

September 4, 2020

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: DISPATCH OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2019-2020

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 2019-2020.

This is for your kind information and records.

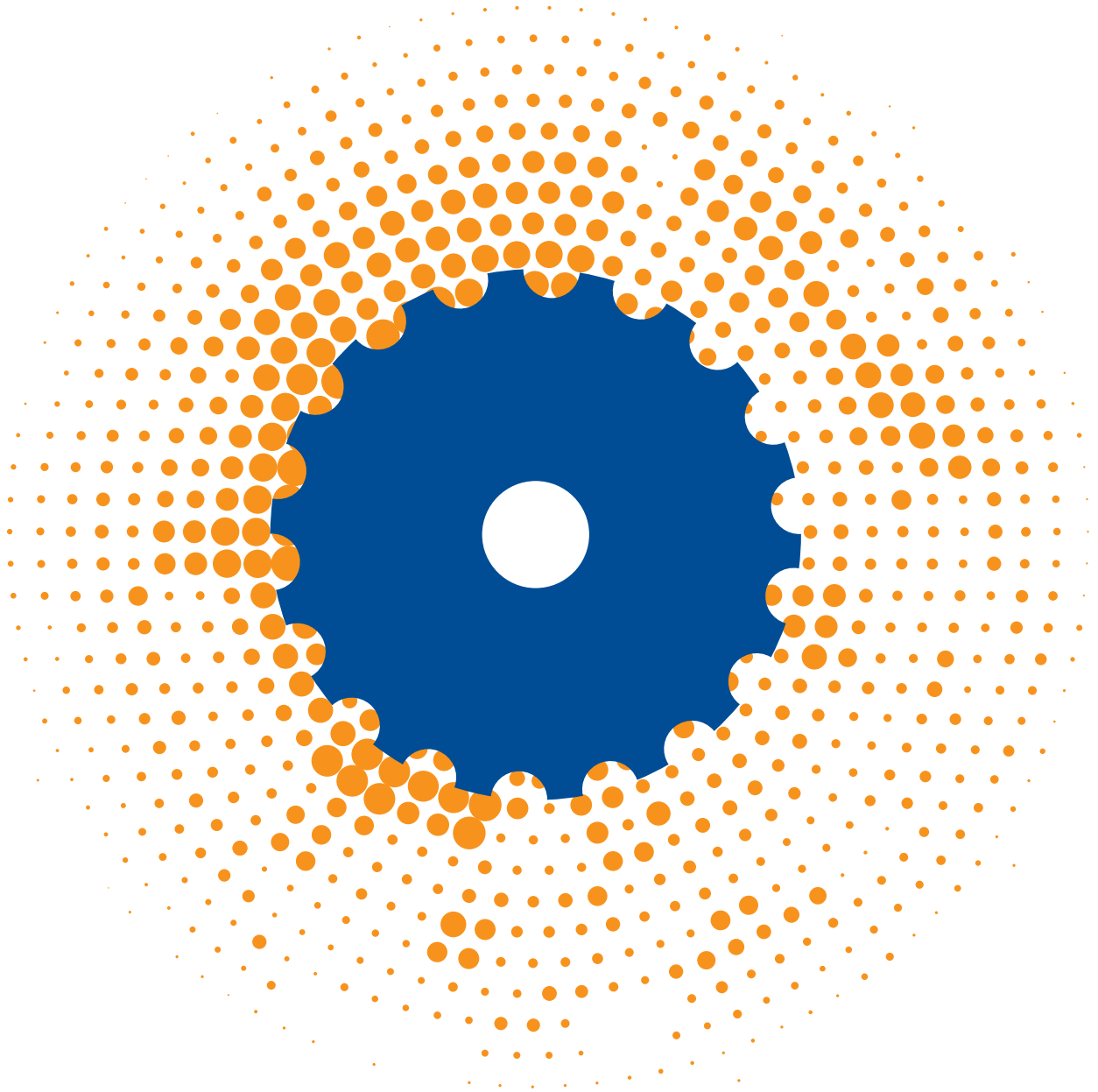
Thanking You,

Yours sincerely,
For **Bharat Bijlee Limited**



Durgesh N. Nagarkar
Company Secretary & Senior General Manager
Legal





73RD ANNUAL REPORT 2019-20

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Letter from the Executive Director

Dear Shareholders,

The June 2020 cover of The Economist magazine was titled "The New World Disorder". This aptly describes the state of the world as we know it today. Before COVID-19 struck, the world was grappling with varied topics pertaining to trade disputes, slowing economies, and overall a multitude of issues that point to a phase of de-globalization. The OECD has now projected that global GDP will fall by 6% this year in the optimistic scenario. The Indian economy was already reeling from muted demand and declining consumer confidence. The coming year will probably be the most challenging one of the last couple of decades.

In the **Transformer** business turnover contracted year on year by 9% owing to the product mix that was available and subsequently targeted in the market. A planned shutdown where we carried out work related to the expansion of our capacity has also contributed to this. Prices continue to be extremely competitive. Despite this we have booked our single largest order and ended the year with the highest order book ever. This is a 35% increase in the order book over the previous financial year. In the coming year we will focus on execution. The **Motor** business has done well to register a robust 12% growth in a market that has contracted. The real achievement has been an improvement in margins despite fierce competition. Along with this we have been able to increase market share significantly. Increased geographic coverage and a further optimized supply chain have contributed to this.

In the **Projects** business growth is flat but order booking has increased substantially compared to last year. This business is linked closely to the transformer business and more or less follows the same business cycle. The market conditions with respect to price are similar. We are seeing a number of customers in the market delaying placing orders. The **Magnet Technology Machines (MTM)** division has grown 6% over last year. Export orders have picked up and contributed significantly to growth. We have successfully developed and tested a range of synchronous servo motors for phased market release. In the **Drives and Automation** division the top line is roughly the same as last year. An overall slowdown in the plastic, metal and textile industries has impacted business. Successful implementation of applications involving the servo motor developed by the MTM division has been

an achievement. New product development in the "Industrial Internet of Things" space will throw up some exciting possibilities.

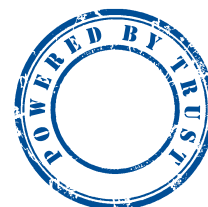
Your company has taken a number of proactive steps to ensure smooth functioning during these very difficult times. We have formed a number of cross-functional groups to ensure business continuity. On the workforce front, our white collar employees voluntarily agreed to a salary cut in the range of 20 to 50%, with the working directors taking the largest reduction. We have entered into an understanding with the Union to regain lost days of work. All these initiatives will immensely help to mitigate the effect of the ongoing crisis.

There has been a lot of talk about the impact that the potential banning of Chinese goods will have on Indian companies and our industry. In the long run there may be reduced competition but in the short run this is a double edged sword. India's trade deficit with China is about \$60B. This amounts to about 14% of all goods imported. Thus in the short run a huge number of industries that import raw materials and components from China will be negatively impacted if this does indeed play out.

The primary challenge facing business today is unpredictability. There is extremely low forward visibility and this makes it very hard to plan ahead. Will there be a second wave of the virus? How will the Government react? Will there be more stringent lockdowns? How long will we function at limited capacity? How deep will the fallout of the current crisis be? Economic recovery will be directly correlated to our healthcare system and our preparedness in dealing with this virus. The answer to many of these questions remains speculative and we will have to wait, watch, and be agile enough to respond to the fast changing needs of the present business environment. We have prepared as best we can for any challenge that may come our way.



Shome Danani
Executive Director



DIRECTORS

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

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

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

Mr. Shome N. Danani
(Executive Director)

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

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

Mr. Ravishanker Prasad
(Non-Executive Director)

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

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

REGISTERED OFFICE

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

Tel. No. : 022-24306237

Fax No. : 022-24370624

WORKS

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

Tel. No. : 022-27637200

Fax No. : 022-27637443

AUDITORS

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.

REGIONAL OFFICES**Northern Regional Office**

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

Western Regional Offices

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

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

Eastern Regional Office

Siddha Fifth Avenue
Space No. 3B, 3rd 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
Website : www.linkintime.co.in

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTY THIRD (73RD) ANNUAL GENERAL MEETING ('AGM') OF THE SHAREHOLDERS OF BHARAT BIJLEE LIMITED WILL BE HELD AT 11.00 A.M. ON TUESDAY, SEPTEMBER 29, 2020 THROUGH VIDEO CONFERENCING ('VC') / OTHER AUDIO VISUAL MEANS ('OAVM'), 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, 2020, (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 confirm the payment of Interim Dividend of ₹ 12.50/- (i.e., 125%) per equity share of ₹ 10/- each, already paid during the year as the Final Dividend for the financial Year 2019-2020
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 Appointment of Mr. Ravi Chaudhary (DIN 06728841) as a Non-Executive Non-Independent Director of the Company:**

"RESOLVED THAT pursuant to Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in line with the applicable provisions of the Articles of Association of the Company, Mr. Ravi Chaudhary (DIN: 06728841), who on the recommendation of Nomination and Remuneration Committee, was appointed by the Board of Directors, as an Additional Director of the Company with effect from June 30, 2020 and who holds office upto the date of this Annual General Meeting of the Company and who is eligible for the appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive and Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Company Secretary of the Company, be and are hereby authorised to do all 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 an Ordinary Resolution for the ratification of Remuneration payable to the Cost Auditors of the Company for the Financial Year 2020-2021:**

"RESOLVED THAT pursuant to the provisions of Section 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, 2021, 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."

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

Place: Mumbai
Date: August 13, 2020

Registered Office:

Electric Mansion, 6th 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
Website: www.bharatbijlee.com

NOTES:

1. In view of the continuing outbreak of the CoVID-19 pandemic, social distancing to be a pre-requisite and the continuing restriction on movement of persons at several places in the Country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs (collectively referred as “**MCA Circulars**”) and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India (“**SEBI Circular**”), physical attendance of the Shareholders at the 73rd Annual General Meeting (“**AGM**”) venue is not required and the AGM can be held through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”), without the physical presence of the Shareholders at a common venue.

