc.

Mr. Yogendra S. Agarwal, Chief Financial Officer & Vice President: Finance, has been appointed as the 'Vigilance and Ethics Officer', and his contact details have been mentioned in the policy. Further details of "Vigil Mechanism Policy" are available on the internal employee portal as well as the website of the Company, i.e., [www.bharatbijlee.com](http://www.bharatbijlee.com).

The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. 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.

#### **PREVENTION OF SEXUAL HARRASSMENT AT WORKPLACE:**

Your Company gives prime importance to the dignity and respect of its employees irrespective of their gender or hierarchy and expects responsible conduct and behaviour on the part of employees at all levels.

To foster a positive workplace environment, free from harassment of any nature, your Company has institutionalized the '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, through which we address complaints of sexual harassment at all workplaces of the Company. The said policy has been uploaded on the internal portal of the Company for information of all employees.

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	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. HR Division conducted various sessions in batches for sensitizing our employees with the provision of the said Act.

Further, 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 of 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, 2019 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;
- the annual accounts of the Company have been prepared on a going concern basis;
- 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;
- 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) ACCOUNT:**

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), (including any statutory modification(s) / re-enactment(s) / amendment(s) thereof, for the time being in force), 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 Investor Education and Protection Fund Authority ('IEPF') established by the Central Government. Also, according to the IEPF Rules, the shares in respect of which dividend has not been paid/ claimed by the Shareholders for seven (7) consecutive years or more, shall also be transferred to demat account created by the IEPF Authority.

Further, in compliance with the provisions laid down in IEPF Rules, the Company had sent notices and also advertised in the newspapers seeking action from Shareholders who have not claimed their dividends for seven (7) consecutive years or more. Accordingly, for the financial year ended March 31, 2011, the Company has transferred all corresponding equity shares on which dividend remained unclaimed for a period of seven (7) years, to the Demat Account of the IEPF, the due date of which was August 6, 2018. It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules.

However, the Shareholders are entitled to claim their shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in Form IEPF-5 and sending a physical copy of the Form IEPF-5 duly signed by all the joint shareholders, if any, as per the specimen signature recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's RTA. The Rules and Form IEPF-5, as prescribed, for claiming back the shares, are available on the website of the IEPF, i.e., on [www.iepf.gov.in](http://www.iepf.gov.in).

Members who had not claimed the dividends declared for the financial year March 31, 2012, were requested to lodge their claim on or before June 30, 2019, with the Company's Registrar and Share Transfer Agents at the address mentioned in the Annual Report. The Company had sent reminders to all such Members at their registered address in this regards.

Further, all the shareholders who have not claimed their dividends in the last seven (7) consecutive years from 2012 are requested to claim the same by August 16, 2019. In case valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. In this regard, the Company has individually informed the shareholders concerned and also published notice in the newspapers as per the IEPF Rules. It may please be noted that no claim shall lie against the Company once such share(s)/ dividend transferred to IEPF demat account, pursuant to the said Rules.

The Statement containing details of Name, Address, Folio No., Demat Account No. and No. of shares due

for transfer to IEPF demat Account is made available on [www.bharatbijlee.com](http://www.bharatbijlee.com).

The Shareholders are therefore encouraged to verify their records and claim their dividends, if not claimed.

#### **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. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. The requisite Compliance Certificate as required under Part E of Schedule V of the Listing Regulations, issued by Messrs N. L. Bhatia and Associates, Practicing Company Secretaries, Mumbai, Secretarial Auditors of the Company, pertaining to the compliance of conditions of Corporate Governance, is annexed.

#### **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:**

Messrs Deloitte Haskins & Sells, LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018) were appointed as Statutory Auditors at the 70<sup>th</sup> Annual General Meeting of the Company held on June 30, 2017, to hold office for a term of five (5) consecutive years from the conclusion of the 70<sup>th</sup> Annual General Meeting until the conclusion of the 75<sup>th</sup> Annual General Meeting, subject to the ratification at the Annual General Meeting in each of the subsequent years during the aforementioned term of their appointment.

However, Ministry of Corporate Affairs, vide its Notification dated May 7, 2018 amended provisions of Rule 3(7) of Companies (Audit and Auditors) Rules, 2014 and accordingly, provisions of requirement of ratification of appointment of Auditor at every general meeting is

dispensed with. Therefore, at the ensuing general meeting, Members are not required to ratify Auditor's appointment and Messrs Deloitte Haskins & Sells, LLP, will continue to act as Auditors of the Company till the conclusion of the 75<sup>th</sup> Annual General Meeting.

#### **OBSERVATIONS OF STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019:**

The Auditor's report given by Messrs Deloitte Haskins & Sells, LLP, Statutory Auditors, on the Financial Statements of the Company, for the year ended March 31, 2019, 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.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETING:**

Pursuant to Clause 9 of the Revised Secretarial Standard – 1 (SS-1), your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India, during the Financial Year under review.

#### **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 undertake the secretarial audit of the Company for the financial year 2018-2019.

The Report on Secretarial Audit for the financial year 2018-2019, 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.

Further, pursuant to the Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No CIR/CFD/CMD1/27/2019, dated February 8, 2019, the Annual Secretarial Compliance Report for the financial year 2018-2019 was filed with Stock Exchange(s), i.e. on BSE Limited and on National Stock Exchange of India Limited, on May 27, 2019.

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 2019-2020. 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 6, 2019, have appointed Messrs P. M. Nanabhoy & Co., Cost Accountants (Firm Registration No.: 000012), as the Cost Auditors of the Company, for the financial year 2019-2020, to audit the cost records of Electric Motors, Power Transformers, Drives and Magnet Technology Machines. A resolution for ratification of the payment to be made for such appointment is included in the Notice of the ensuing 72<sup>nd</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.

**DISCLOSURE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:**

During the financial year under review, no Corporate Insolvency Resolution Process (CIRP) was Initiated against your Company, under the "Insolvency and Bankruptcy Code, 2016" (IBC) (as amended).

**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, 2019 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.

**GENERAL:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/ events relating to these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of Shares (including sweat Equity shares) to employees of the Company under any Scheme referred to in this Report;
3. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3) (c) of the Companies Act, 2013).

**APPRECIATION:**

The responsibility for our employees and good corporate citizenship are deeply embedded in our core. Your Company has a track record of investing in the development and well-being of its people and communities. Your Company not only produces products that help increase efficiency and reduce environmental impact but also accepts its corporate responsibility to minimise any adverse ecological and social impact associated with its operations, above and beyond legal requirements.

The entire "BBL Team" deserves the appreciation for their passion, commitment and sustaining excellence in all areas of the business. Employee relations throughout the Company were harmonious.

The Board wishes to place on record its gratitude for the assistance and co-operation received from Banks, Government Authorities, Customers, Vendors and all its stakeholders for the trust and confidence reposed in the Company, during the financial year under review.

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

**Prakash V. Mehta**  
DIN: 00001366  
Chairman

Place: Mumbai  
Date: July 25, 2019

**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, 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: <https://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 for the last three (3) financial years as under:

Year	Profit/Loss (-) Amount (₹ in Lakhs)
2015-2016	(630.20)
2016-2017	(1135.88)
2017-2018	(574.60)
<b>Total</b>	<b>(2340.68)</b>

**Average Net Profit / (Loss) for last three (3) financial years: ₹ (780.23) 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 three (3) immediately preceding 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 May 6, 2019, brought to the notice of the Members that the Company has incurred a loss in the Financial year 2015-16, 2016-17 and 2017-18 thereby resulting in Net Loss of ₹ 2340.68 lakhs and Average Net Loss of ₹ 780.23 lakhs.

Accordingly in absence of average Net Profits for the three (3) immediately preceding 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 2018-2019 and hence it was recommended by the CSR Committee not to incur any expenditure on the CSR activity in the financial year 2018-2019.

**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 : July 25, 2019

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)**

Sr. 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	59.03
		Mr. Nakul P. Mehta	Vice Chairman & Managing Director	46.39
		Mr. Shome N. Danani	Executive Director	17.83
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/ KMP</b>	<b>Category</b>	<b>% increase in remuneration</b>
		Mr. Nikhil J. Danani	Vice Chairman & Managing Director	# 142.03%
		Mr. Nakul P. Mehta	Vice Chairman & Managing Director	# 90.22%
		Mr. Shome N. Danani	Executive Director	–
		Mr. Durgesh N. Nagarkar	Company Secretary	10.28%
		Mr. Yogendra S. Agarwal	Chief Financial Officer	* N.A.
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 2018-2019 is ₹ 4,92,027/-. The median remuneration of the employees for the year under review increased by 2.28% compared to previous financial year.		
4.	The number of permanent employees on the rolls of Company	There were 962 permanent employees of Bharat Bijlee Limited as on March 31, 2019.		
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 2017-2018 and FY 2018-2019, the average increase is 8.07%.  Average increase for managerial personnel is 2.61%		
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes		

Note:

\* Appointed as Chief Financial Officer effective June 1, 2018, hence, remuneration for fiscal 2019 is from June 1, 2018 to March 31, 2019, hence % increase in not applicable.

# Increase in remuneration not strictly comparable with the previous year 2017-2018 as it did not include commission which was payable during 2018-2019 to both Managing Directors, Mr. Nikhil J. Danani - ₹ 1,55,43,625/- and to Mr. Nakul P. Mehta - ₹ 93,26,175/-

**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 (as amended)**

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	70	I.B.M. New Jersey; Research Assistant 6 months	6.01	2,90,43,625/-
Nakul P. Mehta	Vice Chairman & Managing Director	B.Sc. B.S. Mech. Engg.; M. S. Engg., Mechanical	30.04.1984	61	NIL	3.31	2,28,26,175/-

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, 2019

[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, 6th 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 49186270, 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:-

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Electric Motors	27900	39.5%
2.	Transformers	27900	52.2%

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

Sr. 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 Breakup 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	708302	–	708302	12.53	697967	–	697967	12.35	(0.18)
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	1192492	–	1192492	21.10	1192492	–	1192492	21.10	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(1):</b>	1900794	–	1900794	33.63	1890459	–	1890459	33.45	(0.18)

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>1900794</b>	<b>–</b>	<b>1900794</b>	<b>33.63</b>	<b>1890459</b>	<b>–</b>	<b>1890459</b>	<b>33.45</b>	<b>(0.18)</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	210928	–	210928	3.73	238228	–	238228	4.22	0.49
b) Venture Capital Funds	–	–	–	–	–	–	–	–	–
c) Alternate Investment Funds	–	–	–	–	–	–	–	–	–
d) Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
e) Foreign Portfolio Investor	26414	–	26414	0.47	–	–	–	–	(0.47)
f) FI / Banks	109971	560	110531	1.96	119255	560	119815	2.12	0.16
g) Insurance Companies	698709	–	698709	12.36	698709	–	698709	12.36	–
h) Provident Funds / Pension Funds	–	–	–	–	–	–	–	–	–
i) Any Other (specify)	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1):</b>	<b>1046022</b>	<b>560</b>	<b>1046582</b>	<b>18.52</b>	<b>1056192</b>	<b>560</b>	<b>1056752</b>	<b>18.70</b>	<b>0.18</b>
<b>(2) Central Government / State Government(s) / President of India</b>	<b>17487</b>	<b>–</b>	<b>17487</b>	<b>0.31</b>	<b>19433</b>	<b>–</b>	<b>19433</b>	<b>0.34</b>	<b>0.03</b>
<b>Sub-total (B)(2):</b>	<b>17487</b>	<b>–</b>	<b>17487</b>	<b>0.31</b>	<b>19433</b>	<b>–</b>	<b>19433</b>	<b>0.34</b>	<b>0.03</b>
<b>(3) Non-Institutions</b>									
a) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1743067	77909	1820976	32.22	1748846	65493	1814339	32.10	(0.12)
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	69640	–	69640	1.23	95497	–	95497	1.69	0.46
b) NBFCs registered with RBI	–	–	–	–	7238	–	7238	0.13	0.13
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	100	–	100	0.00	100	–	100	0.00	–
Hindu Undivided Family	133184	–	133184	2.36	133861	–	133861	2.37	0.01
Non Resident Indians (Non Repat)	57127	–	57127	1.01	57887	–	57887	1.02	0.01
Non Resident Indians (Repat)	39411	–	39411	0.70	42247	–	42247	0.75	0.05
Clearing Member	25070	–	25070	0.44	26916	–	26916	0.48	0.04
Bodies Corporate	540129	1060	541189	9.58	505771	1060	506831	8.97	(0.61)
<b>Sub-total(B)(3):</b>	<b>2607728</b>	<b>78969</b>	<b>2686697</b>	<b>47.54</b>	<b>2618363</b>	<b>66553</b>	<b>2684916</b>	<b>47.50</b>	<b>(0.04)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>3671237</b>	<b>79529</b>	<b>3750766</b>	<b>66.37</b>	<b>3693988</b>	<b>67113</b>	<b>3761101</b>	<b>66.55</b>	<b>0.18</b>
<b>Total (A)+(B)</b>	<b>5572031</b>	<b>79529</b>	<b>5651560</b>	<b>100.00</b>	<b>5584447</b>	<b>67113</b>	<b>5651560</b>	<b>100.00</b>	<b>0</b>
<b>C. Non Promoter – Non Public</b>									
1) Custodian / DR Holder	–	–	–	–	–	–	–	–	–
2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	–	–	–	–	–	–	–	–	–
<b>Grand Total (A+B+C)</b>	<b>5572031</b>	<b>79529</b>	<b>5651560</b>	<b>100.00</b>	<b>5584447</b>	<b>67113</b>	<b>5651560</b>	<b>100.00</b>	<b>0</b>

**ii. Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share-holding 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	339519	6.01	Nil	339519	6.01	Nil	–
2.	Mr. Nakul P. Mehta	186830	3.31	Nil	186830	3.31	Nil	–
	<b>Total</b>	<b>526349</b>	<b>9.32</b>	<b>Nil</b>	<b>526349</b>	<b>9.32</b>	<b>Nil</b>	<b>–</b>

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

Sr. 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
1.	<b>Mr. Nikhil J. Danani</b>						
	At the beginning of the year	01.04.2018	339519	6.01	–	339519	6.01
	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	31.03.2019	339519	6.01	–	339519	6.01

Sr. 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>2.</b>	<b>Mr. Nakul P. Mehta</b>						
	At the beginning of the year	01.04.2018	186830	3.31	–	186830	3.31
	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	31.03.2019	186830	3.31	–	186830	3.31

**iv. Shareholding Pattern of Top Ten Shareholders as on March 31, 2019 (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. 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>1.</b>	<b>Life Insurance Corporation of India</b>						
	At the beginning of the year	01.04.2018	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	31.03.2019	449911	7.96	–	449911	7.96
<b>2.</b>	<b>Danmet Chemicals Pvt. Limited</b>						
	At the beginning of the year	01.04.2018	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	31.03.2019	459777	8.14	–	459777	8.14
<b>3.</b>	<b>Gayatri Education Medical And Research Foundation Pvt Ltd</b>						
	At the beginning of the year	01.04.2018	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	31.03.2019	450165	7.97	–	450165	7.97
<b>4.</b>	<b>Nasivan Investments Private Limited</b>						
	At the beginning of the year	01.04.2018	282550	5.00	–	282550	5.00
	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	31.03.2019	282550	5.00	–	282550	5.00

Sr. 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>5.</b>	<b>Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund</b>						
	At the beginning of the year	01.04.2018	210678	3.73	–	210678	3.73
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	27.04.2018	2700	0.05	Transfer	213378	3.78
		04.05.2018	4420	0.07	Transfer	217798	3.85
		18.05.2018	8700	0.16	Transfer	226498	4.01
		25.05.2018	4500	0.08	Transfer	230998	4.09
		22.06.2018	2000	0.03	Transfer	232998	4.12
		12.10.2018	5230	0.10	Transfer	238228	4.22
	At the end of the year	31.03.2019	238228	4.22	–	238228	4.22
<b>6.</b>	<b>General Insurance Corporation of India</b>						
	At the beginning of the year	01.04.2018	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	31.03.2019	172770	3.06	–	172770	3.06
<b>7.</b>	<b>Housing Development Finance Corporation Limited</b>						
	At the beginning of the year	01.04.2018	98657	1.75	–	98657	1.75
	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	31.03.2019	98657	1.75	–	98657	1.75
<b>8.</b>	<b>National Insurance Company Ltd</b>						
	At the beginning of the year	01.04.2018	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	31.03.2019	76028	1.35	–	76028	1.35
<b>9.</b>	<b>Discovery Wealth Management Services Private Limited</b>						
	At the beginning of the year	01.04.2018	25000	0.44	–	25000	0.44
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	07.09.2018	30000	0.53	Transfer	55000	0.97
		26.10.2018	(55000)	(0.97)	Transfer	–	–
		09.11.2018	38000	0.67	Transfer	38000	0.67
		30.11.2018	(6000)	(0.11)	Transfer	32000	0.56
		07.12.2018	(5000)	(0.09)	Transfer	27000	0.47
		25.01.2019	28000	0.50	Transfer	55000	0.97
	At the end of the year	31.03.2019	55000	0.97	–	55000	0.97

Sr. 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>10.</b>	<b>Runner Marketing Pvt Ltd</b>						
	At the beginning of the year	01.04.2018	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	31.03.2019	55000	0.97	–	55000	0.97

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

Sr. 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
<b>1.</b>	<b>Mr. Nikhil J. Danani</b>						
	At the beginning of the year	01.04.2018	339519	6.01	–	339519	6.01
	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	–	–
	At the end of the year	31.03.2019	339519	6.01	–	339519	6.01
<b>2.</b>	<b>Mr. Nakul P. Mehta</b>						
	At the beginning of the year	01.04.2018	186830	3.31	–	186830	3.31
	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	31.03.2019	186830	3.31	–	186830	3.31
<b>3.</b>	<b>Shome N. Danani</b>						
	At the beginning of the year	01.04.2018	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	–	–
	At the end of the year	31.03.2019	2898	0.05	–	2898	0.05
<b>4.</b>	<b>Prakash V. Mehta</b>						
	At the beginning of the year	01.04.2018	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	–	–
	At the end of the year	31.03.2019	325	0.01	–	325	0.01