Accordingly, in compliance with the provisions of the Companies Act, 2013 (“**Act**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and MCA Circulars, the 73rd AGM of the Company is being conducted through VC / OAVM, without the physical presence of Shareholders at a common venue. The deemed venue for the 73rd AGM shall be the Registered Office of the Company, i.e. at Electric Mansion, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025.

2. An Explanatory Statement pursuant to Section 102 of the Act, relating to special business to be transacted at the AGM, is annexed hereto and forms part of this Notice. The relevant information of Directors seeking appointment / re-appointment, as required under Regulation 36(3) of the Listing Regulations, 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 Directors for seeking appointment / re-appointment.
3. Pursuant to the provisions of the Act, a Shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a shareholder of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Shareholders will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Shareholders such

as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their votes through e-Voting.

4. Corporate Members intending to authorize their representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013, are required to send a Scanned Copy (PDF / JPG Format) to the Company, a Certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend the AGM through VC / OAVM, on their behalf and to vote through remote e-Voting. The said Resolution shall be sent to the Scrutinizer by email through its registered email address to navnitlb@nlba.in with a copy marked to helpdesk.evoting@cdslindia.com.
5. 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.
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Shareholders whose email addresses are registered with the Company / Depositories and physical copy of the same will not be made available to the Shareholders of the Company in line with the aforementioned MCA Circulars and SEBI Circular.
7. The Notice of the AGM and the Annual Report 2019-2020 of the Company, will also be hosted on the Company's website at <https://www.bharatbijlee.com/> and on the websites of the Stock Exchanges i.e. BSE Limited www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of CDSL i.e., www.evotingindia.com.
8. Since the AGM will be held through VC / OAVM Facility, the Route Map is not annexed in this Notice.
9. 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, Shareholders 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, <https://www.bharatbijlee.com/>. Shareholders holding shares in physical form should file their nomination with M/s Link Intime India Private Limited, Company's Registrar and Share Transfer Agent (“RTA”), whilst those Shareholders holding shares in dematerialized mode should file their nomination with their Depository Participant(s).
10. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities

market. Shareholders 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. Shareholders holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agents.

11. As per Regulation 40 of the Listing Regulations (as amended), securities of listed companies can only be transferred in Demat form with effect from April 1, 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
12. To prevent fraudulent transactions, Shareholders are advised to exercise due diligence and notify the Company of any change in address or demise of any Shareholder as soon as possible. Shareholders are also advised to not leave their Demat account(s) dormant for a long time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
13. In order to receive dividend/s in a timely manner, Shareholders holding shares in physical form who have not updated their mandate for receiving the Dividends directly in their Bank Accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive Dividends directly into their Bank Account electronically or any other means, by sending scanned copy of the following details / documents by e-Mail to reach the Company's e-Mail address investorcare@bharatbijlee.com prior to cut-off date, i.e. Tuesday, September 22, 2020.
 - a. a Signed Request Letter mentioning your Name, Folio Number, Complete Address and following details relating to bank account in which the Dividend is to be received
 - Name and Branch of Bank and Bank Account type;
 - Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
 - 11 digit IFSC Code
 - b. self attested scanned copy of cancelled cheque bearing the name of the Shareholder or first holder, in case shares are held jointly;
 - c. self attested scanned copy of the PAN Card; and

- d. self attested scanned copy of any document (such as AADHAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Shareholder as registered with the Company.

For the Shareholders holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

14. During the 73rd AGM, Shareholders may access the scanned copy of the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act, upon Log-in to <https://instameet.linkintime.co.in>.
15. Shareholders seeking any information with regard to the Annual Accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Friday, September 18, 2020, through e-Mail on investorcare@bharatbijlee.com. The same will be replied by the Company suitably. Documents referred to in this Notice will be made available for inspection as per applicable statutory requirements.
16. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Shareholders and Share Transfer Books of the Company will remain closed from **Tuesday, September 22, 2020 to Tuesday, September 29, 2020 (both days inclusive)**.
17. Attendance of the Shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
18. 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 Shareholders 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, the Company has transferred ₹ 9,75,825/-, being the unclaimed / unpaid dividend amount pertaining to Dividend for the financial year ended March 31, 2012, to the IEPF, during the year 2019.

Also, 3,107 corresponding Equity Shares of ₹ 10/- each, on which dividend was not encashed / remained unclaimed for seven (7) consecutive years and the due date of which was September 5, 2019, were transferred during the year 2019, to the IEPF Account, after following the prescribed procedure. 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. 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.

Shareholders who had not claimed the dividends declared for the financial year March 31, 2013, were requested to lodge their claim on or before July 20, 2020, with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. The Company had sent reminders through electronic mode to all such Shareholders whose e-Mail addresses were registered with the Company / RTA.

Further, due to current lockdown situation arising out of CoVID-19 Pandemic, various services of dispatch including through Postal Services / by Courier have been severely affected. Accordingly, a Notice in lieu of the Individual Letter to Company's Shareholders, due to the constraint of posting, was published on, July 7, 2020, in Free Press Journal in English and in Navshakti in Marathi, intimating the respective Shareholders to apply and claim the Unclaimed Dividend for March 2013, on or before July 20, 2020, along with the details mentioned therein.

Further, all the Shareholders who had not claimed their dividends in the last seven (7) consecutive years from 2013 were requested to claim the same by July 20, 2020, with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. 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 <https://www.bharatbijlee.com/>.

The details of Nodal Officer of the Company, in line with the provisions of IEPF Regulations are available on the Company website and can be accessed through the link : <https://www.bharatbijlee.com/company/investor-relations/investor-contact/>

19. **VOTING THROUGH ELECTRONIC MEANS**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time-to-time and Regulation 44 of Securities and Exchange Board of India (Listing Regulations & Disclosure Requirements) Regulations, 2015, Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (Revised w.e.f. October 1, 2017) and MCA Circulars, the Company is providing to its Shareholders, facility to exercise their right to vote on the resolutions proposed to be considered at the ensuing 73rd AGM, by electronic means. The Shareholders 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 Shareholders to cast their vote electronically.

The instructions for e-voting are as under:

- a. Shareholders holding shares in physical form or in demat form as on **Tuesday, September 22, 2020, the cut-off date** shall only be eligible for e-voting. A person, whose name is recorded in the Register of Shareholders 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 Saturday, September 26, 2020 and will end at 5.00 p.m. on Monday, September 28, 2020.** During this period the eligible Shareholders 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. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- d. The shareholders should log on to the e-voting website www.evotingindia.com.
- e. Click on "Shareholders" Module.
- f. Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- OR
- Alternatively, if you are registered for CDSL's **EASI / EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- g. Next enter the Image Verification as displayed and Click on Login.
- h. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- i. If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.

	For Shareholders holding shares in Demat Form and Physical Form
Dividend Bank Details OR 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. 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 (f)

- After entering these details appropriately, click on "SUBMIT" tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders 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.
- For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN of 'Bharat Bijlee Limited' on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- s. 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.
- t. Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- u. **NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS:**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.
 - Alternatively Non Individual Shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; navnitlb@nlba.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Rakesh Dalvi (022-23058542) or Mr. Mehboob Lakhani (022-23058543).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058738 / 022-23058542/43.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For Physical Shareholders - Please provide necessary details like Folio No., Name of Shareholder, SCANNED COPY of the Share Certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company** on investrocure@bharatbijlee.com / **RTA email id** on rnt.helpdesk@linkintime.co.in.
- For Demat Shareholders - Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company** / **RTA email id**.
- The Company / RTA shall co-ordinate with CDSL and provide the login credentials to the aforesaid Shareholders.

INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Please note, Company has engaged Link Intime India Private Limited, to avail the VC / OAVM Facility through **InstaMeet**

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

- i. The Shareholders are entitled to attend the AGM through VC / OAVM provided by Link Intime by following the below mentioned process. Facility for joining AGM through VC/ OAVM shall open 15 minutes before the time scheduled for the AGM.
- ii. The Shareholders are requested to participate on first come first serve basis as participation through VC/ OAVM is limited and will be closed on expiry of 15 minutes from the scheduled time of the AGM. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iii. The Shareholders can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1,000 members only.
- iv. The Shareholders will be provided with **InstaMeet facility** wherein Shareholder shall register their details and attend the AGM, as under:

Open the internet browser and launch the URL for InstaMeet: <https://instameet.linkintime.co.in> and register with your following details:

- Select the “**Company**” and “**Event Date**” and register with your following details:
 - A. **Demat Account No. or Folio No:**
Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

- B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
- C. **Mobile No.:** Enter your mobile number.
- D. **Email ID:** Enter your email id, as recorded with your DP/Company.

Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting)

INSTRUCTIONS FOR SHAREHOLDERS / MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

- i. Shareholders who would like to express their views / ask questions during the Meeting may register themselves as a Speaker by sending their request in advance from September 23, 2020 to September 25, 2020, until 5.00 P.M., mentioning their Name, Demat Account Number / Folio Number, Email Id, Mobile Number at investorcare@bharatbijlee.com.
- ii. The first 50 Speakers on first come basis will only be allowed to express their views/ask questions during the AGM. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
- iii. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- iv. Shareholders are requested to speak only when Moderator of the AGM / Management will announce the name and serial number for speaking.
- v. The Shareholders, who would like to ask questions, may send their questions in advance mentioning Name, Demat Account Number / Folio Number, Email Id, Mobile Number at investorcare@bharatbijlee.com. The same will be replied by the Company suitably.

- vi. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- vii. The Shareholders should allow to use camera and use Internet connection with a good speed to avoid any disturbance during the Meeting.
- viii. NOTES:
 - Shareholders are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience;
 - Shareholders are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the AGM;
 - Please note that Shareholders connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
 - In case Shareholders have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Once the electronic voting is activated by the Scrutinizer during the meeting, the Shareholders who have not exercised their vote through the remote e-Voting can cast the vote as under:

- i. On the Shareholders VC page, click on the link for e-Voting "Cast your vote";
- ii. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit';
- iii. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting;
- iv. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the

number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against';

- v. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote;
- vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

GENERAL INSTRUCTIONS:

- (i) Shareholders can update their mobile numbers and e-Mail IDs (which may be used for sending future communication(s)) by writing to rnt.helpdesk@linkintime.co.in.
- (ii) The voting rights of Shareholders shall be in proportion of their shares in the total paid-up equity share capital of the Company as on **Tuesday, September 22, 2020**, being the cut-off date.
- (iii) Any Person who acquires shares of the Company and becomes a Shareholder of the Company after the Company sends the Notice of the AGM by e-Mail and holds shares as of the cutoff date i.e., **Tuesday, September 22, 2020**, may obtain the User ID and Password by sending a request to the Company's e-Mail ID investorcare@bharatbijlee.com or rnt.helpdesk@linkintime.co.in by mentioning their Folio No./DP ID and Client ID No.
- (iv) 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.
- (v) During the AGM, the Chairman shall, after response to the questions raised by the Shareholders in advance or as a Speaker at the AGM, formally propose to the Shareholders participating through VC / OAVM Facility to vote on the resolutions as set out in the Notice of

the AGM and announce the start of the casting of vote through the e-Voting system. After the Shareholders participating through VC / OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.

- (vi) The Scrutinizer shall after the conclusion of e-Voting at AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
- (vii) The Results declared along with the Scrutinizer's Report shall be immediately placed on the Company's website viz., <https://www.bharatbijlee.com/> and on the website of CDSL, viz., 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.

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

Place: Mumbai
Date: August 13, 2020

Registered Office:

Electric Mansion, 6th 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
Website: www.bharatbijlee.com

ANNEXURE TO THE NOTICE

Explanatory Statement setting out material facts under Section 102 of the Companies Act, 2013

Item No. 4

Board of Directors of the Company at its Meeting held on June 30, 2020, pursuant to the recommendation of the Nomination and Remuneration Committee had appointed Mr. Ravi Chaudhary (DIN 06728841) as an Additional Director with effect from June 30, 2020, in the category of Non-Executive Non-Independent, liable to retire by rotation. In accordance with Section 161(1) of the Companies Act, 2013, Mr. Chaudhary holds office upto the ensuing 73rd Annual General Meeting of the Company and is eligible for appointment as a Director of the Company. The Company has received a notice under Section 160 of the Companies Act, 2013 from a Shareholder signifying its intention to propose the candidature of Mr. Chaudhary as a Director of the Company.

Brief Profile of Mr. Ravi Chaudhary:

Mr. Ravi Chaudhary was the Executive Director (CP/NPRJ) of Life Insurance Corporation of India. Mr. Chaudhary has a Master's Degree in English Literature. He has vast experience in marketing, finance, administration and insurance business.

Relevant details relating to appointment of Mr. Chaudhary as required 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.

Mr. Chaudhary is not a Director on the board of any other Company. Mr. Chaudhary does not hold any shares in the Company.

The Board accordingly recommends passing the Ordinary Resolution as set out as Item No. 4 in the accompanying Notice for the approval of Shareholders.

Mr. Ravi Chaudhary is not related to any Director on the Board of the Company.

Mr. Ravi Chaudhary is deemed to be concerned or interested in the Resolution at Item No. 4 of this Notice. None of the other Directors are concerned or interested in the said Ordinary 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. 4 of this Notice.

Item No. 5

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 Shareholders.

On the recommendation of Audit Committee at its meeting held on June 30, 2020, 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 2020-2021, at remuneration as mentioned in the resolution forming part of this Notice.

Accordingly, consent of the Shareholders is sought to the Resolution as set out at Item No. 5 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. 5 of the Notice.

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

Place: Mumbai
Date: August 13, 2020

Registered Office:

Electric Mansion, 6th 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
Website: www.bharatbijlee.com

BRIEF PROFILE OF DIRECTOR BEING APPOINTED / RE-APPOINTED AT THE FORTHCOMING 73RD 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	Mr. Shome N. Danani
Director Identification Number (DIN)	00217787
Age	42 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. 2019-2020)
Details of Remuneration sought to be paid	Not Applicable
Number of Meetings of the Board attended during the financial year 2019-2020 (out of total 5 Board Meetings held)	5
Number of Shares held in Company as on March 31, 2020	2,898 Equity Shares of ₹ 10/- each
Directorship held in other companies	– Danmet Chemicals Pvt. Ltd.
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. RAVI CHAUDHARY:

Name of the Director	Mr. Ravi Chaudhary
Director Identification Number (DIN)	06728841
Age	60 Years
Date of Birth	July 12, 1960
Date of Appointment on the Board	June 30, 2020
Qualification	Mr. Chaudhary has a Master's Degree in English Literature.
Brief Profile, Experience & nature of his Expertise in specific functional areas	Mr. Ravi Chaudhary was the Executive Director (CP/NPRJ) of Life Insurance Corporation of India. He has vast experience in marketing, finance, administration and insurance business.
Terms and conditions of Re-appointment	As set out in the Ordinary Resolution at Item No. 4 read with respective Explanatory Statement of the AGM Notice
Remuneration last drawn	Not Applicable
Details of Remuneration sought to be paid	Not Applicable
Number of Meetings of the Board attended during the financial year 2019-2020 (out of total 5 Board Meetings held)	Not Applicable
Number of Shares held in Company as on March 31, 2020	NIL
Directorship held in other companies	NIL
Membership / Chairmanships of committees across all other companies [includes Audit and Shareholders Relationship Committee]	NIL
Inter-se Relationship between Directors and other Key Managerial Personnel	Mr. Chaudhary is not related to any Director and / or Key Managerial Personnel of the Company.

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

Place: Mumbai
 Date: August 13, 2020

Registered Office:

Electric Mansion, 6th Floor,
 Appasaheb Marathe Marg,
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 Email Id: bblcorporate@bharatbijlee.com
 Website: www.bharatbijlee.com

REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors are pleased to present their 73rd Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2020.

GENERAL OUTLOOK OF INDUSTRY AND ECONOMY:

The financial year 2019-2020 saw GDP growth decelerating further to its lowest level in the past eleven years: to 4.2% from 6.1% in the previous financial year. The sharp contraction in year on year growth of Gross Fixed Capital Formation (GFCF) in FY2020 [-2.8%] compared to FY2019 [9.8%] highlights the extent of the slowdown in investment and the contraction in government capital spending.

The capital goods industry continues to be adversely affected by demand contraction across sectors and fierce competition amongst market players. We continue to tread cautiously, concentrating on our market position and on profitable market opportunities.

FINANCIAL PERFORMANCE:

	(₹ in Lakhs)	
	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Sales and Services	92,872.67	93,232.23
Other Income	3,013.81	2,961.32
	95,886.48	96,193.55
Profit/(Loss) before Interest & Financial Charges, Depreciation, Exceptional items and Tax	9,817.38	8,722.12
Less : Interest and Financial Charges	2,028.74	1,691.43
Less : Depreciation	897.01	837.69
Profit before Tax	6,891.63	6,193.00
Less: Provision for Taxation	2,329.63	2,039.94
Profit/(Loss) after Taxation	4,562.00	4,153.06
Add : Profit/(Loss) Brought Forward	15,481.00	11,507.27
Less : Dividend on Equity Shares	(706.45)	(141.29)
Less: Tax on Dividend on Equity Shares	(145.21)	(29.04)
Less : Interim Dividend on Equity Shares	(706.45)	-
Less : Tax on Interim Dividend on Equity Shares	(145.21)	-
(Less)/Add: Other Comprehensive Income arising from re-measurement of Defined Benefit Plan (net of tax)	(26.28)	(9.00)
Net Surplus available for Appropriation	18,313.40	15,481.00

DIVIDEND:

Board of Directors, through a Circular Resolution passed on February 25, 2020, declared an Interim Dividend of ₹ 12.50/- (i.e., 125%) per equity share of ₹ 10/- each, for the financial Year 2019-2020. The Interim Dividend was paid to Shareholders holding shares on Record Date, i.e., March 6, 2020.

The Board has not recommended a Final Dividend and the Interim Dividend of ₹ 12.50/- per equity share, shall be considered as the Final Dividend for the financial year 2019-2020.

The total dividend payout for the financial year 2019-2020 stands at ₹ 851.66 lakhs (previous year ₹ 851.66 lakhs) including dividend distribution tax of ₹ 145.21 lakhs (previous year ₹ 145.21 lakhs)

OPERATIONS:

Income from Sales and Services for the Company at ₹ 92,872.67 lakhs compared to ₹ 93,232.23 lakhs in the previous year was lower by 0.39% due to the lockdown imposed by Government authorities in view of the Covid-19 pandemic, which brought operations to a complete halt towards end of the financial year. The profit before tax improved from ₹ 6,193.00 lakhs in the previous year to ₹ 6,891.63 lakhs.

FINANCE:

In spite of positive cash flows from operations, the higher volumes in Industrial Systems, elongated working capital cycles, and a build-up of inventory due to slower dispatch clearances from customers at the end of the financial year caused an increase in the finance cost by ₹ 337.31 lakhs compared to the previous year. The free reserves of the Company as on March 31, 2020, increased by ₹ 2,832.40 lakhs to ₹ 42,784.77 lakhs. The credit rating for the bank facilities enjoyed by the Company has been retained at ICRA A+ (Long Term) and ICRA A1+ (Short Term).

₹ 12,29,706/- (Rupees Twelve Lakhs Twenty Nine Thousand Seven Hundred and Six only) was transferred to the Investor Education and Protection Fund, out of which Unclaimed Dividend amounted to ₹ 9,75,825/- (Rupees Nine Lakhs Seventy Five Thousand Eight Hundred Twenty Five only) and Unclaimed Fixed Deposit and Unclaimed Fixed Deposit Interest amounted to ₹ 2,53,881/- (Rupees Two Lakh Fifty Three Thousand Eight Hundred Eighty One only).

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, 2020 was 1,731 as compared to 1,685 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, 2020. 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 2019-2020, 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, 2020 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, 2020.

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 2019-2020, 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.