Sr. 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
<b>5.</b>	<b>Sanjiv N. Shah</b>						
	At the beginning of the year	01.04.2018	4560	0.08	–	4560	0.08
	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	31.03.2019	4560	0.08	–	4560	0.08
<b>6.</b>	<b>Jairaj C. Thacker</b>						
	At the beginning of the year	01.04.2018	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	–	–
	At the end of the year	31.03.2019	Nil	Nil	–	Nil	Nil
<b>7.</b>	<b>Ravishanker Prasad</b>						
	At the beginning of the year	01.04.2018	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	–	–
	At the end of the year	31.03.2019	Nil	Nil	–	Nil	Nil
<b>8.</b>	<b>Mahnaz A. Curmally</b>						
	At the beginning of the year	01.04.2018	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	–	–
	At the end of the year	31.03.2019	Nil	Nil	–	Nil	Nil
<b>9.</b>	<b>Rajeshwar D. Bajaj</b>						
	At the beginning of the year	01.04.2018	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	–	–
	At the end of the year	31.03.2019	Nil	Nil	–	Nil	Nil
<b>10.</b>	<b>Durgesh N. Nagarkar</b>						
	At the beginning of the year	01.04.2018	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	–	–
	At the end of the year	31.03.2019	Nil	Nil	–	Nil	Nil
<b>11.</b>	<b>Yogendra S. Agarwal</b>						
	At the beginning of the year	01.04.2018	510	0.01	–	510	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	–	–
	At the end of the year	31.03.2019	510	0.01	–	510	0.01

**II. INDEBTEDNESS:**

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,467.56	17,997.00	–	21,464.56
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	7.10	75.39	–	82.49
<b>Total (i+ii+iii)</b>	<b>3,474.66</b>	<b>18,072.39</b>	<b>–</b>	<b>21547.05</b>
Change in Indebtedness during the financial year				
• Addition	8,930.90	69,542.00	–	78,472.90
• Reduction	10,974.66	69,072.39	–	80,047.05
<b>Net Change</b>	<b>(2,043.76)</b>	<b>469.61</b>	<b>–</b>	<b>(1,574.15)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1430.90	18,500.00	–	19,930.90
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	42.00	–	42.00
<b>Total (i+ii+iii)</b>	<b>1430.90</b>	<b>18,542.00</b>	<b>–</b>	<b>19,972.90</b>

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WT/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	75,00,000	75,00,000	48,75,000	1,98,75,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission	1,55,43,625	93,26,175	–	2,48,69,800
	– as % of profit	2.56	1.54	–	–
	– others, specify	–	–	–	–
5	Others, please specify	–	–	–	–
	<b>Total (A)</b>	<b>2,90,43,625</b>	<b>2,28,26,175</b>	<b>87,75,000</b>	<b>6,06,44,800</b>
	Ceiling as per the Act	–	–	–	–

**B. Remuneration to other Directors:**

Amount (in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total
		Mr. Prakash V. Mehta	Mr. Sanjiv N. Shah	Mr. Jairaj C. Thacker	Mr. Rajeshwar D. Bajaaj	
<b>1.</b>	<b>Independent Directors</b>					
	Fee for attending board/committee meetings	4,70,000	3,10,000	3,25,000	1,75,000	12,80,000
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	<b>Total (1)</b>	<b>4,70,000</b>	<b>3,10,000</b>	<b>3,25,000</b>	<b>1,75,000</b>	<b>12,80,000</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	2,10,000	2,10,000	–	–	4,20,000
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	<b>Total (2)</b>	<b>2,10,000</b>	<b>2,10,000</b>	<b>–</b>	<b>–</b>	<b>4,20,000</b>
	<b>Total (B) = (1+2)</b>					<b>17,00,000</b>
	<b>Total Managerial Remuneration</b>					<b>6,23,44,800</b>
	Overall Ceiling as per the Act	–	–	–	–	–

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO (*)	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,19,444	58,28,021	97,47,465
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,59,414	28,154	1,87,568
	(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</b>	<b>40,78,858</b>	<b>58,56,175</b>	<b>99,35,033</b>

\* Mr. Sandeep M. Tilak resigned as Chief Financial Officer ('CFO') effective May 31, 2018, hence his remuneration for the F.Y. 2018- 2019 is from April 1, 2018 to May 31, 2018 (Total Remuneration ₹ 27,58,155/-).  
 Mr. Yogendra S. Agarwal appointed as Chief Financial Officer ('CFO') effective June 1, 2018, hence his remuneration for the F.Y. 2018- 2019 is from June 1, 2018 to March 31, 2019 (Total Remuneration ₹ 30,98,020/-).

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

There were no penalties, punishments, compounding of offences for the financial year ended March 31, 2019.

**ANNEXURE IV**

**DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014**

**(A) Conservation of energy:**

<b>Steps taken or impact on conservation of energy</b>	<ol style="list-style-type: none"> <li>1) Installed energy efficient scroll chiller of 10TR for VPD in place of reciprocating chiller for VPD-1 &amp; VPD-2 in T-1 shed, resulted in saving of Energy by 17,280/ KWH / annum.</li> <li>2) Conventional tube lights, Hi-bay metal halide lamp and office PL lamps were replaced by suitable energy efficient LED light fittings, resulted in saving energy of 10,385 KWH/ annum.</li> <li>3) Maintaining power factor of 0.99 to utility, resulted in saving of ₹ 25.92 lakhs / annum.</li> <li>4) Installed more energy efficient lights in place of less energy efficient /conventional lights resulted in saving of ₹ 3.2 lakhs / annum, details are as below: <ol style="list-style-type: none"> <li>a) Installed 31 Nos LED lights 80W in place of 150W Metal halide (23 Nos) and 96W Asian lights fitting (10 Nos)</li> <li>b) Installed LED light in motor office area in place of conventional light fittings</li> <li>c) Installed LED 36W (30 No) in street lighting in place of 150W Metal halide (20 Nos.) and 96W Asian light fitting (15 Nos.).</li> </ol> </li> <li>5) Compressor air-end replaced resulted in efficiency improvement by 1.8%.</li> <li>6) Installed 01 No. of dry type paint booth.</li> <li>7) MTM Factory is Green Gold Certified.</li> </ol>
<b>Steps taken by the company for utilizing alternate sources of energy</b>	<ol style="list-style-type: none"> <li>1) Polycarbonate transparent sheet installed on the plant roof for better illumination in day time resulted in energy saving (use of natural sunlight) resulted in savings of 14KWH / day.</li> </ol>
<b>Capital investment on energy conservation equipment</b>	<ol style="list-style-type: none"> <li>1) ₹ 2.81 lakhs for installation of 10TR scroll chiller.</li> <li>2) DC Tool: ₹ 5.36 lakhs.</li> <li>3) Paint Booth: ₹ 2.40 lakhs.</li> <li>4) Temp. Data logger on curing oven: ₹ 0.17 lakhs.</li> <li>5) An investment of ₹ 3.61 lakhs was made on energy conservation equipment.</li> <li>6) Polycarbonate sheet: ₹ 1.18 lakhs</li> </ol>

**(B) Technology absorption:**

<b>Efforts made towards technology absorption</b>	<ol style="list-style-type: none"> <li>1) Portable planner / oscillator introduced in place of manual chipping of perma-wood ring slot cutting, resulted in ease, safe and time saving operation in assembly section.</li> <li>2) Following machine / tooling installed: <ol style="list-style-type: none"> <li>a. 20 kg dynamic balancing computerized machine (ABRO Make).</li> <li>b. 50 kg vertical balancing computerized machine (ABRO Make).</li> <li>c. CNC machine (LMW make) for stator spigot.</li> <li>d. DC tools in Assembly line.</li> <li>e. Paint booth (Dry type)</li> <li>f. Online temperature monitoring data-logger system installed at winding oven.</li> </ol> </li> </ol>
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<b>Benefits derived like product improvement, cost reduction, product development or import substitution</b>	1) Reduction in production lead time. 2) Maintenance cost saved after replacing the LED light fitting. (5 years warranty for 80W LED) and also illumination levels improved. 3) Quality improvement. 4) Reduction in hazardous waste. 5) EOHS requirements are met.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
<b>Details of technology imported</b>	–
<b>Year of import</b>	–
<b>Whether the technology has been fully absorbed</b>	–
<b>If not fully absorbed, areas where absorption has not taken place, and the reasons thereof</b>	–
<b>Expenditure incurred on Research and Development</b>	–

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

	<b>1st April, 2018 to 31st March, 2019 (Current F.Y.)</b>	1st April, 2017 to 31st March, 2018
	<b>Amount (₹ in lakhs)</b>	Amount (₹ in lakhs)
Actual Foreign Exchange earnings	<b>752.52</b>	947.15
Actual Foreign Exchange outgo	<b>3195.13</b>	2965.72

**ANNEXURE V**

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

Since inception Company conducts all its business operations on the principles of transparency, fairness, integrity, accountability, empowerment and trusteeship. This, we in Bharat Bijlee Limited believe and practice as our philosophy of Corporate Governance.

Management is committed to ensure that day to day and strategic business transactions are conducted in an open, transparent and honest manner and follow high legal and ethical standards.

Company is in compliance with all the requirements relating to Corporate Governance in terms 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).

Mr. Shome N. Danani, Executive Whole Time Director (DIN 00217787), is liable to retire by rotation at the ensuing 72nd Annual General Meeting of the Company to be held on Monday, September 09, 2019, and being eligible, will be re-appointed as a Director, subject to members approval.

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 2018-2019, six (6) meetings of the Board of Directors' were held on the following dates:**

1. May 10, 2018,
2. June 28, 2018,
3. July 25, 2018\*,
4. August 10, 2018
5. November 13, 2018 and
6. January 24, 2019

\* Board Meeting held on July 25, 2018 was adjourned due to lean and late attendance of Directors on account of "MUMBAI BANDH", and was re-scheduled to August 10, 2018.

**c. The composition of the Board, Directorships / Membership of Committee of other Companies as on March 31, 2019, 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 June 28, 2018	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, 2019
						As Member	As Chairman		
1.	Mr. Prakash V. Mehta – Chairman (DIN: 00001366)	Independent Non-Executive	6/6	YES	6*	8* @	4	4,70,000	325
2.	Mr. Nikhil J. Danani – Managing Director (DIN: 00056514)	Executive Promoter	6/6	YES	—*	—	—	—	3,39,519
3.	Mr. Nakul P. Mehta- Managing Director (DIN: 00056561)	Executive Promoter	5/6	YES	—*	—	—	—	1,86,830
4.	Mr. Shome N. Danani (DIN: 00217787)	Executive	6/6	YES	—*	—	—	—	2,898
5.	Mr. Sanjiv N. Shah (DIN: 00007211)	Independent Non-Executive	4/6	YES	1*	—	—	3,10,000	4,560
6.	Mr. Jairaj C. Thacker (DIN: 00108552)	Independent Non Executive	4/6	NO	—*	—	—	3,25,000	
7.	Mr. Ravishanker Prasad # (DIN: 06641845)	Non-Executive	6/6	YES	—	—	—	2,10,000	
8.	Ms. Mahnaz A. Curmally (DIN: 06907271)	Non-Executive	6/6	YES	—	—	—	2,10,000	
9.	Mr. Rajeshwar D. Bajaaj (DIN: 00087845)	Independent Non Executive	5/6	YES	—*	—	—	1,75,000	
							<b>Total</b>	<b>17,00,000</b>	

@ includes membership in Nomination & Remuneration Committee in 2 companies.

\* Excludes 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, Mr. Shome N Danani (DIN: 00217787), Executive Whole-time Director, being longest in office, is liable to retire by rotation. Mr. Danani has offered himself for re-appointment and resolution for his re-appointment, is incorporated in the Notice of the ensuing 72<sup>nd</sup> Annual General Meeting.

During the period under review, Mr. Nikhil J. Danani (DIN: 00056514) and Mr. Nakul P. Mehta (DIN: 00056561), on the recommendation of Nomination and Remuneration Committee as well as Board, were re-appointed as Managing Directors, for a period of five (5) years with effect from June 20, 2019 to June 19, 2024, in line with the provisions of Sections 196, 197, 198, 200 and 203 read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder. The respective re-appointments were approved by Members vide Postal Ballot (including e-Voting) concluded on March 5, 2019.

Further, a Special Resolution was passed pursuant to Section 196 (3) read with Part-I of Schedule V of the Companies Act, 2013, vide Postal Ballot (including e-Voting) concluded on March 5, 2019, which allows Mr. Nikhil J. Danani (DIN: 00056514), to continue holding office of Managing Director, up to the expiry of his term of office, i.e. from June 20, 2019 to June 19, 2024, who shall be attaining the age of seventy (70) years on August 31, 2019.

In line with the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which came into effect from April 1, 2019, a person who has attained the age of seventy five (75) years can continue directorship in a Listed entity as a Non-Executive Director, only if approval of Members of the said entity is obtained by way of a Special Resolution. Mr. Prakash V. Mehta (DIN: 00001366), Chairman (Independent Non-Executive Director) and Mr. Rajeshwar D. Bajaaj (DIN: 00087845) (Independent Non-Executive Director), had already attained the age of 75 years before April 1, 2019. In view of the same, Members approval was sought by passing respective Special Resolutions, vide Postal Ballot (including e-Voting) concluded on March 5, 2019, for continuation of directorship of Mr. Mehta and Mr. Bajaaj, for their respective remaining term, valid up to September 10, 2019.

**e. Code of Conduct:**

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 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.

Further, during the year under review, Company adopted following Codes / Policies in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Amendment Regulations, 2018 and the original SEBI (Prohibition of Insider Trading) Regulations, 2015, through a circular resolution passed on March 19, 2019, viz.:

1. Code of Internal Procedure and conduct for Regulating, Monitoring and Reporting of Trading by Insiders (amended);
2. Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (amended); and
3. Policy and Procedure for Enquiry in case of Leak of Unpublished Price Sensitive Information or Suspected Leak of Unpublished Price Sensitive Information (new) to be effective from April 1, 2019.

**f. Board Independence:**

Based on the confirmation / disclosures received from 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.

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

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 "Familiarization programme of Independent Directors", the details of which can be viewed at [www.bharatbijlee.com](http://www.bharatbijlee.com).

Also, familiarization programme details for the financial year 2018-2019 has been hosted on [www.bharatbijlee.com](http://www.bharatbijlee.com).

**h. Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Non-Independent Directors, Board and Chairman of the Company were evaluated by the Independent Directors of the Company in a separate meeting of Independent Directors held on January 24, 2019. The Independent Directors expressed their satisfaction with the evaluation process.

In line with Section 178(2) of the Companies Act, 2013, it was unanimously approved by the Nomination & Remuneration Committee in its Meeting held on January 24, 2019, that from the financial year 2018-2019 onwards, only the Board should carry out the Performance Evaluation process of:

- Board as a Whole;
- Various Committees of the Board; and
- Individual Directors.

Accordingly, the annual performance evaluation of Board as a whole, various Committees of the Board, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Banking Committee and of all the Directors was undertaken in the Board Meeting held on January 24, 2019. The Board of Directors expressed their satisfaction with the evaluation process.



i. Chart or a Matrix setting out the skills / expertise / competence of the Board of Directors.

Sr. No.	Skills / Expertise / Competence / Experience	Particulars	Board of Directors
1	Business Strategy Planning and Risk minimization	Ability to strategize and plan in achieving effectiveness, perceiving and utilizing opportunities, mobilization of resources, meeting of challenges and threats, directing efforts and behavior and to formulate a comprehensive plan to enhance the Company's performance by minimizing risks and costs.	Mr. Prakash V. Mehta Mr. Nikhil J. Danani Mr. Nakul P. Mehta Mr. Shome N. Danani
2	Finance, Accounting, Legal and Commercial	Comprehensive knowledge and understanding of banking, finance and financial reports, treasury functions, management accounting, Accounting Standards, analyzing of financial statements, controls and budgets, effective procurement, understanding of legal acts/rules/laws and its applicability /compliance in business, managing of supply chain.	Mr. Sanjiv N. Shah Mr. Prakash V. Mehta Mr. Jairaj C. Thacker Mr. Rajeshwar D. Bajaj
3	Sales / Marketing / Brand Building	Comprehensive understanding of the product vis-à-vis the serviced markets, developing of strategies to increase market share of the products and customer base, brand building by overarching the image that represents the Company.	Mr. Nikhil J. Danani Mr. Nakul P. Mehta Mr. Shome N. Danani Ms. Mahnaz A. Curmally Mr. Ravishankar Prasad
4	Production Planning and Control	Understanding the business of the organization and planning of the manufacturing process, procurement of materials, routine & scheduling, quality control, testing, material control, inspection, machine tooling, logistic planning & dispatch.	Mr. Nikhil J. Danani Mr. Nakul P. Mehta Mr. Shome Danani

**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, acts as the Secretary of the Committee.

The Managing Directors, CFO & Vice President: Finance, General Manager: Internal Audit, General Manager – Cost and Management Accounting attend the Audit Committee meetings by invitation. Statutory Auditors and Cost Auditors are also invited to attend the meetings.

**a. Meetings & Attendance:**

The Audit Committee had five (5) meetings during the Financial year 2018-19 and were held on the following dates:

1. May 10, 2018;
2. July 25, 2018\*
3. August 10, 2018
4. November 13, 2018 and
5. January 24, 2019

\* The Audit Committee Meeting held on July 25, 2018 was adjourned due to lean and late attendance of Directors on account of "MUMBAI BANDH", and was re-scheduled on August 10, 2018.

Mr. Prakash V. Mehta, attended all five (5) meetings, Mr. Jairaj C. Thacker attended four (4) 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, and 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 May 10, 2018 and January 24, 2019.

Mr. Prakash V. Mehta and Mr. Sanjiv N. Shah attended both the meetings and Mr. Jairaj C. Thacker attended one (1) meeting.