Your Directors draw attention of the Members to Note no. 35.2 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 No. 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 No. 5, 8, 10 and 12 to the Financial Statements).

BOARD OF DIRECTORS:

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 73rd Annual General Meeting ('AGM') and being eligible, offers himself for re-appointment.

During the period under review, Mr. Shome N. Danani, on the recommendation of Nomination and Remuneration Committee as well as Board, was re-appointed as Whole-time Director, for a period of five (5) years with effect from January 28, 2020 to January 27, 2025, 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 re-appointment was approved by the Shareholders of the Company vide Postal Ballot (including e-Voting) concluded on December 17, 2020.

Further, at the 72nd AGM held on September 9, 2019, Shareholders of the Company, in line with the provisions Section 149 of the Companies Act, 2013 and Regulation 25 of Listing Regulations, approved the following :

1. Re-appointment of Mr. Prakash V. Mehta (DIN 00001366), Chairman, Non-Executive Director, as an Independent Director of the Company, for a 2nd term of five (5) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation;
2. Re-appointment of Mr. Sanjiv N. Shah (DIN 00007211), Non-Executive Director, as an Independent Director of the Company, for a 2nd term of five (5) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation;
3. Re-appointment of Mr. Jairaj C. Thacker (DIN 00108552), Non-Executive Director, as an Independent Director of the Company, for a 2nd term of five (5) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation;
4. Re-appointment of Mr. Rajeshwar D. Bajaj (DIN: 00087845) Non-Executive Director, as an Independent Director of the Company, for a 2nd term of five (5) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation;

5. Appointment of Mrs. Mahnaz A. Curmally (DIN 06907271) Non-Executive Director, as an Independent Director of the Company, for a term of five (5) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation;

Approval of Shareholders was also sought under Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the continuation of directorship of Non-Executive Directors of the Company who have attained the age of seventy five (75) years or about to attain the said age during their respective tenure. Accordingly, at the 72nd AGM held on September 9, 2019, Shareholders of the Company by passing respective Special Resolutions, approved the following:

6. Continuation of directorship of Mr. Prakash V. Mehta, Chairman, Non-Executive Independent Director of the Company, for his 2nd term, who has already attained the age of above 75 years, valid upto September 8, 2024;
7. Continuation of directorship of Mr. Rajeshwar D. Bajaj, Non-Executive Independent Director of the Company, for his 2nd term, who has already attained the age of above 75 years, valid upto September 8, 2024
8. Continuation of directorship of Mrs. Mahnaz A. Curmally, Non-Executive Independent Director of the Company, for her 1st term, on or after August 4, 2021 till the expiry of her term i.e. upto September 8, 2024;

After the end of the financial year, Mr. Ravishanker Prasad (DIN 06641845) tendered his resignation, as a Non-Executive Non-Independent Director of the Company, effected from the close of business hours on Monday, May 18, 2020. The Board Members place on record their sincere appreciation for Mr. Prasad's contribution and guidance provided during his tenure as a Director.

Further the Board, upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on June 30, 2020, appointed Mr. Ravi Chaudhary (DIN 06728841), as an Additional Director in the capacity of Non-Executive Non-Independent Director of the Company, with effect from June 30, 2020. In terms of Section 161 of the Companies Act, 2013, Mr. Chaudhary holds office upto the date of the ensuing 73rd AGM of the Company. The Company has received a requisite Notice in writing, under Section 160 of the Companies Act, 2013, from a Shareholder proposing the candidature of Mr. Chaudhary, as a Director on the Board of the Company.

Accordingly, the Board recommends the Special Resolution in relation to the appointment of Mr. Chaudhary as a

Non-Executive Non-Independent Director, for the approval of Shareholders of the Company. Brief Profile of Mr. Chaudhary has been given in the Notice convening 73rd AGM along with the accompanying Explanatory Statement

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, 2020, your Company has Nine (9) Directors consisting of Five (5) Independent Directors, including one (1) Woman Director, Three (3) Executive Directors and One (1) Non-Executive 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 August 13, 2020, of the ensuing 73rd Annual General Meeting.

KEY MANAGERIAL PERSONNEL:

As on the date of this Boards' Report, the Company had the following Key Managerial Personnel in terms of provisions of Section 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Designation
Mr. Nikhil J. Danani (DIN: 00056514)	Managing Director
Mr. Nakul P. Mehta (DIN: 00056561)	Managing Director
Mr. Shome N. Danani (DIN: 00217787)	Whole-time Director
Mr. Durgesh N. Nagarkar	Company Secretary
Mr. Yogendra S. Agarwal	Chief Financial Officer

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, 2020:

1. Mr. Prakash V. Mehta;
2. Mr. Sanjiv N. Shah;

3. Mr. Jairaj C. Thacker;
4. Mr. Rajeshwar D. Bajaj &
5. Mrs. Mahnaz A. Curmally

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

Further, in the opinion of the Board, the Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5) (iia) of the Companies (Accounts) Rules, 2014.

ENROLMENT OF DIRECTORS IN INDEPENDENT DIRECTORS DATA BANK:

The Ministry of Corporate Affairs (MCA) vide its notification dated October 22, 2019, has amended Rule 6 of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, and accordingly, every individual appointed / to be appointed as an Independent Director is required to enroll his/her name for inclusion in the 'Independent Director's Data Bank' to be maintained by the Indian Institute of Corporate Affairs, Manesar. All the Independent Directors of your Company have undertaken requisite steps towards the inclusion of their names in the said 'Independent Director's Data Bank'.

NUMBER OF MEETINGS OF THE BOARD:

The Board meets at regular intervals to discuss on Company / Business's 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 five (5) 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 6, 2019	9	8
2	July 25, 2019	9	9
3	September 9, 2019	9	8
4	October 23, 2019	9	8
5	January 30, 2020	9	9

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, 2020 a separate meeting of the Independent Directors without the presence of Executive Directors or Management Representatives, was held on January 30, 2020, in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations:

AUDIT COMMITTEE:

The constitution and terms of reference of the Audit Committee are in accordance with and covers all the matters specified under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations read with Part C of Schedule II of the Listing Regulations. 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.

During the year under review, there was no instance wherein the Board had not accepted any recommendation of the Audit Committee. The terms of reference of Audit Committee and other details including number of Meetings held, are provided in the Corporate Governance Report, which forms part of this Board's Report.

NOMINATION AND REMUNERATION COMMITTEE:

The constitution and terms of reference of the Nomination and Remuneration Committee ('NRC') are in accordance

with and covers all the matters specified under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the 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 explained in the Report on Corporate Governance along with the other details, which forms part of this Board's Report and are hosted on the website of the Company, <https://www.bharatbijlee.com/>.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition, powers, role and terms of reference of the Stakeholders' Relationship Committee ('SRC') are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of Listing Regulations. It 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.

Shareholders Complaints are redressed through SEBI Complaints Redress System (SCORES).

Major aspects of Role of the Committee inter-alia include:

- Resolve the grievances of the security holders of the Company including complaints related to Transfer / Transmission of shares, non-receipt of Annual Report, non-receipt of declared Dividends, issue of new / duplicate certificates, general meetings etc.
- To review of measures taken for effective exercise of Voting Rights by Shareholders;
- To review of adherence to the Service Standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Shareholders' Complaints for the year ended March 31, 2020:

No. of Shareholders' complaints received during the year	4
No. of complaints disposed off during the year	4
No. of complaints not resolved to the satisfaction of Shareholders	NIL
No. of pending complaints	NIL

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	00056561	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, <https://www.bharatbijlee.com/>.

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 2019-2020, 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, 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 30, 2020. The Independent Directors expressed their satisfaction with the evaluation process.

Further, in line with Section 178(2) of the Companies Act, 2013, Regulation 17(10) of the Listing Regulations and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017, 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 all the Directors was undertaken in the Board Meeting held on January 30, 2020.

The criteria for performance evaluation of the Board and its Committees include aspects like structure, composition, effectiveness of processes & meetings and other measures. The criteria for performance evaluation of the individual Directors include aspects like professional conduct, competency, contribution to the Board and Committee Meetings and other measures. In addition, the performance of the Chairman is also evaluated on key aspects of his roles and responsibilities. Each Board Member completed a confidential questionnaire, sharing vital feedback on how the Board currently operates and how its effectiveness could be improved.

The outcome of the evaluation was noted by the Board at its Meeting held on January 30, 2020. Broadly, the Directors have expressed their satisfaction with the evaluation process and the outcome. The Board also noted the key action points that emerged from the process for implementation.

BOARD DIVERSITY POLICY:

The Company has in place a Board Diversity Policy, which is hosted on the website of the Company, <https://www.bharatbijlee.com/>. The criteria for determining qualification, positive attributes, and independence of Directors are as per the Board Diversity Policy, Listing Regulations, and the Companies Act, 2013.

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.

Details of "Vigil Mechanism Policy" are available on the internal employee portal as well as the website of the Company, i.e., <http://www.bharatbijlee.com>. The Policy provides that the Company investigates such reported matters in an impartial manner and takes appropriate action to ensure that requisite standards of confidentiality, professional and ethical conduct are always upheld.

The Policy 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 the 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.

During the financial year under review, HR Division conducted various sessions in batches for sensitizing our shop floor workforce 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 on the financial year under review
1.	Nil	Nil	Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and the Directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state

of affairs of the Company as at March 31, 2020 and of the Profit of the Company for the year ended on that date;

- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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, the Company has transferred ₹ 9,75,825/-, being the unclaimed / unpaid dividend amount pertaining to Dividend for the financial year ended March 31, 2012, to the IEPF, during the year 2019.

Also, 3,107 corresponding Equity Shares of ₹ 10/- each, on which dividend was not encashed / remained unclaimed for seven (7) consecutive years and the due date of which was September 5, 2019, were transferred during the year

2019, to the IEPF Account, after following the prescribed procedure. 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.

Shareholders who had not claimed the dividends declared for the financial year March 31, 2013, were requested to lodge their claim on or before July 20, 2020, with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. The Company had sent reminders through electronic mode to all such Shareholders whose e-Mail addresses were registered with the Company / RTA.

Further, due to current lockdown situation arising out of CoVID-19 Pandemic, various services of dispatch including through Postal Services / by Courier have been severely affected. Accordingly, a Notice in lieu of the Individual Letter to Company's Shareholders, due to the constraint of posting was published on, July 7, 2020, in Free Press Journal in English and in Navshakti in Marathi, intimating the respective Shareholders to apply and claim the Unclaimed Dividend for March 2013, on or before July 20, 2020, along with the details mentioned therein.

Further, all the Shareholders who had not claimed their dividends in the last seven (7) consecutive years from 2013 were requested to claim the same by July 20, 2020, with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. 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 <https://www.bharatbijlee.com/>.

The details of Nodal Officer of the Company, in line with the provisions of IEPF Regulations are available on the Company website and can be accessed through the link :

<https://www.bharatbijlee.com/company/investor-relations/investor-contact/>

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. Our shareholders are at the heart of our business, with this philosophy we have grown as a Trusted Brand, creating shareholders wealth.

Your Company is committed in adopting and adhering to established best corporate governance practices. The Board as a body understands and respects its fiduciary role and responsibilities towards the stakeholders of the Company and society at large, and strives to serve their interests, resulting in creation of value for all stakeholders. 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.

BUSINESS RESPONSIBILITY REPORT:

Regulation 34(2)(f) of the Listing Regulations, *inter alia*, provides that the Annual Report of the Top 1000 listed entities based on Market Capitalisation, shall include a Business Responsibility Report (BRR).

Your Company, being among Top 1000 listed entities (stands at serial number 792 out of 1000 listed entities, as on March 31, 2020), has included BRR, as a separate section, **Annexure VII** and 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 70th 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 70th Annual General Meeting until the conclusion of the 75th Annual General Meeting, at a remuneration as may be approved by the Board.

OBSERVATIONS OF STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020:

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, 2020, 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 2019-2020.

The Report on Secretarial Audit for the financial year 2019-2020, 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 2019-2020 was filed with Stock Exchange(s), i.e. on BSE Limited and on National Stock Exchange of India Limited, on June 23, 2020.

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 2020-2021. 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 June 30, 2020, have appointed Messrs P. M. Nanabhoy & Co., Cost Accountants (Firm Registration No.: 000012), as the Cost Auditors of the Company, for the financial year 2020-2021, 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 73rd 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, 2020 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 save and except ESOS 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:

Your Directors take this opportunity to thank the employees, who are core to the Company's existence, for their unstinted co-operation, and commitment.

Board takes this opportunity to place on record its appreciation for the support extended by the all the Stakeholders, channel partners, customers, vendors, business associates, banks, government authorities and all concerned without which it would not have been possible to achieve all round growth of the Company, during the financial year under review. Your Directors also thank the Government of India, Government of various States in India and concerned government departments/agencies for their co-operation.

Your Directors appreciate and value the contributions made by every member of BBL Family.

For and on behalf of the Board of Directors

Prakash V. Mehta
DIN 00001366
Chairman

Place: Mumbai
Date: August 13, 2020

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 earned average net profit for the last three (3) financial years as under:

Year	Profit/Loss (-) Amount (₹ in Lakhs)
2016-2017	(1135.88)
2017-2018	(574.60)
2018-2019	5205.40
Total	3494.92

Average Net Profit/(Loss) for last three (3) financial years: ₹ 1164.97 Lakhs.

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

₹ 23.30 Lakhs.

5. Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year: ₹ 23.30 Lakhs
- b. Amount unspent if any: ₹ 23.30 Lakhs

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 Internal Committee "IC-CSR" constituted by the CSR Committee, responsible for implementing the Corporate Social Responsibility (CSR) Policy of the Company and also periodically reporting the same to the Committee, had a series of meetings and deliberations with several NGO Partners, in the financial year 2019-2020, to actively support and channelize the projects identified in line with Schedule VII of the Companies Act, 2013.

However, the Members of IC-CSR were unable to identify any suitable NGO Partners to undertake CSR Activities on behalf of the Company, nor come across any project which would have substantial social impact and which would co-relate with the philosophy, legacy and values of the Company, so as to improve the quality of life of the society at large. The same was informed in detail to the CSR Committee.

Based on the recommendation of Internal Committee, Members of CSR Committee did exhaustive scrutiny of the available options and unanimously decided and recommended to the Board, the amount of ₹ 23.30 Lakhs, being CSR Spend for the financial year 2019-2020, be kept in abeyance, due to the inability to identify a suitable partner/project for such CSR activities.

Further, CSR Committee also recommended that the said amount of ₹ 23.30 lakhs be carried forward and spent on identified CSR activities. Board noted and approved the same.

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 due to the inability to identify a suitable partner/project for such CSR activities.

Sd/-
NIKHIL J. DANANI
DIN: 00056514
Vice Chairman and Managing Director

Sd/-
NAKUL P. MEHTA
DIN: 00056561
Vice Chairman and Managing Director
(Chairman of CSR Committee)

Date : August 13, 2020
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		
		Name of the Directors	Category	Ratio
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Mr. Nikhil J. Danani	Vice Chairman & Managing Director	126.10
		Mr. Nakul P. Mehta	Vice Chairman & Managing Director	89.71
		Mr. Shome N. Danani	Executive Director	17.40
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	Mr. Nikhil J. Danani	Vice Chairman & Managing Director	118.90%
		Mr. Nakul P. Mehta	Vice Chairman & Managing Director	98.16%
		Mr. Shome N. Danani	Executive Director	–
		Mr. Durgesh N. Nagarkar	Company Secretary	7.15%
		Mr. Yogendra S. Agarwal	Chief Financial Officer	39.68%
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 2019-2020 is ₹ 5,04,189/-. The median remuneration of the employees for the year under review increased by 2.47% compared to previous financial year.		
4.	The number of permanent employees on the rolls of Company	There were 985 permanent employees of Bharat Bijlee Limited as on March 31, 2020.		
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 2018-2019 and FY 2019-2020, the average increase is 6.92%. Average increase for key managerial personnel is - (12.45)%		
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes		

2. Statement Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014 (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	71	I.B.M. New Jersey; Research Assistant 6 months	6.01	6,35,78,000/-
Nakul P. Mehta	Vice Chairman & Managing Director	B.Sc. B.S. Mech. Engg.; M. S. Engg., Mechanical	30.04.1984	62	NIL	3.31	4,52,32,800/-

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, 2020

[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:

CIN	:	L31300MH1946PLC005017
Registration Date	:	June 22, 1946
Name of the Company	:	Bharat Bijlee Limited
Category/Sub-Category of the Company	:	Public Company Limited by Shares
Address of the Registered office and contact details	:	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
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, Tel : +91 22 49186000, Fax : +91 22 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Electric Motors	27900	44.2%
2.	Transformers	27900	44.5%

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	
A. Promoters									
(1) Indian									
a) Individual/HUF	697967	–	697967	12.35	697967	–	697967	12.35	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	1192492	–	1191492	21.10	1192492	–	1191492	21.10	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):	1890459	–	1890459	33.45	1890459	–	1890459	33.45	–

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	
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	1890459	–	1890459	33.45	1890459	–	1890459	33.45	–
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/UTI	238228	–	238228	4.22	227158	–	227158	4.02	(0.20)
b) Venture Capital Funds	–	–	–	–	–	–	–	–	–
c) Alternate Investment Funds	–	–	–	–	–	–	–	–	–
d) Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
e) Foreign Portfolio Investor	–	–	–	–	–	–	–	–	–
f) FI/Banks	119255	560	119815	2.12	106118	560	106678	1.89	(0.23)
g) Insurance Companies	698709	–	698709	12.36	601089	–	601089	10.63	(1.73)
h) Provident Funds/Pension Funds	–	–	–	–	–	–	–	–	–
i) Any Other (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):	1056192	560	1056752	18.70	934365	560	934925	16.54	(2.16)
(2) Central Government/State Government(s)/President of India	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):	–	–	–	–	–	–	–	–	–
(3) Non-Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1748846	65493	1814339	32.10	1842539	57393	1899932	33.62	1.52
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	95497	–	95497	1.69	167756	–	167756	2.97	1.28
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)									
IEPF	19433	–	19433	0.34	22540	–	22540	0.40	0.06
Trusts	100	–	100	0.00	–	–	–	–	–
Hindu Undivided Family	133861	–	133861	2.37	144763	–	144763	2.56	0.19
Non Resident Indians (Non Repat)	57887	–	57887	1.02	28282	–	58282	1.03	0.01
Non Resident Indians (Repat)	42247	–	42247	0.75	35179	–	35179	0.62	(0.13)
Clearing Member	26916	–	26916	0.48	17854	–	17854	0.32	(0.16)
Bodies Corporate	505771	1060	506831	8.97	478850	1020	479870	8.49	(0.48)
Sub-total (B)(3):	2637796	66553	2704349	47.85	2767763	58413	2826176	50.01	2.16
Total Public Shareholding (B)=(B)(1) + (B)(2)+(B)(3)	3693988	67113	3761101	66.55	3702128	58973	3761101	66.55	–
Total (A)+(B)	5584447	67113	5651560	100.00	5592587	58973	5651560	100.00	0
C. Non Promoter – Non Public									
1) Custodian/DR Holder	–	–	–	–	–	–	–	–	–
2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	5584447	67113	5651560	100.00	5592587	58973	5651560	100.00	0

ii. Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in 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	–
	Total	526349	9.32	Nil	526349	9.32	Nil	–

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Mr. Nikhil J. Danani						
	At the beginning of the year	01.04.2019	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	31.03.2020	339519	6.01	–	339519	6.01