**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 2018-2019 is as under:

	Salary (in ₹)	Perquisites (in ₹)	Commission Payable for the FY 2018-2019	Total (in ₹)
Mr. Nikhil J. Danani	60,00,000	75,00,000	1,55,43,625	2,90,43,625
Mr. Nakul P. Mehta	60,00,000	75,00,000	93,26,175	2,28,26,175
Mr. Shome N. Danani	39,00,000	48,75,000	–	87,75,000

The Managing Directors and Executive Director are paid remuneration as approved and recommended by Nomination and Remuneration Committee and Board of Directors and by Shareholders of the Company.

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 forms were 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).

**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, acts as the Secretary of the Committee. The Committee has met once, on January 24, 2019, wherein all members were present. The total number of grievances received and resolved by the Committee to the satisfaction of the shareholders was 2, all related to non-receipt of Annual Report. There were no requests for share transfer / transmission / deletions of names etc. pending as on March 31, 2019 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, dematerialization 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, acts as the Secretary of the Committee.

During the year under review there was no CSR Meeting held.

The Company has incurred average net loss for the last three (3) financial years as under:

Year	Profit/Loss (-) Amount (₹ in Lakhs)
2015-2016	(630.20)
2016-2017	(1135.88)
2017-2018	(574.60)
Total	(2340.68)

Average Net Profit / (Loss) for last three (3) financial years: ₹ (780.23) Lakhs.

Accordingly in absence of average Net Profits for the three (3) immediately preceding 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 2018-2019 and hence it was recommended by the CSR Committee at their meeting held on May 6, 2019, that no spend on CSR activity is necessary during the financial year 2018-2019.

**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 referred to in point a. above.
- 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 under review, in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations, a separate meeting of Independent Directors was convened, on January 24, 2019, all the independent Directors, Mr. Prakash V. Mehta, Mr. Sanjiv N. Shah and Mr. Jairaj C. Thacker Except Mr. Rajeshwar D. Bajaaj attended the meeting 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
2017-2018	28-06-2018 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
2016-2017	30-06-2017 at 3.00 p.m. at Walchand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020	1	Following Special Resolution was passed. 1) Re-appointment and to fix the Remuneration of Mr. Shome N. Danani as a “Whole-time Director” designated as “Executive Director” for a period of 3 years from January, 28, 2017 to January 27, 2020.
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	Following 2 Special Resolutions were passed. 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.

## 9. Postal Ballot:

During the year under review Company conducted a Postal Ballot (including e-voting) in terms of Section 110 of the Companies Act, 2013 (“the Act”) read with Rule 22 of Companies (Management and Administration) Rules, 2014 (“Postal Ballot Rules”), and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and passed below mentioned Special Resolutions with requisite majority by the members.

- (1) Re-appointment and Remuneration of Mr. Nikhil J. Danani (DIN: 00056514) as Managing Director of the Company, for a term of five (5) years from June 20, 2019 to June 19, 2024 and continuation of his office beyond the age limit of 70 years.
- (2) Re-appointment and Remuneration of Mr. Nakul P. Mehta (DIN: 00056561), as Managing Director of the Company, for a term of five (5) years from June 20, 2019 to June 19, 2024.
- (3) Continuation of directorship of Mr. Prakash V. Mehta (DIN: 00001366), Non-Executive and Independent Director, designated as Chairman, who has attained the age of above 75 years, for his remaining term, valid upto September 10, 2019; and
- (4) Continuation of directorship of Mr. Rajeshwar D. Bajaaj (DIN: 00087845), Non-Executive and Independent Director, who has attained the age of above 75 years, for his remaining term, valid upto September 10, 2019;

Company had appointed Mr. N. L. Bhatia, Partner, M/s N. L. Bhatia & Associates, Practicing Company Secretary as the Scrutinizer for this postal ballot process who submitted his report on March 5, 2019. The result of the Postal Ballot was announced on March 5, 2019 at the Registered Office of the Company.

The details of the Postal Ballot are as under:

- A. Re-appointment and remuneration of Mr. Nikhil J. Danani (DIN: 00056514) as Managing Director of the Company, for a further period of 5 years and continuation of office beyond the age limit of 70 years:

Votes cast:

	Number of Members (e-voting and Postal Ballot)	Number of Votes cast by them	% of total number of valid votes cast
(i) Voted in favour of the resolution	110	2143955	99.85
(ii) Voted against the resolution	13	3294	0.15

Invalid Votes	Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
	15	1087

- B. Re-appointment and remuneration of Mr. Nakul P. Mehta (DIN: 00056561) as Managing Director of the Company, for a further period of 5 years

Votes cast:

	Number of Members (e-voting and Postal Ballot)	Number of Votes cast by them	% of total number of valid votes cast
(i) Voted in favour of the resolution	109	2143773	99.84
(ii) Voted against the resolution	13	3446	0.16

Invalid Votes	Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
	16	1117

- C. Continuation of directorship of Mr. Prakash V. Mehta (DIN: 00001366), Non-Executive and Independent Director, designated as Chairman, who has attained the age of above 75 years, for his remaining term, valid upto September 10, 2019:

Votes cast:

	Number of Members (e-voting and Postal Ballot)	Number of Votes cast by them	% of total number of valid votes cast
(i) Voted in favour of the resolution	107	2144245	99.86
(ii) Voted against the resolution	14	2899	0.14

Invalid Votes	Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
	17	1167

- D. Continuation of directorship of Mr. Rajeshwar D. Bajaaj (DIN: 00087845), Non-Executive and Independent Director, who has attained the age of above 75 years, for his remaining term, valid upto September 10, 2019:

Votes cast

	Number of Members (e-voting and Postal Ballot)	Number of Votes cast by them	% of total number of valid votes cast
(i) Voted in favour of the resolution	108	2144265	99.87
(ii) Voted against the resolution	12	2869	0.13

Invalid Votes	Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
	18	1177

**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 employee of the Company has 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., [www.bharatbijlee.com](http://www.bharatbijlee.com).

There are no complaints received during the financial year 2018-19.

**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 2018-2019	12	1430
Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during the Financial Year 2018-2019	–	–
Transferred to IEPF Demat Account during the year 2018-19	–	–
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2018-2019	12	1430

The voting rights in respect of the above 1,430 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:**

- 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. 34.2 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. [www.bharatbijlee.com](http://www.bharatbijlee.com).
- Quarterly Disclosures – Results and notes thereon.
- 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.
- 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.
- 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.
- 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 [www.bharatbijlee.com](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 unqualified Audit Report on the financial statements of the Company for the financial year ended March 31, 2019.
  - 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 not made any presentation to Institutional Investors / Analysts during the financial year.
- iii. Management Discussion and Analysis is covered as part of this Annual Report.
- iv. Company has in place the (Prohibition of Insider Trading) Regulations, 2015 which came into force from May 15, 2015. Further, during the year under review, Company adopted following Codes / Policies in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Amendment Regulations, 2018 and the original SEBI (Prohibition of Insider Trading) Regulations, 2015, through a circular resolution passed on March 19, 2019, viz.:
  1. Code of Internal Procedure and conduct for Regulating, Monitoring and Reporting of Trading by Insiders (amended);
  2. Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (amended); and
  3. Policy and Procedure for Enquiry in case of Leak of Unpublished Price Sensitive Information or Suspected Leak of Unpublished Price Sensitive Information (new) to be effective from April 1, 2019.Mr. Durgesh N. Nagarkar, Company Secretary and Senior General Manager, Legal, is the Compliance officer for the purpose of this Code.
- v. The Company has its own website, [www.bharatbijlee.com](http://www.bharatbijlee.com).

**14. General Shareholders Information:**

**i. Annual General Meeting:**

**Day :** Monday

**Date :** September 9, 2019

**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:**

Monday September 2, 2019 to Monday September 09, 2019 (both days inclusive).

**iv. Dividend Payment Date:** After September 10, 2019

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

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 • Website : www.bseindia.com

**Stock Code**

503960

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 : nseiscmmum@nse.co.in • Website : www.nseindia.com

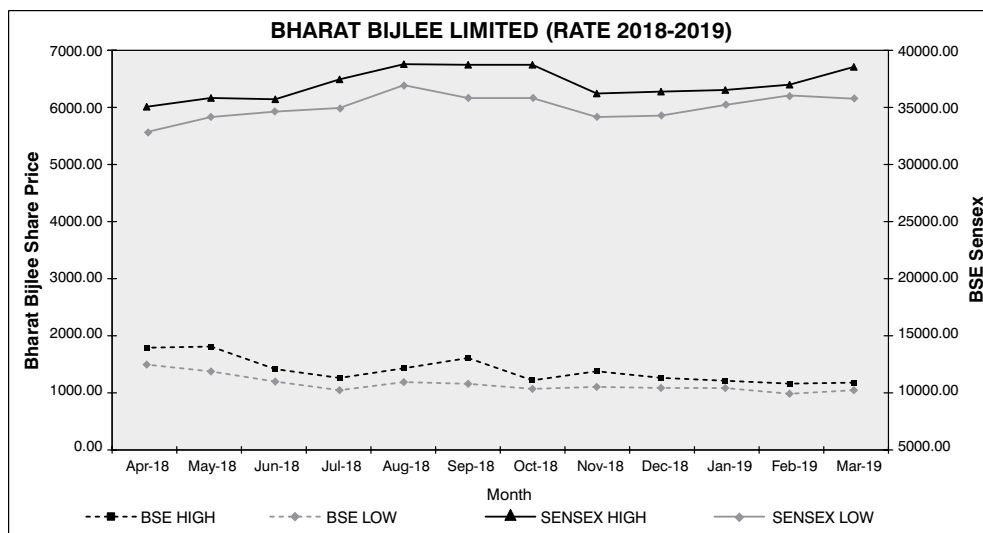
BBL

The Listing fees for the financial year 2019-20 have been paid to both BSE & NSE.

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

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

Month	BSE	BSE	NSE	NSE
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2018	1770.00	1470.00	1764.95	1466.05
May, 2018	1790.00	1348.90	1789.80	1343.00
June, 2018	1390.00	1169.00	1393.95	1175.00
July, 2018	1233.35	1016.25	1243.80	1006.80
August, 2018	1405.00	1160.00	1407.00	1162.00
September, 2018	1587.00	1129.25	1586.00	1126.25
October, 2018	1191.05	1040.00	1200.00	1040.00
November, 2018	1351.95	1074.90	1354.00	1073.20
December, 2018	1235.25	1056.00	1234.00	1071.05
January, 2019	1183.60	1053.70	1183.95	1060.00
February, 2019	1132.70	953.00	1130.95	950.00
March, 2019	1150.10	1015.95	1155.00	1025.50


**vii. Registrar and Share Transfer Agents:**

Link Intime India Pvt. Ltd  
C-101, 1st 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 31-03-2019**

Sr. No.	No. of Equity Shares held	No. of shareholders	No. of shares	% of shareholders	% of shareholding
1.	1-500	18437	10,29,340	96.13	18.21
2.	501-1,000	379	2,81,533	1.98	4.98
3.	1,001-2,000	176	2,50,683	0.92	4.44
4.	2,001-3,000	69	1,72,539	0.36	3.05
5.	3,001-4,000	21	73,678	0.11	1.30
6.	4,001-5,000	17	78,333	0.09	1.39
7.	5,001-10,000	35	2,36,865	0.18	4.19
8.	10,001- above	45	35,28,589	0.23	62.44
	<b>Total</b>	<b>19179</b>	<b>56,51,560</b>	<b>100.00</b>	<b>100.00</b>

**Share Holding Pattern as on 31-03-2019**

Sr. No.	Category	No. of shares	% to total shareholding
1	Promoters & Promoter Group	18,90,459	33.45
2	Financial Institutions/Banks	8,18,524	14.48
3	Mutual Funds/ UTI	2,38,228	4.22
4	NRIs/OCBs	1,00,134	1.77
5	Corporate Bodies	5,06,831	8.97
6	Indian Public	20,97,384	37.11
	<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 March 31, 2019, 98.81% of shares have been held in dematerialized form and the rest are in physical form. All promoters' shareholding are in dematerialized 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:**

The Company is exposed to price risk on account of procurement of following commodities to be used in its manufacturing activities.

Commodity Name	Exposure in INR (Lakhs) towards the particular commodity	Exposure in Quantity terms (MT) towards the particular commodity	% of such exposure hedged through commodity derivatives			
			Domestic market		International market	
			OTC	Exchange	OTC	Exchange
Copper	20,505.74	4,057.90	–	–	–	–
<b>Total</b>	<b>20,505.74</b>	<b>4,057.90</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

The business related financial risk involving commodity prices, by and large, is managed contractually through either price variation clause or inventory or back-to-back contracts with vendors.

**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:

- Link Intime India Pvt. Ltd.  
Unit: Bharat Bijlee Limited  
C-101, 1<sup>st</sup> Floor, 247 Park,  
Lal Bahadur Shastri Marg,  
Vikhroli (West), Mumbai 400 083.  
Tel : +91 22 49186270  
Fax : +91 22 49186060
- Bharat Bijlee Limited.  
Electric Mansion, 6<sup>th</sup> Floor,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025.  
Tel : 022 24306237  
Fax : 022 24370624
- 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

**xv. List of Credit Rating:**

The credit rating for the bank facilities enjoyed by the Company has improved from ICRA A (Long Term) and ICRA A1 (Short Term) to ICRA A+ (Long Term) and ICRA A1+ (Short Term).

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

**Prakash V. Mehta**

DIN: 00001366

Chairman

Place : Mumbai

Date : July 25, 2019

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## **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, 2019.

**For Bharat Bijlee Limited**

Place : Mumbai  
Date : July 25, 2019

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

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## **Auditors' Certificate regarding compliance of conditions of Corporate Governance**

### **To the Members of Bharat Bijlee Limited**

We have examined all the relevant records of Bharat Bijlee Limited ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period from April 1, 2018 to March 31, 2019. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the said Listing Regulations.

We further 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 M/s N. L. Bhatia & Associates**  
**Practising Company Secretaries**  
UIN: P1996MH055800

Date : July 22, 2019  
Place : Mumbai

**sd/-**  
**N. L. Bhatia**  
**Managing Partner**  
FCS: 1176  
CP. No. 422

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**MANAGING DIRECTOR & CFO CERTIFICATION 2018-2019**

The Board of Directors

**Bharat Bijlee Limited**

Dear Sirs,

We, the Vice Chairman & Managing Director, Mr. Nikhil J. Danani and the CFO & Vice President Finance, Mr. Yogendra S. Agarwal, hereby certify in terms of Regulation 17 (8) read with Part B of Schedule II of LODR, 2015:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 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

**Yogendra S. Agarwal**  
CFO & Vice President: Finance

Date : May 6, 2019  
Place : Mumbai

**ANNEXURE VI**

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**SECRETARIAL AUDIT REPORT****FORM NO. MR-3****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

[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, 2019 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, 2019 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;  
**Not applicable to the Company during the Financial Year**
  - 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; **Not applicable to the Company during the Financial Year**
  - 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
- (22) Food and Drug Administration Act, 1906
- (23) The Food Safety and Standard Act, 2011

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.

During the year under review, the shareholders granted their assent by way of Special Resolution dated March 05, 2019 for:

1. Re-appointment and Remuneration of Mr. Nikhil J. Danani (DIN: 00056514) as Managing Director of the company for a further period of 5 years and continuation of office beyond the age limit of 70 years
2. Re-appointment and Remuneration of Mr. Nakul P. Mehta (DIN: 00056561) as Managing Director of the company for a further period of 5 years
3. Continuation of Mr. Prakash V. Mehta (DIN: 00001366), Chairman, as a Non-Executive and Independent director of the company despite exceeding the age limit of 75 years.
4. Continuation of Mr. Rajeshwar D. Bajaj (DIN: 00087845), as a Non-Executive and Independent director of the company despite exceeding the age limit of 75 years.

Date: April 21, 2019  
Place: Mumbai

**For N. L. Bhatia & Associates**  
**Company Secretaries**  
**UIN: P1996MH055800**

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

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**INDUSTRY STRUCTURE AND DEVELOPMENTS, OPPORTUNITIES AND THREATS**

The domestic economy during the financial year 2018-19 faced challenges resulting from a mixed macro-economic environment. The balance sheets of the banking and corporate sectors, and of the Government remain strained. Further, the Central Bank adopted a tight monetary policy during most of the year, with consequent increases in real interest rates during that period. As a result the investment rate in the economy moderated, thereby impacting demand for the capital goods. Capital expenditure from the private sector barring select industries remained muted.

The Indian transformer industry, which had substantially added capacities over the past years in anticipation of domestic and overseas demand, has witnessed overcapacity. This has been compounded by stagnant demand due to slowdown in project approvals, lack of funds, and a slowdown in private investment in the manufacturing sector. To achieve its objective of “Power for All” and “Make in India”, the Government has undertaken several initiatives to strengthen the power transmission and distribution network. These include UDAY for the financial turn-around of power distribution companies, “Deendayal Upadhyaya Gram Jyoti Yojana” for rural electrification, “Saubhagya” for last mile connectivity to rural consumers and intra-state transmission projects. These initiatives coupled with revival of private capital expenditure will be the drivers of growth for the industry.

The electrical motors industry has benefited from the Government’s Quality Control Order prohibiting the sale and manufacture of motors of efficiency class lower than IE2 (High Efficiency). As 95% of the lifetime cost of a motor is the cost of energy it consumes, this landmark legislation will also benefit the environment and the economy at large. While the Government’s emphasis on adoption of energy efficient motors, a corresponding awareness among industrial users, and initiatives such as Make in India, Smart City Mission, affordable housing, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) are expected to positively influence the electric motors market in India, consistent demand growth remains dependent on growth in core sectors of the economy.

**OPERATIONAL AND FINANCIAL PERFORMANCE OF SEGMENTS**

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.

Our efforts to reduce dependence on Public Sector Utilities and to increase our market share in the industrial segment are yielding results. However, the sector continues to suffer from overcapacity and almost stagnant demand. Though the Company achieved a near full utilization of capacity, intense competition kept prices low and margins muted.

For the Project business, we continue to tread cautiously, targeting orders from customers of repute to ensure timely completion of projects with reasonable profitability.