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
2.	Mr. Nakul P. Mehta						
	At the beginning of the year	01.04.2019	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	31.03.2020	186830	3.31	–	186830	3.31

iv. Shareholding Pattern of Top Ten Shareholders as on March 31, 2020 (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Danmet Chemicals Pvt. Limited						
	At the beginning of the year	01.04.2019	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	31.03.2020	459777	8.14	–	459777	8.14
2.	Gayatri Education Medical And Research Foundation Pvt Ltd						
	At the beginning of the year	01.04.2019	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	31.03.2020	450165	7.97	–	450165	7.97
3.	Life Insurance Corporation of India						
	At the beginning of the year	01.04.2019	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)	09.08.2019	(927)	(0.01)	Transfer	448984	7.95
		16.08.2019	(1211)	(0.03)	Transfer	447773	7.92
		23.08.2019	(274)	–	Transfer	447499	7.92
		30.08.2019	(11378)	(0.20)	Transfer	436121	7.72
		06.09.2019	(3368)	(0.06)	Transfer	432753	7.66
		13.09.2019	(3369)	(0.06)	Transfer	429384	7.60
		20.09.2019	(3139)	(0.06)	Transfer	426245	7.54
		27.09.2019	(8787)	(0.15)	Transfer	417458	7.39
		04.10.2019	(1828)	(0.04)	Transfer	415630	7.35
		11.10.2019	(3125)	(0.05)	Transfer	412505	7.30
		18.10.2019	(9662)	(0.17)	Transfer	402843	7.13

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
		25.10.2019	(6130)	(0.11)	Transfer	396713	7.02
		01.11.2019	(2347)	(0.04)	Transfer	394366	6.98
		08.11.2019	(4033)	(0.07)	Transfer	390333	6.91
		15.11.2019	(4111)	(0.08)	Transfer	386222	6.83
		22.11.2019	(13839)	(0.24)	Transfer	372383	6.59
		29.11.2019	(3989)	(0.07)	Transfer	368394	6.52
		07.02.2020	(13320)	(0.24)	Transfer	355074	6.28
		14.02.2020	(666)	(0.01)	Transfer	354408	6.27
		21.02.2020	(1542)	(0.03)	Transfer	352866	6.24
		28.02.2020	(575)	(0.01)	Transfer	352291	6.23
	At the end of the year	31.03.2020	352291	6.23	–	352291	6.23
4.	Nasivan Investments Private Limited						
	At the beginning of the year	01.04.2019	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	31.03.2020	282550	5.00	–	282550	5.00
5.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund						
	At the beginning of the year	01.04.2019	238228	4.22	–	238228	4.22
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	27.09.2019	2700	0.04	Transfer	240928	4.26
		30.09.2019	3600	0.07	Transfer	244528	4.33
		04.10.2019	4950	0.08	Transfer	249478	4.41
		14.02.2020	(14329)	(0.25)	Transfer	235149	4.16
		21.02.2020	(7991)	(0.14)	Transfer	227158	4.02
	At the end of the year	31.03.2020	227158	4.02	–	227158	4.02
6.	General Insurance Corporation of India						
	At the beginning of the year	01.04.2019	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	31.03.2020	172770	3.06	–	172770	3.06
7.	Housing Development Finance Corporation Limited						
	At the beginning of the year	01.04.2019	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	31.03.2020	98657	1.75	–	98657	1.75

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
8.	Finquest Financial Solutions Pvt. Ltd.						
	At the beginning of the year	01.04.2019	17874	0.32	–	17874	0.32
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	24.05.2019	16653	0.29	Transfer	34527	0.61
		14.06.2019	11500	0.20	Transfer	46027	0.81
		02.08.2019	9000	0.16	Transfer	55027	0.97
		11.10.2019	1347	0.03	Transfer	56374	1.00
		28.02.2019	20000	0.35	Transfer	76374	1.35
	At the end of the year	31.03.2020	76374	1.35		76374	1.35
9.	National Insurance Company Ltd						
	At the beginning of the year	01.04.2019	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	31.03.2020	76028	1.35	–	76028	1.35
10.	Runner Marketing Pvt Ltd						
	At the beginning of the year	01.04.2019	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	31.03.2020	55000	0.97	–	55000	0.97

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Mr. Nikhil J. Danani						
	At the beginning of the year	01.04.2019	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	31.03.2020	339519	6.01	–	339519	6.01
2.	Mr. Nakul P. Mehta						
	At the beginning of the year	01.04.2019	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	31.03.2020	186830	3.31	–	186830	3.31

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
3.	Shome N. Danani						
	At the beginning of the year	01.04.2019	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	31.03.2020	2898	0.05	–	2898	0.05
4.	Prakash V. Mehta						
	At the beginning of the year	01.04.2019	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	31.03.2020	325	0.01	–	325	0.01
5.	Sanjiv N. Shah						
	At the beginning of the year	01.04.2019	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	31.03.2020	4560	0.08	–	4560	0.08
6.	Jairaj C. Thacker						
	At the beginning of the year	01.04.2019	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	31.03.2020	Nil	Nil	–	Nil	Nil
7.	Ravishanker Prasad						
	At the beginning of the year	01.04.2019	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	31.03.2020	Nil	Nil	–	Nil	Nil
8.	Mahnaz A. Curmally						
	At the beginning of the year	01.04.2019	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	31.03.2020	Nil	Nil	–	Nil	Nil

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
9.	Rajeshwar D. Bajaj						
	At the beginning of the year	01.04.2019	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	31.03.2020	Nil	Nil	–	Nil	Nil
10.	Durgesh N. Nagarkar						
	At the beginning of the year	01.04.2019	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	31.03.2020	Nil	Nil	–	Nil	Nil
11.	Yogendra S. Agarwal						
	At the beginning of the year	01.04.2019	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	31.03.2020	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	1,430.90	18,500.00	–	19,930.90
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	42.00	–	42.00
Total (i+ii+iii)	1,430.90	18,542.00	–	19,972.90
Change in Indebtedness during the financial year				
• Addition	13,518.99	1,28,608.76	–	1,42,127.75
• Reduction	12,205.90	1,25,042.00	–	1,37,247.90
Net Change	1,313.09	3,566.76	–	4,879.85
Indebtedness at the end of the financial year				
i) Principal Amount	2,694.07	22,035.12	–	24,729.19
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	49.92	73.64	–	123.56
Total (i+ii+iii)	2,743.99	22,108.76	–	24,852.75

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

Sl. No.	Particulars of Remuneration	Name of MD/WT/Manager			Total Amount (in ₹)
		Mr. Nikhil J. Danani (Managing Director) (Amt. in ₹)	Mr. Nakul P. Mehta (Managing Director) (Amt. in ₹)	Mr. Shome N. Danani (Executive Director) (Amt. in ₹)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	78,73,333	78,73,333	39,00,000	1,96,46,666
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	98,41,667	98,41,667	48,75,000	2,45,58,334
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission	4,58,63,000	2,75,17,800	—	7,33,80,800
	— as % of profit	—	—	—	—
	— others, specify	—	—	—	—
5	Others, please specify	—	—	—	—
	Total (A)	6,35,78,000	4,52,32,800	87,75,000	11,75,85,800
	Ceiling as per the Act	—	—	—	—

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Mr. Prakash V. Mehta (Amt. in ₹)	Mr. Sanjiv N. Shah (Amt. in ₹)	Mr. Jairaj C. Thacker (Amt. in ₹)	Mr. Rajeshwar D. Bajaj (Amt. in ₹)	
1.	Independent Directors					
	Fee for attending board/committee meetings	4,70,000	2,90,000	4,70,000	2,40,000	14,70,000
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (1)	4,70,000	2,90,000	4,70,000	2,40,000	14,70,000
2.	Other Non-Executive Directors	Mr. Ravishanker Prasad (Amt. in ₹)	Ms. Mahnaz A. Curmally (Amt. in ₹)			
	Fee for attending board/committee meetings	2,00,000	2,40,000	—	—	4,40,000
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (2)	2,00,000	2,40,000	—	—	4,40,000
	Total (B) = (1+2)					19,10,000
	Total Managerial Remuneration					11,94,95,800
	Overall Ceiling as per the Act	—	—	—	—	—

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (Amt. in ₹)	CFO (Amt. in ₹)	Total (Amt. in ₹)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42,24,234	42,95,035	85,19,269
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,46,452	32,400	1,78,852
	(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	–	–	–
	Total	43,70,686	43,27,435	86,98,121

IV. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishments, compounding of offences for the financial year ended March 31, 2020.

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:

Steps taken or impact on conservation of energy	1. In August 2019, installed & commissioned new energy efficient scroll air compressor GA55 VSD+ for Aero-Caster which resulted in energy saving of 68250 KWH till March 2020. 2. Conventional tube lights, Hi-bay metal halide lamps & office PL lamps were replaced by suitable energy efficient LED light fitting which resulted in energy saving energy of 12109 KWH till March 2020. 3. Maintaining good power factor. Resulted incentive of ₹ 15.56 Lakhs till March 2020. 4. Installed more energy efficient lights in place of less energy efficient/conventional lights, resulted in saving of ₹ 1.96 Lakhs per annum. Details are as below: a) Motor plant: Installed 80W LED lights (60 Nos.) in place of 150W Metal halide (22 Nos.) and 96W Asian lights fitting (45 Nos.). Machine lamps (60W) replaced with 9W LED tube lights (10 Nos.). b) TMV plant: Installed 35W LED light fitting (10 Nos.) in place of (96W) Asian light fitting (10 Nos.). c) For street Lights: Installed 36W (30 Nos.) & 60W (10 Nos.) in place of 150W Metal halide (14 Nos.) and (96W) Asian lights fitting (16 Nos.). 5. In machine shop: a) NH 22 lathe (new) spindle motor (11Kw) replaced with lower capacity (7.5Kw). b) Swift make hoist (2.5Kw) replaced with Coolie make hoist (1.25Kw). Resulted in saving of ₹ 1.1 Lakhs per annum.
Steps taken by the company for utilizing alternate sources of energy	Nil
Capital investment on energy conservation equipments	1. ₹ 14.65 Lakhs for installation of new GA55 VSD + air compressor. 2. Swift make hoist (2.5Kw) replaced with Coolie make hoist (1.25Kw) - ₹ 0.71 Lakhs. 3. NH 22 lathe (new) spindle motor (11Kw) replaced with lower capacity (7.5Kw) – ₹ 0.12 Lakhs. 4. 100Ton Vertical floor press (PLC Controlled) for stator pressing ₹ 16.5 Lakhs. 5. Induction machine for rotor pressing ₹ 20.5 Lakhs. 6. Induction machine for higher frame bearing heating ₹ 2.10 Lakhs.

(B) Technology absorption:

Efforts made towards technology absorption	Following machines installed: 1) PLC control 100Ton press for stator pressing. 2) Induction heating machine for rotor heating. 3) Induction machine for bearing heating (higher frame). 4) Auto sequencing computerized winding testing unit. 5) Battery Operated Scrubber machine for shop floor cleaning.
Benefits derived like product improvement, cost reduction, product development or import substitution	1) Reductions in production lead time. 2) Quality improvement. 3) Maintenance cost saved after the replacing the LED light fitting. (05 Yrs. Warranty for 80W LED) and also illumination levels improved.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	Nil
Year of import	Nil
Whether the technology has been fully absorbed	Nil
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
Expenditure incurred on Research and Development	Nil

(C) Foreign exchange earnings and Outgo:

	1st April, 2019 to 31st March, 2020 [Current F. Y.]	1st April, 2018 to 31st March, 2019 [Previous F. Y.]
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Actual Foreign Exchange earnings	1320.40	752.52
Actual Foreign Exchange outgo	3099.58	3195.13

ANNEXURE V

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

Your Company's chosen vision is institution in perpetuity. BBL has a rich legacy of practicing fair, transparent and ethical governance and disclosure practices par excellence. Your Company perceives good corporate governance practices as a key to sustainable corporate growth and long-term shareholder value creation.

Our governance practices are a product of self desire and reflect the culture of trusteeship that is deeply ingrained in our value system and reflected in the strategic thought process. BBL will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and at the same time protect the interests of all its shareholders while upholding the core values of excellence, integrity, responsibility.

The importance of Corporate Governance has always been recognized by your Company and is manifested in the Company's vision and values. A Report, in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), for the financial year ended March 31, 2020 is given below.

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

Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. The Board of Directors as at the end of March 31, 2020, comprised of nine (9) Directors, out of which five (5) are Independent, one (1) is Non-Executive Director, and three (3) are Executive Directors, which is in conformity with the requirement of Regulation 17 of the Listing Regulations. The Chairman of the Board is Non-Executive 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 55.56% 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 73rd Annual General Meeting of the Company to be held on Tuesday, September 29, 2020, and being eligible, will be reappointed as a Director, subject to Shareholders' 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:

Minimum four (4) prescheduled Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs of the Company. In case of any exigency / emergency, resolutions are also passed by circulation.

In the Financial Year 2019-2020, five (5) meetings of the Board of Directors were held on the following dates:

1. May 6, 2019,
2. July 25, 2019,
3. September 9, 2019
4. October 23, 2019 and
5. January 30, 2020

The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days, as stipulated under the Companies Act, 2013, Regulation 17 of the Listing Regulations and Secretarial Standards.

In the path of digitization and with a view to ensure its commitment to Go-Green initiative of the Government, the Company circulates to its Directors, notes for Board / Committee Meetings through an electronic platform thereby ensuring high standards of security and confidentiality of Board / Committee Meeting Papers.

c. The composition of the Board, Directorships / Membership of Committee of other Companies as on March 31, 2020, No. of meetings held and attended during the financial year are under :

Necessary quorum was present in all the Board meetings. Further, as mandated by Regulation 26 of the Listing Regulations, None of the Directors on the Board is a member of more than ten (10) Committees or Chairman of five (5) Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all the Indian Public Companies in which he/she is a Director. Necessary disclosures regarding their Committee positions have been made by all the Director.

None of the Directors hold office in more than ten (10) Public Companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven (7) listed companies.

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

The names and categories of Directors, their attendance at the Board Meetings held during the year 2019-2020 and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in public limited Companies are given below:

Sr. No.	Name of the Director	Category of Directorship	No. of Board Mtgs. Attended	Attendance at last AGM held on 09 Sept. 2019	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, 2020
						As Member	As Chairman		
1.	Mr. Prakash V. Mehta Chairman (DIN 00001366)	Independent Non-Executive	5/5	YES	6*	8* @	4	4,70,000	325
2.	Mr. Nikhil J. Danani – Managing Director (DIN 00056514)	Executive Promoter	5/5	YES	—*	—	—	—	3,39,519
3.	Mr. Nakul P. Mehta- Managing Director (DIN 00056561)	Executive Promoter	4/5	NO	—*	—	—	—	1,86,830
4.	Mr. Shome N. Danani (DIN 00217787)	Executive	5/5	YES	—*	—	—	—	2,898
5.	Mr. Sanjiv N. Shah (DIN 00007211)	Independent Non-Executive	3/5	YES	1*	3	—	2,90,000	4,560
6.	Mr. Jairaj C. Thacker (DIN 00108552)	Independent Non-Executive	5/5	YES	—*	—	—	4,70,000	—
7.	Mr. Ravishanker Prasad # (DIN 06641845)	Non-Executive	5/5	YES	—	—	—	2,00,000	—
8.	Ms. Mahnaz A. Curmally (DIN 06907271)	Independent Non-Executive	5/5	YES	—	—	—	2,40,000	—
9.	Mr. Rajeshwar D. Bajaaj (DIN 00087845)	Independent Non-Executive	5/5	YES	—*	—	—	2,40,000	—
							Total	19,10,000	

@ 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), Whole-Time Director, designated as Executive 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 73rd Annual General Meeting.

During the year under review, Mr. Shome N. Danani (DIN: 00217787) on the recommendation of Nomination and Remuneration Committee as well as Board, was re-appointed as Whole-Time Director, designated as "Executive Director" of the Company for a further period of five (5) consecutive years, with effect from January 28, 2020 to January 27, 2025, 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 was approved by Shareholders, vide Postal Ballot (including e-Voting) concluded on December 17, 2019.

At the 72nd AGM held on September 9, 2019, Shareholders of the Company, in line with the provisions Section 149 of the Companies Act, 2013 and Regulation 25 of Listing Regulations, approved the following:

1. Re-appointment of Mr. Prakash V. Mehta (DIN 00001366), Chairman, Non-Executive Director, as an Independent Director of the Company, for a 2nd term of five (5) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation;
2. Re-appointment of Mr. Sanjiv N. Shah (DIN 00007211), Non-Executive Director, as an Independent Director of the Company, for a 2nd term of five (5) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation;
3. Re-appointment of Mr. Jairaj C. Thacker (DIN 00108552), Non-Executive Director, as an Independent Director of the Company, for a 2nd term of five (5) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation;
4. Re-appointment of Mr. Rajeshwar D. Bajaj (DIN: 00087845) Non-Executive Director, as an Independent Director of the Company, for a 2nd term of five (5) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation;
5. Appointment of Mrs. Mahnaz A. Curmally (DIN 06907271) Non-Executive Director, as an Independent Director of the Company, for a term of five (5) consecutive years, commencing from September 9, 2019 to September 8, 2024, not liable to retire by rotation;

Also, after the end of the financial year, Mr. Ravishanker Prasad (DIN 06641845) tendered his resignation, as a Non-Executive Non-Independent Director of the Company, effected from the close of business hours on Monday, May 18, 2020.

Further the Board, upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on June 30, 2020, appointed Mr. Ravi Chaudhary (DIN 06728841), as an Additional Director in the capacity of Non-Executive Non-Independent Director of the Company, with effect from June 30, 2020. In terms of Section 161 of the Companies Act, 2013, Mr. Chaudhary holds office upto the date of the ensuing 73rd AGM of the Company. The Company has received a requisite Notice in writing, under Section 160 of the Companies Act, 2013, from a Shareholder proposing the candidature of Mr. Chaudhary, as a Director on the Board of the Company. The said appointment is placed for the approval of Shareholders at the ensuing 73rd AGM of the Company.

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 Listing Regulations.

All Board members and senior management personnel in line with Regulation 26(3) of the Listing Regulations, have affirmed compliance with the applicable Code of Conduct, for the financial year ended March 31, 2020. A declaration to this effect, signed by the Managing Director, Mr. Nikhil J. Danani, forms part of this Report.

f. Board Independence:

Based on the confirmation / disclosures received from Directors, 5 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:

Familiarization Programme details for the financial year 2019-2020 has been hosted on <https://www.bharatbijlee.com/>.

h. Board Evaluation:

Pursuant to the provisions of Section 178(2) of the Companies Act, 2013, Regulation 17(10) of the Listing Regulations and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017, 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 all the Directors was undertaken in the Board Meeting held on January 30, 2020. The Directors expressed their satisfaction with the evaluation process. Also, 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 30, 2020. The Independent Directors expressed their satisfaction with the evaluation process.

i. A 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 strategise 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 R. 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, The 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 four (4) meetings during the Financial year 2019-2020 and were held on the following dates:

1. May 6, 2019;
2. July 25, 2019;
3. October 23, 2019 and
4. January 30, 2020

Mr. Prakash V. Mehta and Mr. Jairaj C. Thacker attended all four (4) meetings, and Mr. Sanjiv N. Shah attended two (2) 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 I 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 during the financial year 2019-2020 were held on the following dates:

1. May 6, 2019;
2. July 25, 2019;
3. October 23, 2019 and
4. January 30, 2020

Mr. Prakash V. Mehta and Mr. Jairaj C. Thacker attended all the four (4) meetings and Mr. Sanjiv N. Shah attended two (2) meeting.

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.

a. Remuneration of Executive Directors:

The total remuneration paid/payable to the Managing Directors/ Executive Director for the financial year 2019-2020 is as under:

Name	Salary	Perquisites	Commission Payable for the FY 2019-2020	Total
Mr. Nikhil J. Danani	78,73,333	98,41,667	4,58,63,000	6,35,78,000
Mr. Nakul P. Mehta	78,73,333	98,41,667	2,75,17,800	4,52,32,800
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.

b. 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.

c. 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. <https://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 30, 2020, wherein all Members were present. The total number of grievances received and resolved by the Committee to the satisfaction of the shareholders was 4, all related to non-receipt of Annual Report and non receipt of dividend. There were no requests for share transfer / transmission / deletions of names etc. pending as on March 31, 2020 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:

- Resolve the grievances of the security holders of the Company including complaints related to Transfer / Transmission of shares, non-receipt of Annual Report, non-receipt of declared Dividends, issue of new / duplicate certificates, general meetings etc.;

- To review of measures taken for effective exercise of Voting Rights by Shareholders;
- To review of adherence to the Service Standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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.