The revenue of Power Segment increased by 6.9% but segmental profit decreased by 21.3% due to over-supply in the industry leading to intense price competition amongst manufacturers.

**Industrial Systems:**

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

Electric Motors impact almost every aspect of modern living. Hence the Motors business and GDP have a strong positive correlation. Despite moderate GDP growth, the mandated shift to a minimum efficiency, and growth in a few industry sectors proved to be positive factors. Your Company has obtained orders from the Indian Railways for its ongoing programme to replace diesel locomotives to electric as part of efforts to completely electrify the broad gauge network.

The Drives and Automation business has been developing newer applications with an eye on widening its market reach, and we expect these efforts to enrich its portfolio in the coming years.

MTM commissioned its new IGBC certified manufacturing facility in May 2018, and achieved its highest ever volume in spite of strong competition with multiple international brands who have entered the Indian market. The focus on value engineering and high quality products has helped not only to combat competition in the domestic market but to significantly grow export sales.

The revenue of the Industrial Systems Segment grew by 34.6%, and segmental profit increased by 151.6%, as your Company successfully seized available market opportunities.



**SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

Key Financial Ratio	FY 2018-19	FY 2017-18	Change (%)	Reason for Change more than 25%
Debtors Turnover Ratio	3.64	2.62	39%	Tight Credit Control and faster collections from the customers
Inventory Turnover Ratio	6.33	6.97	-9%	–
Interest Coverage Ratio <sup>1</sup>	-10.88	32.78	-133%	Net Finance Cost turned negative in the current year due to higher interest income and lower interest expense
Current Ratio	1.71	1.50	14%	–
Debt Equity Ratio <sup>2</sup>	0.42	0.53	-20%	–
Return on Net Worth <sup>3</sup>	10.78%	18.22%	-41%	The previous year net profit included exceptional income
Operating Profit Margin <sup>4</sup>	6.64%	3.35%	99%	Higher profitability in the Industrial Systems
Net Profit Margin <sup>5</sup>	4.45%	7.88%	-43%	The previous year net profit included exceptional income

1 (Profit before Tax + Finance Cost + Depreciation – Interest Income) / (Finance Cost – Interest Income)

2 (Gross Debt – Cash and Cash Equivalents – Current Investments) / (Equity Capital + Other Equity – Other Comprehensive Income)

3 Profit after Tax / Average Equity Capital and Other Equity less Other Comprehensive Income

4 (Profit before Tax – Exceptional Income) / Turnover

5 Profit after Tax / Turnover

**RISKS AND CONCERNS**

Tight liquidity in the domestic financial markets in spite of an accommodative policy stance by the Central Bank, a continuing overhang of underutilized manufacturing capacity and muted private sector capital expenditure remain the key risks.

**INTERNAL CONTROLS AND RISK MANAGEMENT**

Most Internal Controls of the Company have been automated through the SAP ERP system. System driven controls ensure consistency, continuous monitoring and compliance. Internal Controls have been designed to mitigate financial and operational risks and to ensure that transactions are being made within the authority delegated by the top management, are recorded properly and reported correctly.

Internal controls across the Company are periodically reviewed and tested to assess its adequacy and effectiveness both by the Company's Internal Audit team and the Statutory Auditors. The Management and the Audit Committee are apprised of the outcome of such reviews. Internal Controls are further reinforced based on such reviews, if required.

The Company has defined a framework for Risk Management that is reviewed regularly and updated along with all businesses of the Company.

**Human Resources**

Material Development in Industrial Relations:

Management has signed a Long Term Settlement with the Union, Engineering Workers Association, amicably which is operational from January 1, 2018 to December 31, 2020.

Total number of employees recruited / appointed during the period from April 1, 2018 to March 31, 2019 are 153.

**OUTLOOK**

Political stability following the general elections is expected to bring capital into infrastructure development, provided India ensures socio-economic stability. Structural reforms like the IBC and strengthening of PSU banks should release risk capital and lower risk averseness of the financial sector, leading to an upturn in the private capital expenditure cycle.

From an international environment perspective, firm oil prices may put upward pressure on inflation and hence on interest rates, which could defer the nascent investment cycle. Global trade tensions, geo-political conflicts and protectionist policies may cause import-export distortions.

Despite the global geo-political tensions and fear of trade wars, the long term growth story of India remains intact. Against the backdrop of the general elections and the reduced level of spending by the Government to stem inflation, GDP growth, and hence the capital investment cycle, have taken a back seat. We hope that a stable government at the Centre and continued buoyancy in GST collections will now prop up Government spending. Also, a majority Government at the Centre will be able to create an environment conducive to investment and place the economy on a high growth trajectory.

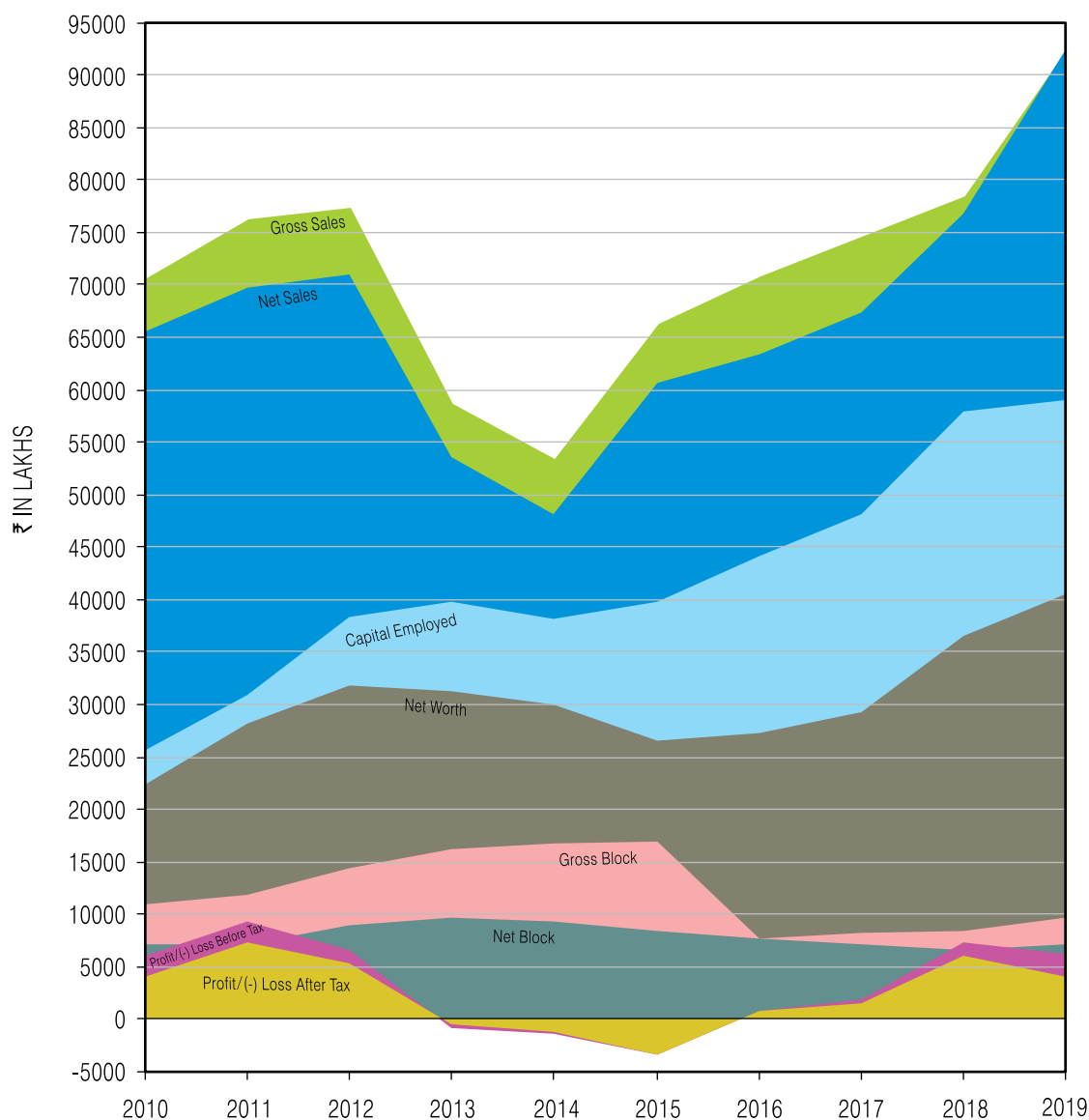
To maintain our market position and quality edge across the segments, your Company has undertaken a capacity enhancement program to enhance plant level productivity to meet stringent quality standards, and to enrich its product offerings.

**For Bharat Bijlee Limited**

**Sd/-**

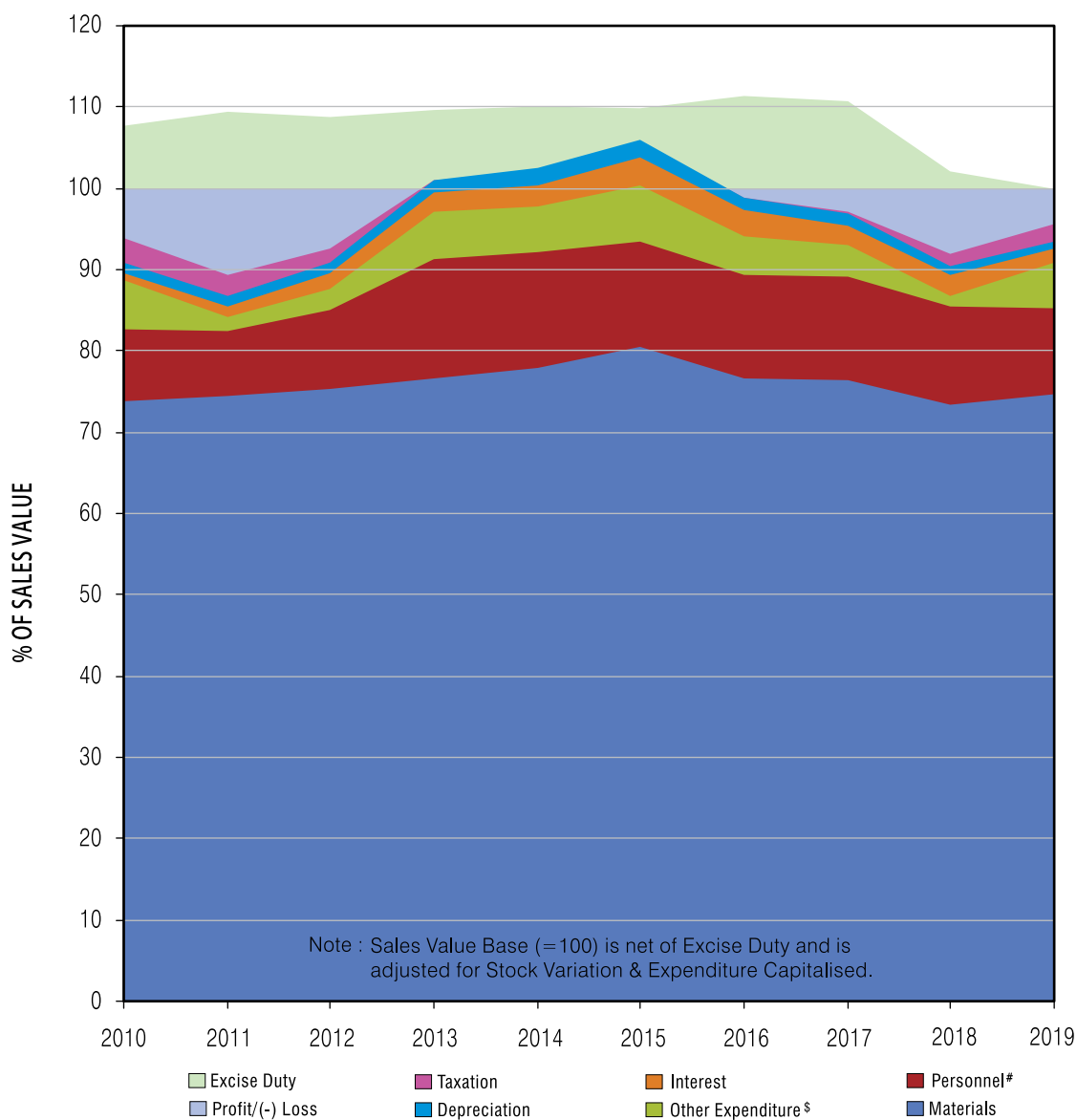
**Nikhil J. Danani**

Vice Chairman & Managing Director

**BUSINESS TRENDS**


Particulars	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Sales	70609	76299	77385	58683	53306	66262	70883	74557	78456	92457
Net Sales	65514	69704	71051	53534	48205	60562	63453	67334	76874	92457
Cptl. Empld. <sup>1</sup>	25668	30951	38375	39807	38224	39875	44127	48136	58008	60448
Net Worth <sup>1</sup>	22424	28135	31860	31208	30078	26535	27254	30378	36544	40518
Gross Block	11043	11913	14465	16127	16845	16986	17258	8184	8466	9705
Net Block	7094	7124	8989	9688	9400	8370	7672	7197	6547	7148
Profit/(Loss) Before Tax	6096	9233	6603	(819)	(1342)	(3443)	735	1806	7268	6193
Profit/(Loss) After Tax	4122	7353	5367	(478)	(1130)	(3405)	719	1442	6097	4153

<sup>1</sup> Excluding Equity Instruments through other Comprehensive Income

**COST TRENDS**


Particulars	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excise Duty	7.7	9.5	8.8	9.6	10.1	9.8	11.4	10.7	2.1	—
Profit/(Loss)	6.2	10.6	7.4	(0.9)	(2.2)	(5.9)	1.1	2.9	8.0	4.4
Taxation	3.0	2.7	1.7	(0.6)	(0.4)	(0.1)	—	0.1	1.5	2.1
Depreciation	1.3	1.3	1.3	2.0	2.2	2.1	1.6	1.5	1.2	0.9
Interest	0.9	1.3	1.9	2.3	2.6	3.4	3.2	2.4	2.5	1.8
Other Exp. \$	6.5	1.7	2.7	6.0	5.6	7.0	4.8	3.9	1.3	5.5
Personnel #	8.2	8.0	9.7	12.6	14.2	12.9	12.6	12.7	12.0	10.8
Materials	73.9	74.4	75.3	78.6	78.0	80.5	76.7	76.6	73.4	74.6

\$ 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 2019	March 2018	March 2017	March 2016	March 2015	March 2014	March 2013	March 2012	March 2011	March 2010
SALES & EARNINGS										
Sales	92457.43	78455.85	74557.09	70882.85	66262.36	53305.60	58682.72	77384.76	76299.48	70608.64
Profit/(Loss) Before Taxes	6193.00	7267.82	1805.68	735.37	(3443.14)	(1342.12)	(819.33)	6602.51	9232.85	6095.96
Profit/(Loss) After Taxes Net of Adjustments	4153.06	6096.76	1441.82	719.19	(3404.95)	(1197.92)	(489.50)	5367.23	7352.53	4122.35
Dividends	706.45	141.29	—	—	—	—	141.29	1412.89	1412.89	1412.89
Earnings Per Share (₹)	73.49	107.88	25.51	12.73	(60.25)	(19.98)	(8.61)	94.97	130.10	72.94
Equity Dividend Rate (₹ Per Share)	12.50	2.50	—	—	—	—	2.50	25.00	25.00	25.00
Net Worth Per Share (₹)	716.93	646.61	537.52	510.25	469.52	532.21	552.20	563.74	497.82	396.78
Debt Equity Ratios+	—	—	—	—	0.01:1	0.04:1	0.05:1	0.04:1	0.07:1	0.08:1
+ Debt = Loan Funds less cash credit & Short-Term Loans from Banks; Equity = Shareholders' Funds										

**INDEPENDENT AUDITOR'S REPORT**

**To The Members of Bharat Bijlee Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Bharat Bijlee Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Recognition of Deferred Tax Asset (Refer Notes 2.13, 2.22(iii), 7 and 41 to the financial statements)</b></p> <p>At March 31, 2019, the Company has recognised ₹ 1096.18 lakhs of deferred tax asset (net) in the balance sheet as set out in Note 7 on the balance sheet. The recognition of deferred tax assets involves judgement regarding the likelihood of the realisation of these assets, in particular whether there will be taxable profits in future periods against which these can be utilised. Auditing management's estimates of future taxable profit and the determination of whether it is probable that the deferred tax assets will be realised involved judgment.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> <li>• Tested the effectiveness of controls over deferred taxes, including estimates of future taxable profits</li> <li>• Assessed the appropriateness of management's key assumptions in respect of estimates of future taxable profits;</li> <li>• Evaluated management's ability to accurately estimate future taxable profits by comparing actual results to management's historical estimates.</li> <li>• Evaluated the reasonableness of management's estimates of future taxable profits by comparing the estimates to <ul style="list-style-type: none"> <li>• Historical taxable profits</li> <li>• Internal communications to management and Board of Directors</li> </ul> </li> <li>• Assessed the appropriateness of the disclosures included in the financial statements.</li> </ul>

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board Report including Annexures to Board's Report and Corporate Governance, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has

adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Sunder V. Iyer**  
Partner

Mumbai,  
May 6, 2019

(Membership No. 048393)

## **Annexure "A" to the Independent Auditor's Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Bharat Bijlee Limited ("the Company") as of March 31, 2019 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**

The Board of Directors 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. 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 Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under



Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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.

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**

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**

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**

In our opinion, to the best of our information and according to the explanations given to us, 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, 2019, based on the criteria for internal financial control over financial reporting 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 Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Mumbai,  
May 6, 2019

**Sunder V. Iyer**  
Partner  
(Membership No. 048393)

**Annexure B to the Independent Auditor's Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has a program of verification of Property, Plant and Equipment to cover all the items in a phased manner 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 program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders/ parties. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as Property, Plant and Equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals excluding inventories lying with third parties. In respect of inventories lying with third parties, these have substantially been confirmed by them. No material discrepancies were noticed on physical verification.
- (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 Companies Act, 2013.
- (iv) The Company has not granted any loans to parties covered under section 185 of the Companies 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 grant of loans, making investments and providing guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, cess, Goods and Services Tax and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

- (c) Details of dues of Sales Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in Lakhs)	Amount Unpaid (Rs. in Lakhs)
Custom Act	Duty of Customs	Supreme Court	1996-1999	240.83	180.83
Central Excise Act	Duty of Excise and Service tax	Supreme Court	1986 - 1995	142.79	142.79
Central Excise Act	Duty of Excise and Service tax	High Court	1998-2004 and 2007-2011	72.51	72.51
Central Excise Act	Duty of Excise and Service tax	Central Excise and Service Tax Appellate Tribunal	2011-2015	21.78	21.78
Local Sales Tax	Local Sales Tax (including Value Added Tax, Works Contract Tax etc)	Commissioner- Appeals	2009-2012	19.68	19.68
Local Sales Tax	Works Contract Tax	High Court	2002-2004	54.24	45.49

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and the Company does not have any loans or borrowings from any financial institution or government, nor has it issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under this clause of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) The Company is not a Nidhi Company and hence reporting under this clause of the Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Mumbai,  
May 6, 2019

**Sunder V. Iyer**  
Partner  
(Membership No. 048393)

**BALANCE SHEET AS AT 31ST MARCH, 2019**

	Note	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS:</b>			
a) Property, Plant and Equipment	3	<b>6920.22</b>	6486.71
b) Capital Work-in-Progress		<b>788.43</b>	737.21
c) Intangible assets	4	<b>28.06</b>	60.35
		<b>7736.71</b>	7284.27
d) Financial Assets			
(i) Investments	5 (i)	<b>35089.71</b>	33000.58
(ii) Loans	5 (ii)	<b>2.99</b>	5.64
(iii) Other financial assets	5 (iii)	<b>2489.59</b>	3563.97
e) Non-Current Tax Assets (Net)	6	<b>138.94</b>	66.94
f) Deferred tax assets (Net)	7	<b>1096.18</b>	1867.41
g) Other non-current assets	8	<b>751.80</b>	2311.25
		<b>47305.92</b>	48100.06
<b>CURRENT ASSETS:</b>			
a) Inventories	9	<b>14727.39</b>	11102.22
b) Financial Assets			
(i) Investments	10 (i)	<b>2516.13</b>	1737.02
(ii) Trade receivables	10 (ii)	<b>25596.58</b>	29594.05
(iii) Cash and cash equivalents	10 (iii)	<b>352.87</b>	474.73
(iv) Bank balances other than (iii) above	10 (iv)	<b>1026.15</b>	510.80
(v) Loans	10 (v)	<b>20276.62</b>	17435.52
(vi) Other financial assets	10 (vi)	<b>913.05</b>	639.40
c) Current Tax Assets (Net)	11	<b>51.75</b>	58.05
d) Other current assets	12	<b>2073.54</b>	1711.59
		<b>67534.08</b>	63263.38
<b>Total Assets</b>		<b>114840.00</b>	111363.44
<b>EQUITY AND LIABILITIES:</b>			
<b>EQUITY:</b>			
a) Equity Share Capital	13	<b>565.16</b>	565.16
b) Other Equity	14	<b>74630.84</b>	68577.89
		<b>75196.00</b>	69143.05
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Provisions	15	<b>114.70</b>	114.70
		<b>114.70</b>	114.70
<b>CURRENT LIABILITIES:</b>			
a) Financial Liabilities			
(i) Borrowings	16 (i)	<b>19930.90</b>	21464.56
(ii) Trade payables	16 (ii)		
– Total outstanding dues of Micro Enterprises and Small Enterprises		<b>2.23</b>	—
– Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		<b>15131.47</b>	15384.31
(iii) Other financial liabilities	16 (iii)	<b>275.05</b>	303.38
b) Other current liabilities	17	<b>3030.97</b>	3680.44
c) Provisions	18	<b>1155.77</b>	1149.03
d) Current Tax Liabilities (Net)	19	<b>2.91</b>	123.97
		<b>39529.30</b>	42105.69
<b>Total Equity and Liabilities</b>		<b>114840.00</b>	111363.44
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 Deloitte Haskins & Sells LLP  
Chartered Accountants

Firm Registration No. 117366W/W-100018

Sunder V. Iyer

Partner

Membership No. 048393

D. N. Nagarkar

Company Secretary & Senior General Manager : Legal

Y. S. Agarwal

Chief Financial Officer & Vice President : Finance

Nikhil J. Danani

Nakul P. Mehta

Shome N. Danani

Vice Chairmen &  
Managing Directors

Executive Director

Mumbai, 6th May, 2019

Mumbai, 6th May, 2019

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

	Note	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>INCOME:</b>			
Revenue From Operations	20	93232.23	78980.95
Other Income	21	2961.32	2116.88
<b>TOTAL INCOME</b>		<b>96193.55</b>	<b>81097.83</b>
<b>EXPENSES:</b>			
Cost of materials consumed	22	70295.12	55102.72
Purchases of Stock-in-Trade	23	693.13	737.30
Change in inventories of finished goods, Stock-in-Trade and work-in-progress	24	(2725.18)	766.23
Excise Duty	25	—	1581.89
Employee benefits expense	26	10270.61	9164.88
Finance costs	27	1691.43	1928.27
Depreciation and amortisation expense	3 & 4	837.69	931.44
Other expenses	28	8937.75	8295.20
<b>TOTAL EXPENSES</b>		<b>90000.55</b>	<b>78507.93</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>6193.00</b>	<b>2589.90</b>
<b>EXCEPTIONAL ITEM (Refer Note No.38)</b>		<b>—</b>	<b>4677.92</b>
<b>PROFIT BEFORE TAX</b>		<b>6193.00</b>	<b>7267.82</b>
<b>TAX EXPENSE</b>			
Current Tax	41(a)	1273.79	1502.73
Deferred Tax Charge/(Credit)	41(a)	766.15	(331.67)
		<b>2039.94</b>	<b>1171.06</b>
<b>PROFIT FOR THE YEAR</b>		<b>4153.06</b>	<b>6096.76</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss (net of tax)			
Remeasurement of Defined Benefit Plan		(9.00)	68.80
Fair Value of Equity Instruments through Other Comprehensive Income		2079.22	(2153.27)
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>2070.22</b>	<b>(2084.47)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>6223.28</b>	<b>4012.29</b>
Earnings per equity share (Basic and Diluted) (₹)	36		
[nominal value Rs.10 per share]		<b>73.49</b>	<b>107.88</b>

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Mumbai, 6th May, 2019

Mumbai, 6th May, 2019

## NOTES TO THE FINANCIAL STATEMENTS

### STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2019

#### (A) EQUITY SHARE CAPITAL

Balance as at 1st April, 2017	565.16
Changes in equity share capital	—
Balance as at 31st March, 2018	565.16
Changes in equity share capital	—
<b>Balance as at 31st March, 2019</b>	<b>565.16</b>

#### (B) OTHER EQUITY

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Retained Earnings	General Reserve	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2017 (a)	5341.71	24471.37	34752.52	64565.60
Profit for the year (b)	6096.76	—	—	6096.76
Other comprehensive income (c)	68.80	—	(2153.27)	(2084.47)
Total Comprehensive Income for the year (d) = (b) + (c)	6165.56	—	(2153.27)	4012.29
Balance as at 31st March, 2018 (e) = (a) + (d)	11507.27	24471.37	32599.25	68577.89
Profit for the year (f)	4153.06	—	—	4153.06
Dividend on Equity Shares (g)	(141.29)	—	—	(141.29)
Tax on Dividend on Equity Shares (h)	(29.04)	—	—	(29.04)
Other comprehensive income (i)	(9.00)	—	2079.22	2070.22
<b>Total Comprehensive Income for the year (j) = (f) + (g) + (h) + (i)</b>	<b>3973.73</b>	<b>—</b>	<b>2079.22</b>	<b>6052.95</b>
<b>Balance as at 31st March, 2019 (k) = (e) + (j)</b>	<b>15481.00</b>	<b>24471.37</b>	<b>34678.47</b>	<b>74630.84</b>

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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Taxation	6193.00	7267.82
Adjustments for:		
Depreciation and amortisation	837.69	931.44
Loss/(Profit) on sale of Fixed Assets (net)	18.50	(4667.70)
Profit on sale of current investments	(172.21)	(38.84)
Finance Cost	1691.43	1928.27
Interest Income	(2283.25)	(1669.77)
Dividend Income	(254.30)	(247.21)
Unrealised exchange (gain) / loss (net)	1.18	2.41
	(160.96)	(3761.40)
Operating Profit /(Loss) Before Working Capital changes	6032.04	3506.42
Changes in Working Capital:		
Increase/(Decrease) in trade payable	(322.55)	(365.47)
Increase/(Decrease) in provisions	(7.11)	236.62
Increase/(Decrease) in other current liabilities	(627.58)	(644.19)
(Increase)/Decrease in trade receivables	3997.08	(7237.65)
(Increase)/Decrease in inventories	(3625.17)	1216.49
(Increase)/Decrease in loans	5.54	(3.48)
(Increase)/Decrease in current financial and other assets	(371.49)	(1166.55)
(Increase)/Decrease in non-current financial and other assets	1728.44	616.59
	777.16	(7347.64)
Cash generated from Operations	6809.20	(3841.22)
Direct Taxes (paid)/Refund	(1460.55)	(1478.06)
Net Cash inflow/(outflow) from Operating Activities (A)	5348.65	(5319.28)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1417.63)	(785.63)
Proceeds from Sale of Fixed Assets	4.62	4679.49
Proceeds from Sale/(Purchase) of Current Investments (net)	(606.90)	(1698.18)
Inter Corporate Deposits given	(20274.11)	(12583.19)
Inter Corporate Deposits redeemed	17430.12	9877.17
(Increase)/Decrease in other bank balance (net)	12.79	13.77
Fixed Deposit with Banks placed	(24.32)	(127.23)
Fixed Deposit with Banks matured	470.00	—
Interest received	2124.40	2932.73
Dividend received	254.30	247.21
Net Cash inflow/(outflow) from Investing Activities (B)	(2026.73)	2556.14
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Short Term Loans from Banks (net)	(1533.66)	3707.17
Interest paid	(1731.91)	(1896.17)
Unclaimed/Dividend including Dividend Distribution Tax paid	(178.21)	(9.27)
Net Cash inflow/(outflow) from Financing Activities (C)	(3443.78)	1801.73
(A+B+C)	(121.86)	(961.41)
Net Increase/(Decrease) in Cash and Cash equivalents	(121.86)	(961.41)
Cash and Cash equivalents at the beginning of the year	474.73	1436.14
Cash and Cash equivalents at the end of the year [Refer Note No.10 (iii)]	352.87	474.73

Disclosure pursuant to Indian Accounting Standard (Ind AS) – 7: Statement of Cash Flows

Non-cash charges in current year – Nil (Previous year – ₹11.57 lakhs)

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Mumbai, 6th May, 2019

Mumbai, 6th May, 2019

## NOTES TO THE FINANCIAL STATEMENTS

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### Notes

#### 1. GENERAL INFORMATION

Bharat Bijlee Limited is one of the leaders in the electrical engineering industry in India. A multi-product, multi-divisional organisation, its main products are transformers, electric motors, magnet technology machines and drives & automation system. 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.

The address of its registered office is Electric Mansion, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### 2.01 Statement of Compliance:

These financial statements of the Company are prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of Companies Act, 2013 (the Act) read alongwith Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

##### 2.02 Basis of Preparation and Presentation:

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian currency (INR) which is the Company's functional and presentation currency.

All values are rounded off to the nearest lakhs.

The financial statements were approved for issue by the Board of Directors on 6th May, 2019.

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 II) 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.

##### 2.03 Revenue Recognition:

The Company earns revenue primarily from sale of its main products transformers, electric motors, magnet technology machines and drives & automation system. The Company also earns revenue by undertaking turnkey projects (switchyards).

Effective from 1st April, 2018, the Company has applied Ind AS 115 – Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch-up transition method which is applied to contracts that were not completed as of 1st April, 2018. Accordingly, the comparatives have not been retrospectively adjusted – i.e. the comparatives continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the standard did not have any material impact to the financial statements of the Company.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of the promised goods or services to a customer in an amount, being the transaction price that reflects the consideration which the Company expects to receive in exchange for those goods or services. The performance obligation in case of sale of goods is satisfied at a point in time which is generally at the time of despatch / delivery as may be specified in the contract. In case of contracts, where the control of the goods is transferred on despatch, the Company has determined that freight is a separate performance obligation. A portion of the revenue earned under these contracts, representing the obligation to perform the freight service, is deferred and recognised upon delivery.

The performance obligation in case of sale of services is satisfied when the service is performed and there are no unfulfilled obligations.

Revenue is measured based on the transaction price, which is net of variable consideration adjusted for discounts, rebates, refunds, credits, price concessions, etc., if any, as specified in the contract with the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the



**NOTES TO THE FINANCIAL STATEMENTS**

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**Notes (Contd.)**

amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. Revenue also excludes taxes collected from customers.

The amount of consideration does not contain a significant financing component as payment terms are less than one year.

Generally contracts with customers include warranty periods following sale of products. These obligations are not deemed to be separate performance obligations and therefore estimated and included in the total costs of the products. Where required, amounts are recognised accordingly in line with Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets.

Revenue from construction contracts is recognised over time using the input method to measure progress of delivery. As work is performed on the assets being constructed they are controlled by the customer and have no alternative use to the Company, and it also has a right to payment for performance to date. When the outcome of individual contracts can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion at the reporting date. Costs are recognised as incurred and revenue is recognised on the basis of the proportion of total costs at the reporting date to the estimated total costs of the contract. No margin is recognised until the outcome of the contract can be estimated with reasonable certainty. Provision is made for all known or expected losses on individual contracts once such losses are foreseen.

Revenues in excess of invoicing are classified as contract assets (which we refer as Gross amounts due from customers of Construction Contracts) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as Project amount due to customers).

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of products and services.

**2.04 Other Income:**

- a) Dividend income from investments is recognised when the shareholder's right to receive payment has been established.
- b) Interest income is recognised on the time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.
- c) Insurance and other claims are accounted as and when unconditionally admitted by the appropriate authorities.

**2.05 Property, Plant and Equipment:**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or Losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Capital work-in-progress / intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013. 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 and adjusted prospectively.

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 asset to which they relate.

**2.06 Intangible 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. 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.

Expenditure on application software is amortised over a period of three years.

**2.07 Impairment of assets:**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

### 2.08 Financial instruments:

#### 1. Initial recognition and measurement

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### 2. Financial assets:

##### Classification and subsequent measurement of financial assets:

##### a) Classification of financial assets:

- (i) The Company classifies its financial assets in the following measurement categories:
  - those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
  - those measured at amortised cost.
- (ii) The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.
- (iii) For investments in debt instruments, this will depend on the business model in which the investment is held.
- (iv) The Company reclassifies debt investments when and only when its business model for managing those assets changes.

##### b) Subsequent Measurement

##### (i) Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

##### (1) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (2) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

##### (3) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are subsequently measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

##### (ii) Equity instruments:

The Company subsequently measures all equity investments at fair value. There are two measurement categories into which the Company classifies its equity instruments:

##### Investments in equity instruments at FVTPL:

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

##### Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### c) **Impairment of financial assets:**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset. For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

#### d) **Derecognition of financial assets:**

A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or
2. the Company has transferred its rights to receive cash flows from the asset; and
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety (other than investments in equity instruments at FVOCI), the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

### 3. **Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **Financial Liabilities**

Classification and subsequent measurement

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortized cost. All changes in fair value of financial liabilities classified as FVTPL are recognized in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the Effective Interest Rate method.

#### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in profit and loss when the liabilities are derecognized.

#### **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

#### **Derivative Financial Instruments**

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of profit and Loss immediately.

### 2.09 **Inventories:**

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories comprise all costs of purchase (net of input credits), costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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 other than specific spares for machinery 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.

Custom duty is included in the materials lying in bonded warehouse.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 2.10 Foreign Currencies:

Items included in the financial statements of the Company are recorded using the currency of the primary economic environment (INR) in which the Company operates (the 'functional currency').

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date are recognised in the Statement of Profit and Loss.

#### 2.11 Employee Benefits:

##### Retirement Benefit Costs and Termination Benefits:

##### Defined Contribution Plans

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contributions to Provident and Family Pension Fund and Superannuation scheme, which are defined contribution plans, are made as required by the statute and expensed in the Statement of profit and loss.

##### Defined Benefit Plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement comprising actuarial gains and losses and the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

##### Short-Term and Other Long-Term Employee Benefits:

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employee upto the reporting date.

#### 2.12 Borrowing Costs:

(a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

(b) All other borrowing costs are recognised as expense in the period in which they are incurred.

#### 2.13 Taxation:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

##### Current Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year.

##### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets including Minimum Alternate Tax (MAT) are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**NOTES TO THE FINANCIAL STATEMENTS**

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**Notes (Contd.)**

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

Current and Deferred tax is recognised in Statement of Profit and Loss, except when it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**2.14 Leases:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating 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.

Rental expense under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the period in which they are incurred.

**2.15 Provisions, Contingent Liabilities and Contingent Assets:**

**Provisions:** Provisions are recognised when there is a present legal or constructive 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 using the cash flows estimated to settle the present obligation at the Balance sheet date.

**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.

**Contingent Assets:** Contingent assets are disclosed, where an inflow of economic benefits is probable.

**2.16 Segment Reporting:**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision making body, in deciding how to allocate resources and assessing performance.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

**2.17 Cash and Cash Equivalents:**

Cash and Cash equivalents include cash, cheques on hand, cash at bank and short term deposits with banks having original maturity of three months or less, which are subject to insignificant risk of changes in value.

**2.18 Statement of Cash Flows:**

Cash flows are reported using the indirect method whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.19 Dividend to Equity Shareholders:**

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 2.20 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.

#### 2.21 Government Grants:

Government grants including export incentives are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. The Company accounts for its entitlement in the Statement of Profit and Loss on accrual basis in the period in which the matching costs are incurred.

#### 2.22 Critical accounting judgements and key sources of estimation uncertainty:

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes judgements, estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to significant accounting estimates include useful lives and impairment of property, plant and equipment, allowance for doubtful debts/advances, deferred tax assets, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, allowances for inventories, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

##### (i) Useful lives and Impairment of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

##### (ii) Allowance for Doubtful Debts/Advances

When determining the lifetime expected credit losses for trade receivables, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. Refer Note No.10(ii).

##### (iii) Deferred Tax Assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

##### (iv) Employee Benefit Obligations

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

##### (v) Expected Cost of Completion of Contracts

The Company's revenue recognition policy, set out in Note 2.03, explains how the Company values the work it has carried out in each financial year.

Estimates are also required with respect to the below mentioned aspects of the contract.

- 1) Determination of stage of completion;
- 2) Estimation of project completion date; and
- 3) Estimated total revenues and estimated total costs to completion, including claims and variations.

##### (vi) Allowance For Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / non-moving inventory items.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 2.23 Recent Accounting Pronouncements

##### (a) Ind AS 116 – Leases

On 30th March, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 Leases. Ind AS 116 would replace the existing standard on Leases i.e. Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. Currently, operating lease expenses are charged to the statement of profit and loss.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17.

The Company is in the process of evaluating the implications of Ind AS 116 on the financial statements.

##### (b) Other amendments

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) notified certain other amendments to Indian Accounting Standards (Ind AS), as below, as part of the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. These other amendments come into force on 1st April, 2019.

##### (i) Ind AS 12 – Income Taxes

Amendments relating to income tax consequences of dividend:

The amendment relating to income tax consequences of dividend clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings, in particular assuming that a tax authority might reach with full knowledge and information if it were to make an examination.

##### (ii) Ind AS 19 – Employee Benefits

Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements.

The Company must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;
- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and
- separately recognise any changes in the asset ceiling through other comprehensive income.

##### (iii) Ind AS 23 – Borrowing Costs

The amendments clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, it becomes part of general borrowings.

The Company is in the process of evaluating the impact of these amendments.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 3. Property, Plant and Equipment

	Leasehold Land	Buildings Incl. Roads (Refer Note)	Plant and Machinery	Furniture and Fittings	Office Equipments	Motor Vehicles	Total
<b>Deemed Cost:</b>							
As at 01-04-2018	4.81	2753.47	5059.03	153.32	144.00	143.98	8258.61
Additions	—	532.98	618.37	66.54	29.95	0.07	1247.91
Deductions	—	—	19.26	0.19	2.77	0.90	23.12
<b>As at 31-03-2019</b>	<b>4.81</b>	<b>3286.45</b>	<b>5658.14</b>	<b>219.67</b>	<b>171.18</b>	<b>143.15</b>	<b>9483.40</b>
<b>Accumulated depreciation:</b>							
As at 01-04-2018	0.24	214.94	1387.94	64.09	71.00	33.69	1771.90
Depreciation charge for the year	0.11	115.92	591.81	35.03	30.56	17.85	791.28
Deductions	—	—	—	—	—	—	—
<b>As at 31-03-2019</b>	<b>0.35</b>	<b>330.86</b>	<b>1979.75</b>	<b>99.12</b>	<b>101.56</b>	<b>51.54</b>	<b>2563.18</b>
<b>Net book value</b>							
As at 01-04-2018	4.57	2538.53	3671.09	89.23	73.00	110.29	6486.71
<b>As at 31-03-2019</b>	<b>4.46</b>	<b>2955.59</b>	<b>3678.39</b>	<b>120.55</b>	<b>69.62</b>	<b>91.61</b>	<b>6920.22</b>
<b>Deemed Cost:</b>							
As at 01-04-2017	5.42	2753.47	4869.02	148.91	117.36	133.33	8027.51
Additions	—	—	200.27	4.93	27.18	10.65	243.03
Deductions	0.61	—	10.26	0.52	0.54	—	11.93
<b>As at 31-03-2018</b>	<b>4.81</b>	<b>2753.47</b>	<b>5059.03</b>	<b>153.32</b>	<b>144.00</b>	<b>143.98</b>	<b>8258.61</b>
<b>Accumulated depreciation:</b>							
As at 01-04-2017	0.12	110.08	716.38	37.48	35.67	16.76	916.49
Depreciation charge for the year	0.12	104.86	671.56	26.61	35.46	16.93	855.54
Deductions	—	—	—	—	0.13	—	0.13
<b>As at 31-03-2018</b>	<b>0.24</b>	<b>214.94</b>	<b>1387.94</b>	<b>64.09</b>	<b>71.00</b>	<b>33.69</b>	<b>1771.90</b>
<b>Net book value</b>							
As at 01-04-2017	5.30	2643.39	4152.64	111.43	81.69	116.57	7111.02
<b>As at 31-03-2018</b>	<b>4.57</b>	<b>2538.53</b>	<b>3671.09</b>	<b>89.23</b>	<b>73.00</b>	<b>110.29</b>	<b>6486.71</b>

#### Note:

Buildings includes Rs.16,350 (Previous Year - Rs 16,350) being the value of 326 shares (Previous Year - 326 shares) in Co-operative Societies for owned premises.

#### 4. Intangible Assets

	Application Software
<b>Cost:</b>	
As at 01-04-2018	207.18
Additions	14.12
Deductions	—
<b>As at 31-03-2019</b>	<b>221.30</b>
<b>Accumulated depreciation:</b>	
As at 01-04-2018	146.83
Depreciation charge for the year	46.41
Deductions	—
<b>As at 31-03-2019</b>	<b>193.24</b>
<b>Net book value</b>	
As at 01-04-2018	60.35
<b>As at 31-03-2019</b>	<b>28.06</b>
<b>Cost:</b>	
As at 01-04-2017	156.69
Additions	50.49
Deductions	—
<b>As at 31-03-2018</b>	<b>207.18</b>
<b>Accumulated depreciation:</b>	
As at 01-04-2017	70.93
Depreciation charge for the year	75.90
Deductions	—
<b>As at 31-03-2018</b>	<b>146.83</b>
<b>Net book value</b>	
As at 01-04-2017	85.76
<b>As at 31-03-2018</b>	<b>60.35</b>



## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 5. Financial Assets

##### i) Investments

	Nominal Value (in ₹)	Quantity	As at 31st March, 2019	Quantity	As at 31st March, 2018
<b>Non-current</b>					
<b>Quoted equity instruments</b>					
(All fully paid up)					
Investments carried at fair value through other comprehensive income (FVTOCI)					
Siemens India Ltd.	2	2138160	24117.38	2138160	22943.52
HDFC Ltd.	2	514900	10129.63	514900	9393.84
ICICI Bank Ltd	2	87015	347.06	87015	242.25
Hindustan Oil Exploration Co. Ltd	10	333333	432.00	333333	368.00
HDFC Bank Ltd	2	2500	57.91	2500	47.29
Bank of India	10	5400	5.63	5400	5.58
<b>Total aggregate quoted investments (at Fair Value)</b>		<b>A</b>	<b>35089.61</b>	<b>A</b>	<b>33000.48</b>
<b>Aggregate Market Value of quoted investments</b>			<b>35089.61</b>		<b>33000.48</b>
<b>Unquoted equity instruments</b>					
(All fully paid up)					
Saraswat Co-operative Bank Ltd	10	1000	0.10	1000	0.10
<b>Total aggregate unquoted investments</b>		<b>B</b>	<b>0.10</b>	<b>B</b>	<b>0.10</b>
<b>Total non-current investments</b>		<b>(A+B)</b>	<b>35089.71</b>	<b>(A+B)</b>	<b>33000.58</b>

##### ii) Loans:

###### Loans Receivables considered good – Unsecured

Employee Loans

	As at 31st March, 2019	As at 31st March, 2018
	2.99	5.64
	<u>2.99</u>	<u>5.64</u>

##### iii) Other financial assets:

###### Unsecured, considered good

Security Deposits

‘(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

Employee Advances

Deposits with Banks with maturity period more than 12 months\*

Interest accrued on Deposits

	277.03	267.17
	4.00	7.30
	1651.55	2627.23
	557.01	662.27
	<u>2489.59</u>	<u>3563.97</u>

\* - Includes ₹ 151.55 lakhs kept as Fixed Deposits against Bank Guarantees

#### 6. Non-Current Tax Assets (Net):

Advance payments of tax (net of provision)

	138.94	66.94
	<u>138.94</u>	<u>66.94</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

	As at 31st March, 2019	As at 31st March, 2018
<b>7. Deferred Tax Assets (Net):</b>		
Deferred Tax (Liability)		
Property, Plant and Equipment	(886.83)	(918.28)
Deferred Tax Asset		
Provision for doubtful debts and advances	237.77	243.37
Other Temporary Differences	234.88	256.04
Provision for Contracts	2.11	–
Carry Forward tax losses	–	289.59
MAT Credit	1508.25	1996.69
	<b>1983.01</b>	<b>2785.69</b>
	<b>1096.18</b>	<b>1867.41</b>
Deferred Tax Assets and Deferred Tax Liability have been offset as they relate to the same governing taxation laws. (Refer Note No.41 for deferred tax movement and related disclosures)		
<b>8. Other Non-Current Assets:</b>		
Capital Advances (Unsecured)	207.14	31.59
Other Loans and Advances		
Advances to Vendors	8.10	11.87
Balances with Statutory/Government Authorities	427.65	2151.14
Prepaid Expenses	7.41	16.29
Other Deposits	66.01	62.49
Prepaid Gratuity (Refer Note No. 32)	35.49	37.87
	<b>751.80</b>	<b>2311.25</b>
<b>9. Inventories:</b>		
Raw Materials and Components (In transit ₹ 10.43 Lakhs - Previous year ₹ 2.03 lakhs)	3869.13	2958.28
Work-in-Progress	6162.56	5073.07
Finished Goods	4305.63	2703.05
Stock in Trade	299.46	266.35
Stores, Spare Parts and Fuel	25.18	20.12
Consumable Tools	21.70	20.37
Packing Materials	43.73	60.98
	<b>14727.39</b>	<b>11102.22</b>

#### Notes:

- The cost of inventories recognised as an expense during the year was ₹ 68545.35 lakhs (for the year ended 31st March, 2018: ₹ 56855.42 lakhs).
- The cost of inventories recognised as an expense includes ₹ 413.32 lakhs (during 2017-2018: ₹ 281.40 lakhs) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ 318.29 lakhs (during 2017-2018: ₹ 19.84 lakhs) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales prices in certain markets.
- The mode of valuation of inventories has been stated in note 2.09 on Accounting policy for inventories.
- Inventories are hypothecated against loans repayable on demand from banks. Refer Note No.16(i) on Borrowings.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 10. Financial Assets

##### i) Investments

Investments	Number of Units	As at 31st March, 2019	Number of Units	As at 31st March, 2018
<b>Current</b>				
<b>Unquoted Mutual Funds</b>				
Investments carried at fair value through profit and loss (FVTPL)				
ICICI Prudential Money Market Fund - Growth	578853	1498.26	346040	828.84
UTI Money Market - IP - Growth	48497	1017.87	46831	908.18
<b>Total aggregate unquoted investments</b>		<b>2516.13</b>		<b>1737.02</b>
<b>Aggregate market value of unquoted investments</b>		<b>2516.13</b>		<b>1737.02</b>

	As at 31st March, 2019	As at 31st March, 2018
<b>ii) Trade receivables:</b>		
Trade Receivables considered good – Secured	73.29	76.28
Trade Receivables considered good – Unsecured	25511.91	29517.77
Trade Receivables which have significant increase in Credit Risk	11.38	–
Trade Receivables – credit impaired	680.43	696.45
	<b>26277.01</b>	<b>30290.50</b>
Less: Allowance for doubtful debts	680.43	696.45
	<b>25596.58</b>	<b>29594.05</b>

##### iii) Cash and cash equivalents:

Bank balances		
In Cash Credit Accounts	55.12	175.62
In Current Accounts	104.09	81.40
Cheques on hand	153.22	62.00
Cash on hand	3.63	3.38
Remittances in transit	36.81	152.33
	<b>352.87</b>	<b>474.73</b>

##### iv) Bank balances other than (iii) above:

Earmarked balances with banks		
In Current Accounts (Refer Note below)	26.15	35.88
In Fixed Deposits	–	4.92
Other		
Deposits with Banks with original maturity period more than 3 months but less than 12 months	–	470.00
Deposits with Banks – others	1000.00	–
	<b>1026.15</b>	<b>510.80</b>
	<b>1379.02</b>	<b>985.53</b>

#### Note:

Balances in current accounts are earmarked towards unclaimed dividend, repayment of public deposits including interest.

##### v) Loans:

##### Loans Receivables considered good – Unsecured

Employee Loans	2.51	5.40
Corporate Deposit	20274.11	17430.12
	<b>20276.62</b>	<b>17435.52</b>

##### vi) Other Financial Assets:

##### Unsecured, considered good

Employee Advances	15.39	15.52
Interest accrued on Deposits	878.36	614.25
Derivative Asset	–	0.09
Other Receivables	19.30	9.54
	<b>913.05</b>	<b>639.40</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

		As at 31st March, 2019	As at 31st March, 2018
<b>11. Current Tax Assets (Net):</b>			
Advance payments of tax (net of provision)		51.75	58.05
		<u>51.75</u>	<u>58.05</u>
<b>12. Other Current Assets:</b>			
Advances to Vendors		163.40	63.65
Balances with Statutory/Government Authorities		1510.73	1351.10
Prepaid Expenses		328.94	249.47
Others		23.34	16.81
Export Incentive		–	13.52
Gross Amounts Due from Customers of Construction Contracts		21.13	0.02
Prepaid Gratuity (Refer Note No. 32)		26.00	17.02
		<u>2073.54</u>	<u>1711.59</u>
<b>13. Equity 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>			
		No. of Shares (% of holding)	No. of Shares (% of holding)
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		339519 (6.01)	339519 (6.01)
<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.			

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

	Note	As at 31st March, 2019	As at 31st March, 2018
<b>14. Other Equity:</b>			
General Reserve	1(A)	24471.37	24471.37
Retained Earnings	1(B)	15481.00	11507.27
Equity Instruments through Other Comprehensive Income		34678.47	32599.25
		<u>74630.84</u>	<u>68577.89</u>
<b>Notes:</b>			
<b>I. Nature and Purpose of Reserve</b>			
(A) General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividends and issue of fully paid-up shares. As General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in General Reserve will not be reclassified to statement of profit and loss.			
(B) Retained Earnings are the profits that the Company has earned till date, less any transfers to General Reserve and payment of Dividend.			
<b>II. Proposed Dividend on Equity Shares (Refer Note No. 40)</b>			
Dividend for the year ended 31st March, 2019 : ₹ 12.50 per share. (31st March, 2018 : ₹ 2.50 per share)		706.45	141.29
Dividend Distribution Tax on proposed dividend		145.21	29.04
		<u>851.66</u>	<u>170.33</u>
<b>15. Provisions:</b>			
Others (Refer Note No. 37)		114.70	114.70
		<u>114.70</u>	<u>114.70</u>
<b>16. Financial Liabilities:</b>			
i) Borrowings:			
Secured:			
Working Capital Facilities from Banks repayable on demand		1430.90	3467.56
		<u>1430.90</u>	<u>3467.56</u>
Secured by hypothecation of all tangible moveable assets including stock of Raw Materials and Components, Stores, Spares, Fuel, Work-in-Progress, Finished Goods, Stock-in-trade and Book Debts and negative lien on the fixed assets. The oral equitable mortgage, ranking second and subservient to mortgages created, on immovable properties excluding vacant land at Company's Airoli factory is in the process of being satisfied as the same has been waived by the banks.			
The weighted average effective interest rate on the Working Capital Facilities is 10.7% p.a. (for 31st March, 2018 9.6% p.a.)			
Unsecured:			
Short Term Loans from Banks		18500.00	17997.00
		<u>18500.00</u>	<u>17997.00</u>
The present interest rate on the bank loans is 8.6% p.a. (for 31st March, 2018 8.3% p.a.).			
		<u>19930.90</u>	<u>21464.56</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

	As at 31st March, 2019	As at 31st March, 2018
<b>ii) Trade Payables:</b>		
Due to Micro Enterprises and Small Enterprises [see notes (a) and (b) below]	2.23	—
	<u>2.23</u>	<u>—</u>
Due to creditors other than Micro Enterprises and Small Enterprises		
(i) Acceptances	7912.68	7921.94
(ii) Others	7218.79	7462.37
	<u>15131.47</u>	<u>15384.31</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, 2019. 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	2.23	—
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	—	—
(c) Trade payables generally have payment terms of 0 to 180 days		
<b>iii) Other Financial Liabilities:</b>		
Interest accrued but not due on borrowings	42.01	82.49
Unclaimed dividends*	12.22	20.10
Unclaimed matured deposits and interest accrued thereon*	13.10	14.96
Deposits from Vendors, Dealers	197.93	162.85
Derivative liability	3.00	15.56
Others	6.79	7.42
	<u>275.05</u>	<u>303.38</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>17. Other Current Liabilities:</b>		
Other payables:		
Advances from Customers	615.68	1205.47
Employee Benefits	1472.02	1117.05
Project Amount due to customers	17.66	75.63
Statutory dues	925.61	231.81
Others	—	1050.48
	<u>3030.97</u>	<u>3680.44</u>
<b>18. Provisions:</b>		
Employee benefits:		
Provision for compensated absences	673.34	611.47
Others		
Provision for Warranty Costs (Refer Note No. 37)	476.37	504.79
Provision for Contracts	6.06	32.77
	<u>1155.77</u>	<u>1149.03</u>
<b>19. Current Tax Liabilities (Net):</b>		
Provision for Tax (net of advance tax)	2.91	123.97
	<u>2.91</u>	<u>123.97</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### REVENUE FROM OPERATIONS

	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>20. Revenue From Operations (Refer Note 39)</b>		
Sale of products		
Manufactured goods	86829.65	74904.18
Traded goods	846.97	1243.53
	<u>87676.62</u>	<u>76147.71</u>
Sale of Services	3153.10	676.62
Project Revenue	1627.71	1631.52
	<u>92457.43</u>	<u>78455.85</u>
Other Operating revenue		
Scrap Sales	774.80	525.10
	<u>93232.23</u>	<u>78980.95</u>

#### Disaggregation of Revenue based on major products:

Manufactured goods		
Electric Motors	35739.43	26609.64
Transformers	45808.64	44379.58
Magnet Technology Machines	3334.09	2358.41
Drive Systems	1947.49	1556.55
	<u>86829.65</u>	<u>74904.18</u>
Traded goods		
Drives	622.33	1027.11
Others	224.64	216.42
	<u>846.97</u>	<u>1243.53</u>
	<u>87676.62</u>	<u>76147.71</u>

#### Disaggregation of Revenue based on geographical areas is disclosed in Note No. 33

##### Changes in contract assets are as follows:

Balance at the beginning of the year	0.02
Revenue recognised during the year	1627.71
Invoices raised during the year	(1606.60)
Balance at the end of the year	21.13

##### Changes in contract liabilities are as follows:

Balance at the beginning of the year	75.63
Revenue recognised that was included in the contract liabilities at the beginning of the year	(62.37)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	4.40
Balance at the end of the year	<u>17.66</u>

##### Reconciliation of Revenue from operations with Contracted price

Contracted price	90778.71
Increase / (Decrease) towards variable consideration components	2453.52
Revenue recognised	<u>93232.23</u>

The Increase / (Decrease) towards variable consideration comprises of discounts, rebates, credits etc.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>21. Other Income</b>		
Interest	2283.25	1669.77
Dividend Income	254.30	247.21
Fair valuation of Current Investments	297.72	64.10
Profit on sale of Fixed Assets	0.07	0.76
Provision no longer required / Credit Balances appropriated	37.36	45.37
Miscellaneous Income	88.62	89.67
	<u>2961.32</u>	<u>2116.88</u>
<b>22. Cost of materials consumed</b>		
Raw Materials and Components Consumed (Including Processing charges and Subcontracting charges)	68122.70	53079.85
Packing Materials Consumed	1505.93	1145.93
Project Materials Consumed	666.49	876.94
	<u>70295.12</u>	<u>55102.72</u>
<b>23. Purchases of Stock in Trade</b>		
Purchases	693.13	737.30
	<u>693.13</u>	<u>737.30</u>
<b>24. Change in inventories of finished goods, Stock-in-Trade and work-in-progress</b>		
Stock at the beginning of the year		
Work-in-Progress	5073.07	4132.98
Finished Goods	2703.05	4917.64
Stock in trade	266.35	458.19
	<u>8042.47</u>	<u>9508.81</u>
Stock at the end of the year		
Work-in-Progress	6162.56	5073.07
Finished Goods	4305.63	2703.05
Stock in trade	299.46	266.35
	<u>10767.65</u>	<u>8042.47</u>
<b>Variation in Excise duty on finished goods</b>		
Excise duty on closing stock	—	—
Less: Excise duty on opening stock	—	700.11
	—	(700.11)
	<u>(2725.18)</u>	<u>766.23</u>
<b>25. Excise Duty</b>		
Excise Duty on Sales	—	1581.89
	—	1581.89
<b>26. Employee benefits expense</b>		
Salaries and Wages	8615.38	7429.85
Workmen and Staff Welfare Expenses	1192.29	1268.17
Contribution to Provident and Other Funds	462.94	466.86
	<u>10270.61</u>	<u>9164.88</u>



## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>27. Finance costs</b>		
Interest expense	1526.20	1499.60
Discounting Charges	47.26	293.36
Net (gain) / loss on foreign currency transaction and translation adjusted to interest cost	117.97	135.31
	<u>1691.43</u>	<u>1928.27</u>
<b>28. Other expenses</b>		
Power and Fuel	756.80	648.89
Stores, Spare Parts and Tools consumed	282.28	249.17
Fuel consumed (excluding for own power generation)	129.92	88.91
Repairs to Buildings	55.66	50.05
Repairs to Machinery	205.32	170.56
Other Repairs	52.58	49.65
Insurance	73.55	61.61
Rent	157.52	155.36
Rates and Taxes	135.71	271.66
Royalty	99.92	75.73
Post and Telecommunication Charges	153.26	133.85
Travelling, Conveyance and Motor Vehicle Expenses	765.22	645.58
Freight and Forwarding Charges	2589.50	2470.18
Product Advertisement and Publicity	124.69	51.62
Printing and Stationery	116.51	106.41
Data Processing Charges	159.82	151.69
Professional Charges	488.47	487.23
Commission	421.30	302.25
Bank Charges	301.67	363.89
Directors' Fees	17.00	14.60
Net loss on foreign currency transaction and translation	9.50	2.29
Net loss arising on financial liability mandatorily measured at FVTPL	(15.18)	15.18
Loss on Fixed Assets sold, discarded, and scrapped	18.57	10.98
Allowance for doubtful debts	54.23	17.89
Less: Allowance for doubtful debts no longer required	<u>70.25</u>	102.42
	(16.02)	(84.53)
Bad Debts / Sundry Debit Balances written off	21.37	120.35
Others	<u>1832.81</u>	<u>1682.04</u>
	<u>8937.75</u>	<u>8295.20</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

	As at 31st March, 2019	As at 31st March, 2018
<b>29. Contingent Liabilities:</b>		
Disputed Sales Tax Demands	73.92	184.22
Disputed Excise Duty Demands	237.09	237.09
Disputed Custom Duty Demand	126.12	126.12
Disputed Income Tax Demands	27.77	24.76
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.		
<b>30. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)</b>	<b>1353.73</b>	<b>117.41</b>
<b>31. Professional Charges include:</b>		
(a) To Auditors: (net of Service Tax/GST)		
Audit Fees	20.00	20.00
Tax Audit Fees	3.60	3.55
Others	22.40	19.56
Reimbursement of Out of Pocket Expenses	0.31	0.14
	<u>46.31</u>	<u>43.25</u>
(b) To Cost Auditors (net of Service Tax/GST)	0.98	0.98

### 32. Disclosure pursuant to Indian Accounting Standard (Ind AS) – 19 : Employee Benefits

#### 1) Defined contribution plans:

The Company participates in defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The defined contribution plans are as below:

#### a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Company.

#### b) Superannuation fund

The Company holds a policy with an Insurance company, to which it contributes a fixed amount relating to superannuation and the pension annuity is met by the Insurer as required, taking into consideration the contributions made. The Company has no further obligations under the Scheme beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred.

Contribution to Defined Contribution Plans, recognised in the Statement of Profit and Loss for the year under employee benefits expense, are as under :

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
i) Employer's Contribution to Provident Fund	267.68	274.78
ii) Employer's Contribution to Superannuation Fund	55.70	57.88
<b>Total</b>	<u><b>323.38</b></u>	<u><b>332.66</b></u>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 32. Disclosure pursuant to Indian Accounting Standard (Ind AS) – 19 : Employee Benefits (Contd.)

##### (2) Defined Benefit Plans:

The Defined Benefit Plan is as below:

##### Gratuity (Funded)

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, on death while in employment or on termination of the employment in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's Scheme, as applicable. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established with the insurance company. The Company accounts for the liability for gratuity benefits payable based on an actuarial valuation. The plan typically exposes the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

##### Investment risk

The Probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

##### Interest risk

If the Discount Rate i.e the yield on the Government Bonds decrease in future, the Actuarial Liability will increase and vice versa. The quantum of increase in valuation liability corresponding to specific decrease in the Discount Rate and vice versa, has been shown in the annexure containing the sensitivity Analysis of Key Actuarial Assumption.

##### Longevity risk

If the Mortality rate experienced by the staff of a particular company is higher than what is assumed in mortality Table used in the valuation, the valuation liability will increase.

However, it will be very cumbersome to measure the quantum of increase for assumed reduction of Mortality rates as can be done in case of changes in salary Growth Rate and Interest Rate.

##### Salary risk

If the salary Growth Rate over the future years of services is increased, the Actuarial Liability will increase and vice versa.

The quantum of increase in the valuation liability corresponding to specific increase in the salary growth rate and vice versa has been shown in the annexure containing Sensitivity Analysis of key Actuarial Assumption.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at 31st March, 2019 by an independent actuary. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

##### A. Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations are as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018
1. Discount rate	7.75%	7.75%
2. Salary escalation	6.50%	6.50%
3. Rate of Employee Turnover	upto age 34 = 3% age 35-44 = 2% age 45 & above = 1%	upto age 34 = 3% age 35-44 = 2% age 45 & above = 1%
4. Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

##### B. Expenses recognised in Statement of Profit and Loss

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Service cost:</b>		
Current service cost	143.81	131.34
Past service cost	–	0.53
Net Interest cost	(4.25)	2.33
<b>Components of defined benefit costs recognised in the 'Employee benefits expenses' in the Statement of Profit and Loss</b>	<b>139.56</b>	<b>134.20</b>
<b>Net Interest Cost recognised in Statement of Profit and Loss:</b>		
Interest Cost	165.66	168.94
(Interest Income)	(169.91)	(166.61)
<b>Net interest cost recognised in Statement of Profit and Loss</b>	<b>(4.25)</b>	<b>2.33</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 32. Disclosure pursuant to Indian Accounting Standard (Ind AS) – 19 : Employee Benefits (Contd.)

##### C. Expenses Recognized in Other Comprehensive Income (OCI)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Actuarial (Gains) / Losses on Obligation For the Period - Due to changes in demographic assumptions	–	–
Actuarial (Gains) / Losses on Obligation For the Period - Due to changes in financial assumptions	–	(27.72)
Actuarial (Gains) / Losses on Obligation For the Period - Due to experience adjustment	28.94	(81.81)
Return on Plan Assets excluding Interest Income	(15.11)	4.32
<b>Net (Income) / Expense For the Period Recognized in OCI</b>	<b>13.83</b>	<b>(105.21)</b>

##### D. Amount recognised in the Balance Sheet

Particulars	As at 31st March, 2019	As at 31st March, 2018
Present Value of Defined Benefit Obligation as at the end of the year	2187.96	2137.50
Fair Value of plan assets	(2249.45)	(2192.39)
<b>Net (asset)/liability recognised in the Balance Sheet</b>	<b>(61.49)</b>	<b>(54.89)</b>
<b>Recognised under:</b>		
Long term (asset) / provision (Refer Note No. 8)	(35.49)	(37.87)
Short term (asset) / provision (Refer Note No. 12)	(26.00)	(17.02)
<b>Total</b>	<b>(61.49)</b>	<b>(54.89)</b>

##### E. Movements in the present value of defined benefit obligation are as follows:

Opening defined benefit obligation	2137.50	2252.53
Current Service Cost	143.81	131.34
Interest cost	165.66	168.94
Past Service Cost	–	0.53
Remeasurement (gains)/losses	28.94	(109.53)
Benefits Paid (From the Fund)	(287.96)	(306.31)
<b>Closing defined benefit obligation</b>	<b>2187.95</b>	<b>2137.50</b>

##### F. Movements in the fair value of the plan assets are as follows:

Opening fair value of the plan assets	2192.39	2221.41
Contributions by the Employer	160.00	115.00
Remeasurement (gains)/losses	–	–
Interest income	169.91	166.61
Expected return on plan assets not included in the interest income	15.11	(4.32)
Benefits paid	(287.96)	(306.31)
<b>Closing fair value of plan assets</b>	<b>2249.45</b>	<b>2192.39</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 32. Disclosure pursuant to Indian Accounting Standard (Ind AS) – 19 : Employee Benefits (Contd.)

##### G. Maturity profile of defined benefit obligation:

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended 31st March, 2019	Estimated for the year ended 31st March, 2018
1st Following Year	497.22	679.73
2nd Following Year	292.03	350.83
3rd Following Year	156.44	154.59
4th Following Year	126.95	142.84
5th Following Year	210.46	114.89
Sum of Years 6 to 10	861.28	712.31
Sum of years 11 – above	13443.86	12489.37
<b>Total expected payments</b>	<b>15588.24</b>	<b>14644.56</b>

##### H. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

Projected Benefits Payable in Future Years From the Date of Reporting	As at 31st March, 2019	As at 31st March, 2018
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(58.85)	(52.39)
Impact of -0.5% Change in Rate of Discounting	63.54	56.97
Impact of +0.5% Change in Rate of Salary Increase	64.00	56.85
Impact of -0.5% Change in Rate of Salary Increase	(59.79)	(53.32)
Impact of +0.5% Change in Rate of Employee Turnover	5.39	3.01
Impact of -0.5% Change in Rate of Employee Turnover	(5.72)	(3.17)

##### I. Other Disclosures

- The weighted average duration of the obligations as at 31st March, 2019 is 24 years (31st March, 2018: 22 Years).
- The Company expects to contribute ₹ 62.71 lakhs to the plan during financial year 2019-20.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 33. Disclosure pursuant to Ind AS – 108 : OPERATING SEGMENTS

##### BUSINESS SEGMENTS

Particulars	Power Systems		Industrial Systems		Total	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Segment Revenue</b>						
External Revenue	50334.68	47102.62	42897.55	31878.33	93232.23	78980.95
Inter-segment Revenue	–	–	–	–	–	–
<b>Total Revenue</b>	<b>50334.68</b>	<b>47102.62</b>	<b>42897.55</b>	<b>31878.33</b>	<b>93232.23</b>	<b>78980.95</b>
<b>Segment Result</b>	<b>2702.75</b>	<b>3433.38</b>	<b>5938.13</b>	<b>2359.93</b>	<b>8640.88</b>	<b>5793.31</b>
Unallocated Income / (Expense) (Net)					(756.45)	(1275.14)
Finance Costs					(1691.43)	(1928.27)
Exceptional Items					–	4677.92
Tax Expense (Debit) / Credit					(2039.94)	(1171.06)
Profit / (Loss) after Taxation					<b>4153.06</b>	<b>6096.76</b>

Particulars	Power Systems		Industrial Systems		Total	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>Segment Assets</b>	<b>29327.98</b>	<b>33531.33</b>	<b>20023.18</b>	<b>16960.30</b>	<b>49351.16</b>	<b>50491.63</b>
Unallocated Assets					65488.84	60871.81
<b>Total assets</b>					<b>114840.00</b>	<b>111363.44</b>
Segment Liabilities	9002.79	11431.48	9619.92	8405.03	18622.71	19836.51
Unallocated Liabilities					21021.29	22383.88
<b>Total liabilities</b>					<b>39644.00</b>	<b>42220.39</b>
<b>Capital Expenditure</b>						
Segment Capital Expenditure	648.96	93.25	631.21	598.74	1280.17	691.99
Unallocated Capital Expenditure					137.46	93.64
<b>Total Capital Expenditure</b>					<b>1417.63</b>	<b>785.63</b>
<b>Depreciation and Amortisation</b>						
Segment Depreciation and Amortisation	367.22	459.41	311.43	289.22	678.65	748.63
Unallocated Depreciation and Amortisation					159.04	182.81
<b>Total Depreciation and Amortisation</b>					<b>837.69</b>	<b>931.44</b>
<b>Significant Non Cash Expenditure</b>						
Segment Significant Non Cash Expenditure					–	–
Unallocated Non Cash Expenditure					–	–
<b>Total Significant Non Cash Expenditure</b>					<b>–</b>	<b>–</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 33. Disclosure pursuant to Ind AS – 108 : **OPERATING SEGMENTS** (Contd.)

##### **GEOGRAPHICAL INFORMATION**

Particulars	Revenue from External Customers	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Within India	92479.71	78033.80
Outside India	752.52	947.15
	93232.23	78980.95

All Non-current assets are located in India.

No customer individually contributed 10% or more to the Company's revenue for the year ended 31st March, 2019 and 31st March, 2018.

#### OTHER DISCLOSURES:

- Segments have been identified in line with Ind AS 108 on the basis of production and distribution process and regulatory environment.
- The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and profit from operations as the performance indicator for all of the operating segments.
- 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.
- Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.
- Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed for the Company as a whole.
- Capital expenditure consists of additions of property, plant and equipment and intangible assets.

#### SEGMENT INFORMATION:

- 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 Drives and Automation systems.
- Segment Revenue, Result, Assets and Liabilities include respective amounts directly attributable to each segment and other relevant amounts allocated on reasonable basis.

#### 34. Disclosure pursuant to Ind AS – 24 : **RELATED PARTY DISCLOSURES:**

##### 34.1 RELATED PARTIES

- Key Management Personnel
  - Mr. Nikhil J. Danani, Vice Chairman & Managing Director
  - Mr. Nakul P. Mehta, Vice Chairman & Managing Director
  - Mr. Shome N. Danani, Executive Director (son of Mr. Nikhil J. Danani)
- Enterprises over which any of (A) can exercise control or significant influence:
  - Danmet Chemicals Pvt. Ltd.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 34. Disclosure pursuant to Ind AS – 24 : RELATED PARTY DISCLOSURES: (Contd.)

##### 34.2 TRANSACTIONS WITH RELATED PARTIES

Nature of transaction	Related Parties		
	Referred in (A) and (B) above		
	With	Closing Balance	
		As at 31st March, 2019	As at 31st March, 2018
Short-term Employee Benefits Payable	A1	176.86	6.63
	A2	115.35	7.32
	A3	4.81	5.12
Vendor Payable	B1	17.75	22.97

Nature of transaction	During the year ended		
	With		
		31st March, 2019	31st March, 2018
Short-term Employee Benefits Paid	A1	290.44	120.00
	A2	228.26	120.00
	A3	87.75	87.75
Purchases	B1	233.01	224.57
Rent Received	B1	5.13	5.10

#### Notes:

- No amount has been written off or written back during the year ended 31st March, 2019. (Previous Year Nil).
- Remuneration does not include the provisions made for Gratuity as they are determined on an Actuarial basis for the Company as a whole.
- The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

#### 35. Disclosure pursuant to Indian Accounting Standard (Ind AS) – 17 : Leases

As a lessee in a Operating Lease :

Non-cancellable:

The Company has hired assets under non-cancellable operating lease arrangements at stipulated rentals. These lease arrangements are for period less than 1 year. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

With respect to all operating leases :	Year ended 31st March, 2019	Year ended 31st March, 2018
Lease payments recognised in the Statement of Profit and Loss during the year	156.41	162.57

The future Minimum Lease Payments (MLP) under these leases are as under:	As at 31st March, 2019	As at 31st March, 2018
MLP due not later than one year	1.41	11.09
MLP due later than one year but not later than five years	–	6.51
MLP later than five years	–	–



## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 36. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 33 : Earnings Per Share

		Year ended 31st March, 2019	Year ended 31st March, 2018
Profit/(Loss) after Tax	A	4153.06	6096.76
Weighted Average number of Equity Shares	B	5651560	5651560
Nominal Value Per Share (₹)	C	10.00	10.00
Earnings per equity share (Basic and Diluted) (₹)	D = A/B	73.49	107.88

#### 37. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 37 : Provisions, Contingent Liabilities and Contingent Assets

Provisions	Carrying amount as on 1st April, 2018	Provision made during the year	Amount used during the year	Carrying amount as on 31st March, 2019
Others#	114.70	–	–	114.70
	(114.70)	(–)	(–)	(114.70)
Warranty*	504.79	497.37	525.79	476.37
	(285.75)	(478.34)	(259.30)	(504.79)

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.

#### 38. Exceptional Item

Exceptional item in previous year represents excess of the compensation received over the unamortised lease premium on surrender of a part of the Company's factory lease hold land at Airoli, Navi Mumbai to MIDC, the lessor, for proposed public road project.

39. Revenue from operations upto 30th June, 2017 included excise duty, which was discontinued effective 1st July, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with 'Ind AS-115, Revenue from Contracts with Customers', GST is not included in revenue from operations.

#### 40. Subsequent Events

The Board of Directors at its meeting held on 6th May, 2019 has recommended a dividend of ₹ 12.50 per equity share of ₹ 10/- each (total dividend ₹ 706.45 lakhs) for the year ended 31st March, 2019, subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

#### 41. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 12 : Income Taxes

##### (a) Major component of tax expense/(income):

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Current Tax:</b>		
Current Tax (MAT)	1279.25	1502.73
Tax Refund/reversal pertaining to earlier years	(5.46)	–
	<u>1273.79</u>	<u>1502.73</u>
<b>Deferred Tax:</b>		
Deferred Tax	277.71	1164.48
MAT Credit utilisation/(entitlement)	488.44	(1502.73)
Tax Refund/reversal pertaining to earlier years	–	6.58
	<u>766.15</u>	<u>(331.67)</u>
<b>Total Tax expenses</b>	<u>2039.94</u>	<u>1171.06</u>

**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.)**
**41. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 12 : Income Taxes (Contd.)**
**(b) Income Tax recognised in other comprehensive income**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Deferred tax (credit)/charge on:</b>		
Remeasurement of defined benefit obligation	(4.83)	36.42
Fair Value of Equity Instruments through Other Comprehensive Income	9.91	–
	<b>5.08</b>	<b>36.42</b>

**(c) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Profit before Tax (i)</b>	<b>6193.00</b>	<b>7267.82</b>
Corporate tax rate as per Income Tax Act, 1961 (ii)	<b>34.94%</b>	<b>34.61%</b>
<b>Tax on Accounting profit (iii) = (i) * (ii)</b>	<b>2164.08</b>	<b>2515.25</b>
<b>Tax difference on account of:</b>		
(A) Income not chargeable to tax	(88.89)	(1304.37)
(B) Tax rate differential	–	1.38
(C) Expenses not allowable under the Income Tax Act	0.20	0.27
(D) Tax Refund / reversal pertaining to earlier years	(30.62)	6.58
(E) Other timing differences	(4.83)	(48.05)
<b>Total effect of tax adjustments</b>	<b>(124.14)</b>	<b>(1344.19)</b>
<b>Tax expense recognised during the year</b>	<b>2039.94</b>	<b>1171.06</b>

**(d) Movement in Deferred tax balances:**

Particulars	For the year ended 31st March, 2019			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax assets/(liabilities)</u>				
Property, Plant and Equipment	(918.28)	31.45	–	(886.83)
Employee Benefits	–	(4.83)	4.83	–
Provision for doubtful debts and advances	243.37	(5.60)	–	237.77
Carry forward Tax Loss	289.59	(289.59)	–	–
Other Temporary Differences	256.04	(11.25)	(9.91)	234.88
Provision for Contracts	–	2.11	–	2.11
MAT Credit	1996.69	(488.44)	–	1508.25
<b>Net Tax Asset (Liabilities)</b>	<b>1867.41</b>	<b>(766.15)</b>	<b>(5.08)</b>	<b>1096.18</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 41. Disclosure pursuant to Indian Accounting Standard (Ind AS) – 12 : Income Taxes (Contd.)

Particulars	For the Year ended 31st March, 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax assets/(liabilities)</u>				
Property, Plant and Equipment	(952.15)	33.87	–	(918.28)
Employee Benefits	–	36.42	(36.42)	–
Provision for doubtful debts and advances	270.28	(26.91)	–	243.37
Carry forward Tax Loss	1580.93	(1291.34)	–	289.59
Other Temporary Differences	268.65	(12.61)	–	256.04
MAT Credit	404.45	1592.24	–	1996.69
<b>Net Tax Asset (Liabilities)</b>	<b>1572.16</b>	<b>331.67</b>	<b>(36.42)</b>	<b>1867.41</b>

#### 42. Disclosure pursuant to Indian Accounting Standard (Ind AS) – 107 : Financial Instruments: Disclosures

##### Financial instruments and Risk management

##### 42.1 Capital management

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's management reviews its capital structure considering the cost of capital, the risks associated with each class of capital and the need to maintain adequate liquidity to meet its financial obligations when they become due. Accordingly the management and the Board of Directors periodically review and set prudent limit on overall borrowing limits of the Company.

##### 42.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value.

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Financial assets</b>		
(a) Mandatorily measured at fair value through profit or loss (FVTPL)		
(i) Mutual Fund Investments	2516.13	1737.02
(ii) Derivative Assets	–	0.09
(b) Measured at amortised cost		
(i) Cash and cash equivalent	352.87	474.73
(ii) Bank balance other than (i) above	1026.15	510.80
(iii) Trade receivables	25596.58	29594.05
(iv) Loans	20279.61	17441.16
(v) Other financial assets	3402.64	4203.28
(c) Measured at FVTOCI		
(i) Investments in equity instruments	35089.71	33000.58
<b>Total Financial Assets</b>	<b>88263.69</b>	<b>86961.71</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 42. Disclosure pursuant to Indian Accounting Standard (Ind AS) – 107 : Financial Instruments: Disclosures (Contd.)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Financial liabilities</b>		
(a) Mandatorily measured at fair value through profit or loss (FVTPL)		
(i) Derivative Liabilities	3.00	15.56
(b) Measured at amortised cost		
(i) Borrowings	19930.90	21464.56
(ii) Trade payables	15133.70	15384.31
(iii) Other financial liabilities (including current maturities of borrowings)	272.05	287.82
<b>Total Financial Liabilities</b>	<b>35339.65</b>	<b>37152.25</b>

#### 42.3 Financial risk management

The financial risks emanating from the Company's operating business include market risk, credit risk and liquidity risk. These risks are managed by the Company using appropriate financial instruments. The Company has laid down written policies to manage these risks.

##### 42.3.1 Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Currency risk, Interest rate risk and other price risk.

##### A. Foreign currency risk management

The Company is exposed to foreign currency risk arising mainly on import (of raw materials and capital items) and export (of finished goods). Foreign currency exposures are managed within approved policy parameters utilising forward contracts.

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Nature of Transaction	Currency	As at 31st March, 2019		As at 31st March, 2018	
		Hedged	Unhedged	Hedged	Unhedged
Trade Payable	EUR*	35400	8846	10680	121143
	INR	27.64	6.91	(8.68)	(98.44)
Trade Payable	USD*	15510	83991	59004	44143
	INR	10.74	58.17	(38.44)	(28.76)
Trade Payable	GBP*	31860	–	20024	–
	INR	28.93	–	(18.57)	–
Trade Payable	CNY*	671780	2350	432700	83378
	INR	71.09	0.25	(46.18)	(8.90)
Trade Receivable	USD*	–	–	–	3934
	INR	–	–	–	(2.54)
Trade Receivable	EUR*	–	83	–	20297
	INR	–	0.06	–	(16.20)
FCNR (B) based loan	USD*	–	–	3853862	–
	INR	–	–	(2511.57)	–

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 42. Disclosure pursuant to Indian Accounting Standard (Ind AS) – 107 : Financial Instruments: Disclosures (Contd.)

Nature of Transaction	Currency	As at 31st March, 2019		As at 31st March, 2018	
		Hedged	Unhedged	Hedged	Unhedged
<u>Firm Commitment</u>					
Trade Payable	EUR*	617	-	-	-
	INR	0.48	-	-	-
Interest on FCNR (B) based loan	USD*	-	-	136385	-
	INR	-	-	(88.86)	-
Trade Receivable	USD*	104595	-	-	-
	INR	71.73	-	-	-

\* - Denotes amounts in full figures.

#### A.1 Foreign currency sensitivity analysis

The Company's exposure to Foreign Currency changes for all currencies is not material.

#### A.2 Derivative Financial Instruments

The Company has entered into foreign currency forward contracts to manage its exposure to fluctuations in foreign exchange rates on foreign currency receivables and payables. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

The following table details the significant derivative financial instruments outstanding at the end of the reporting period:

Financial assets/ (Financial liabilities)	Particulars	31st March, 2019	31st March, 2018
<b>Derivative Assets/(Liabilities) measured at FVTPL:</b>			
(i) Forward contracts	Notional value* (to buy)	CNY – 671780	CNY – 432700
	Notional value* (to sell)	EUR – 36017	EUR – 10680
	Fair value (₹ lakhs)	USD – 15510	USD – 4049251
		GBP – 31860	GBP – 20024
	Notional value* (to sell)	USD – 104595	-
	Fair value (₹ lakhs)	(3.00)	(15.56)

\* - Denotes amounts in full figures.

#### B. Interest rate risk management

The Company does not have interest rate risk exposure on its outstanding loans as at the year end as these loans are short-term loans on fixed interest rate basis.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 42. Disclosure pursuant to Indian Accounting Standard (Ind AS) – 107 : Financial Instruments: Disclosures (Contd.)

##### C. Other price risks

The Company is exposed to price risks arising from its investments in mutual funds and equity.

Equity price risk is related to change in market reference price of investments in equity shares held by the Company. The fair value of quoted investments held by the Company exposes it to equity price risks. In general, these investments are not held for trading purposes.

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investment schemes.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to the very short tenor of the underlying portfolio in the liquid schemes, these do not hold any significant price risks.

##### C.1 Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher / lower, the other comprehensive income for the year ended 31st March, 2019 would have increased / decreased by ₹ +/- 1754.48 lakhs (2017-2018: increase / decrease by ₹ +/- 1650.02 lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI.

##### C.2 Mutual fund price sensitivity analysis

The sensitivity analysis below has been determined based on Mutual Fund Investment at the end of the reporting period. If NAV had been 1% higher / lower, the profit for year ended 31st March, 2019 would have increased/decreased by ₹ +/- 25.16 lakhs

(2017-2018: increase/decrease by ₹ +/- 86.85 lakhs) as a result of the changes in fair value of mutual funds.

#### 42.3.2 Credit risk management

Credit risk arises from the possibility that a counter party's inability to settle its obligations as agreed in full and in time. The maximum exposure to credit risk in respect of the financial assets at the reporting date is the carrying value of such assets recorded in the financial statements net of any allowance for losses.

##### A. Trade Receivables

The Company's trade receivables consists of a large and diverse base customers including State owned Companies, Large Private Corporates and Public sector enterprises. Hence the Company is not exposed to concentration and credit risk.

The ageing analysis of trade receivables as of the reporting date is as follows:

Ageing of trade receivables (Gross)	31st March, 2019	31st March, 2018
0 - 6 months past due	25124.80	28347.71
More than 6 months past due	1152.21	1942.79
<b>Total Trade receivables</b>	<b>26277.01</b>	<b>30290.50</b>

Reconciliation of allowance for doubtful debts on Trade Receivables

Particulars	31st March, 2019	31st March, 2018
<b>Balance as at beginning of the year</b>	<b>696.45</b>	<b>780.98</b>
Allowance for doubtful debts based on Expected Credit Loss (ECL)	(16.02)	(84.53)
<b>Balance at end of the year</b>	<b>680.43</b>	<b>696.45</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 42. Disclosure pursuant to Indian Accounting Standard (Ind AS) – 107 : Financial Instruments: Disclosures (Contd.)

##### B. Other Financial Assets

The Company maintains exposure in cash and cash equivalents, time deposits with banks and NBFCs, investments in debt mutual funds. Investment of surplus funds are made only with approved counter parties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

#### 42.3.3 Liquidity risk management

The objective of liquidity risk management is to maintain sufficient liquidity to meet financial obligations of the Company as they become due. The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The Company has access to various fund / non-fund based bank financing facilities. The amount of unused borrowing facilities (fund and non-fund based) available for future operating activities and to settle commitments as at 31st March, 2019 ₹ 14041 lakhs, (as at 31st March, 2018 ₹ 14850 lakhs).

##### 42.3.3.1 Liquidity risk table

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes principal cash flows along with interest.

	Weighted average effective interest rate (%)	Upto 1 year	1-5 years	5+years	Total
<b>31st March, 2019</b>					
Borrowings	8.60%	18658.17	–	–	18658.17
Trade Payables	–	15131.47	–	–	15131.47
Other Financial Liabilities	–	275.05	–	–	275.05
<b>Total</b>		<b>34064.69</b>	<b>–</b>	<b>–</b>	<b>34064.69</b>
<b>31st March, 2018</b>					
Borrowings	8.30%	18112.24	–	–	18112.24
Trade Payables	–	15384.31	–	–	15384.31
Other Financial Liabilities	–	303.38	–	–	303.38
<b>Total</b>		<b>33799.93</b>	<b>–</b>	<b>–</b>	<b>33799.93</b>

The derivative financial liability of ₹ 3.00 lakhs will get settled within one year.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 42. Disclosure pursuant to Indian Accounting Standard (Ind AS) – 107 : Financial Instruments: Disclosures (Contd.)

##### 42.4 Fair value measurements

The Company's certain financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about the valuation technique(s), inputs used and the fair value hierarchy used in determining such fair values.

Financial assets/ (Financial liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2019	31st March, 2018		
1) Foreign currency Forwards: Derivative Assets	–	0.09	Level 2	<u>Discounted cash flow.</u> Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Derivative Liability	3.00	15.56		
2) Investments in Mutual funds at FVTPL	2516.13	1737.02	Level 1	Fair value of investments in Mutual Funds is based on Net asset value (NAV) declared by mutual fund houses at the reporting date.
3) Investments in equity instruments at FVTOCI (quoted) (refer note below)	35089.71	33000.58	Level 1	Quoted bid prices in an active market

**Note:** These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the management believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

There were no transfers between Level 1 and 2 in the period.

#### 43. Previous year's figures have been regrouped/recast/reclassified, wherever necessary.

As per our report of even date.  
For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm Registration No. 117366W/W-100018  
Sunder V. Iyer  
Partner  
Membership No. 048393

D. N. Nagarkar  
Company Secretary & Senior General Manager : Legal  
Y. S. Agarwal  
Chief Financial Officer & Vice President : Finance

Nikhil J. Danani  
Nakul P. Mehta  
Shome N. Danani  
Vice Chairmen & Managing Directors  
Executive Director

Mumbai, 6th May, 2019

Mumbai, 6th May, 2019





## Bharat Bijlee Limited

Regd. Office: Electric Mansion, 6<sup>th</sup> Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025.  
CIN: L31300MH1946PLC005017, Phone: 022 – 24306237, Fax: 022 - 2437 0624  
Website: [www.bharatbijlee.com](http://www.bharatbijlee.com), E-mail: [bblcorporate@bharatbijlee.com](mailto:bblcorporate@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 72<sup>nd</sup> Annual General Meeting of the Company, to be held on Monday, September 09, 2019 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	Resolution Type
<b>ORDINARY BUSINESS</b>		
1.	Adoption of Audited Balance Sheet as at March 31, 2019, the Audited Statement of Profit and Loss for the financial year ended on that date, Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.	Ordinary
2.	Declaration of Dividend on Equity Shares of the Company for the Financial Year 2018-2019.	Ordinary
3.	Re-appointment of Mr. Shome N. Danani (DIN 00217787) as a Director, who is liable to retire by rotation and, being eligible, offers himself for re-appointment.	Ordinary
<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, 2020.	Ordinary
5.	Re-appointment of Mr. Prakash V. Mehta (DIN: 00001366), Chairman, as an Independent Director of the Company, for a second term of five (5) consecutive years.	Special
6.	Re-appointment of Mr. Sanjiv N. Shah (DIN: 00007211), as an Independent Director of the Company, for a second term of five (5) consecutive years.	Special
7.	Re-appointment of Mr. Jairaj C. Thacker (DIN: 00108552), as an Independent Director of the Company, for a second term of five (5) consecutive years.	Special
8.	Re-appointment of Mr. Rajeshwar D. Bajaj (DIN: 00087845), as an Independent Director of the Company, for a second term of five (5) consecutive years.	Special
9.	Appointment of Mrs. Mahnaz A. Curmally (DIN: 06907271), as an Independent Director of the Company, for a term of five (5) consecutive years.	Special

Signed: this ..... day of ..... 2019

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

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

Affix  
Revenue  
Stamp  
of ₹ 1/-

#### 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 72<sup>nd</sup> Annual General Meeting.



## 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 72<sup>nd</sup> ANNUAL GENERAL MEETING of the Company held at 'Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai – 400 020, on Monday September 09, 2019 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
190805006		

\* 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

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