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 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.

The CSR Committee Meetings during the financial year 2019-2020 were held on the following dates:

1. May 6, 2019;
2. September 09, 2019 and
3. October 23, 2019

The net profit / loss of the Company for the last three (3) financial years as under:

Year	Profit/Loss (-) Amount (₹ in Lakhs)
2016-2017	(1135.88)
2017-2018	(574.60)
2018-2019	5205.40
Total	3,434.92

Net Profit / (Loss): calculated in line with the third proviso of sub-section (5) of Section 135 of the Companies Act, 2013}
Average Net Profit for last three (3) financial years: ₹ 1,164.97 Lakhs.

Accordingly the Members were informed that, the Company was required to spend ₹ 23.30 lakhs, being the 2% of the average net profits on CSR activities amount, in the financial year 2019-2020.

The Internal Committee "IC-CSR" constituted by the CSR Committee, responsible for implementing the Corporate Social Responsibility (CSR) Policy of the Company and also periodically reporting the same to the Committee, had a series of meetings and deliberations with several NGO Partners, in the financial year 2019-2020, to actively support and channelize the projects identified in line with Schedule VII of the Companies Act, 2013.

However, the Members of IC-CSR were unable to identify any suitable NGO Partners to undertake CSR Activities on behalf of the Company, nor come across any project which would have substantial social impact and which would co-relate with the philosophy, legacy and values of the Company, so as to improve the quality of life of the society at large. The same was informed in detail to the CSR Committee.

Based on the recommendation of Internal Committee, Members of CSR Committee did exhaustive scrutiny of the available options and unanimously decided and recommended to the Board, the amount of ₹ 23.30 Lakhs, being CSR Spend for the financial year 2019-2020, be kept in abeyance, due to the inability to identify a suitable partner / project for such CSR activities.

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 30, 2020. All the independent Directors, Mr. Prakash V. Mehta, Mr. Sanjiv N. Shah and Mr. Jairaj C. Thacker, Mr. Rajeshwar D. Bajaj and Mrs. Mahnaz Curmally 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
2018-2019	09.09.2019 at 3.00 p.m. at Walchand Hirachand Hall, 4 th Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020	5	1) Reappointment of Mr. Prakash V. Mehta (DIN: 00001366), Chairman, as an Independent Director of the Company, for a second term of 5 (five) consecutive years from September, 9, 2019 to September 8, 2024 and continuation of his directorship (already attained the age of above 75 years) during the said term. 2) Reappointment of Mr. Sanjiv N. Shah (DIN: 00007211), as an Independent Director of the Company, for a second term of 5 (five) consecutive years from September, 9, 2019 to September 8, 2024. 3) Reappointment of Mr. Jairaj C. Thacker (DIN: 00108552), as an Independent Director of the Company, for a second term of 5 (five) consecutive years from September, 9, 2019 to September 8, 2024. 4) Reappointment of Mr. Rajeshwar D. Bajaj (DIN: 00087845), as an Independent Director of the Company, for a second term of 5 (five) consecutive years from September, 9, 2019 to September 8, 2024 and continuation of his directorship (already attained the age of above 75 years) during the said term. 5) Appointment of Mrs. Mahnaz A. Curmally (DIN: 06907271), as an Independent Director of the Company, for a term of 5 (five) consecutive years from September, 9, 2019 to September 8, 2024 and continuation of her directorship, on or after August 4, 2021 till the expiry of her term i.e. upto September 8, 2024

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 th Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020	NIL	No Special Resolution was passed
2016-2017	30-06-2017 at 3.00 p.m. at Walchand Hirachand Hall, 4 th Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020	1	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.

9. Postal Ballot:

During the year under review, Company conducted a Postal Ballot 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.

Shareholders of the Company passed the following Special Resolution on December 17, 2019, with requisite majority.

- Re-appointment and remuneration of Mr. Shome N. Danani (DIN 00217787) as Whole Time Director, designated as "Executive Director" of the Company for a further period of five (5) consecutive years, with effect from January 28, 2020 to January 27, 2025, in line with Sections 196, 197, 198, 200 and 203 read with Schedule V of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Act, Rules made thereunder, Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of the Postal Ballot are as under:

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	96	24,90,325	99.93
(ii) Voted against the resolution	12	1,743	0.07

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

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., <https://www.bharatbijlee.com/>.

There are no complaints received during the financial year 2019-2020.

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 2019-2020	12	1430
Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during the Financial Year 2019-2020	–	–
Transferred to IEPF Demat Account during the year 2019-20	–	–
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2019-2020	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:

- i. At the Board Meeting, the Directors disclose the names of the Companies / Parties in which they are interested, and accordingly the Register of Contracts under Section 184, 188 & 189 of the Companies Act, 2013 is tabled and signed. Related party transactions as per Note No. 39.2 appearing in Financial Statements of the financial year are approved by the Audit Committee and recommended to the Board of Directors for their approval. During the financial year there were no transactions of material nature with the Directors or the Management or relatives that had potential conflict with the interests of the Company. The Policy on Related party Transactions is hosted on the website of the Company, i.e. <https://www.bharatbijlee.com/>.
- ii. Quarterly Disclosures – Results and notes thereon.
- iii. Risk Management activities are driven by a stated risk management policy and a process that is overseen by a Risk Management co-ordinator. The status of risk management is reviewed with the Board members periodically.
- iv. There were no instances of non-compliance on any matter related to the Capital Markets, nor were any penalties or strictures imposed on the company by SEBI or any Stock Exchanges or any statutory authority for non-compliance on any matter related to the Capital Markets during the last 3 years.
- v. No member of the Senior Management has a potential conflict with the interest of the Company at large relating to any material financial and commercial transaction.
- vi. The Company affirms that no employee has been denied access to the Audit Committee.
- vii. The Company has complied with all mandatory requirements as stipulated in Schedule V (C) of the Listing Regulations. The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the Listing Regulations, have been made in this Corporate Governance report. All the details required under clauses (b) to (i) (except clause (h), since not applicable) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of the Company at <https://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, 2020.

- 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. 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. In line with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place:
 - Code of Internal Procedure and conduct for Regulating, Monitoring and Reporting of Trading by Insiders;
 - Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information; and
 - Policy and Procedure for Enquiry in case of Leak of Unpublished Price Sensitive Information or Suspected Leak of Unpublished Price Sensitive Information.

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, <https://www.bharatbijlee.com/>.

14. General Shareholders Information:

i. Annual General Meeting:

Date, Time and Venue of the AGM: The ensuing 73rd AGM of the Company will be held on Tuesday, September 29, 2020 at 11.00 am through video conferencing or other audio visual means. Notice of the ensuing AGM is provided alongwith the Annual Report.

- 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:

Tuesday September 22, 2020 to Tuesday September 29, 2020 (both days inclusive).

- iv. **Dividend Payment Date:** N.A., since Interim dividend already paid on March 12, 2020 to be treated as final dividend.

v. Listing of Equity Shares on Stock Exchanges:

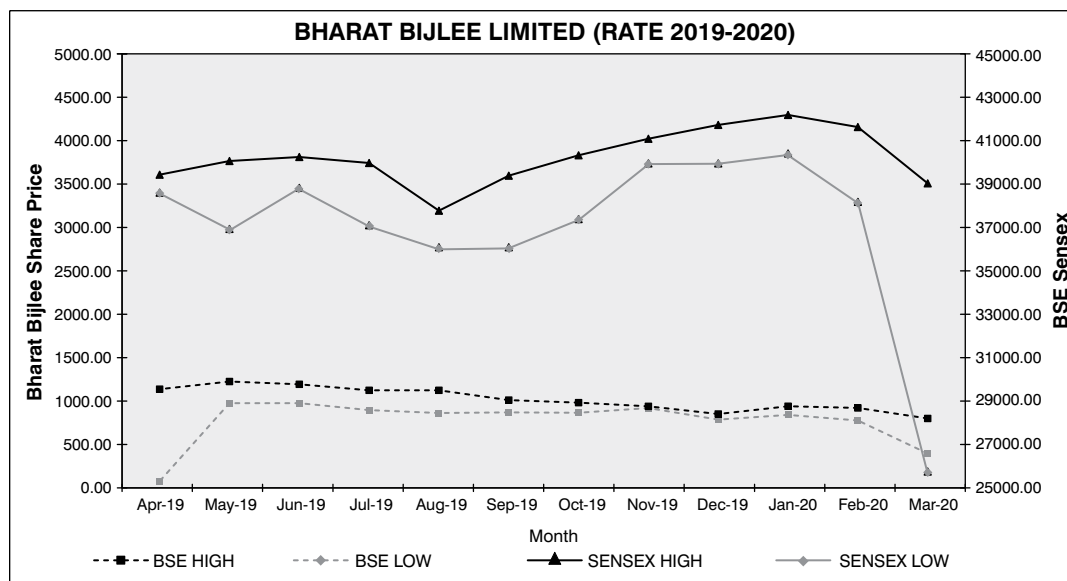
Name of Stock Exchange	Stock Code
BSE Limited (BSE)	503960
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	
Tel. Nos. : +91 22-2272 1233/34 Fax Nos. : +91 22-2272 1919	
E-mail : is@bseindia.com • Website : www.bseindia.com	
National Stock exchange of India Limited (NSE)	BBL
Exchange Plaza, Plot 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	

The Listing fees for the financial year 2020-21 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, 2019	1144.10	1062.00	1147.00	1059.50
May, 2019	1209.40	957.00	1215.00	957.55
June, 2019	1177.00	1021.00	1174.45	1034.10
July, 2019	1106.95	876.00	1109.00	873.15
August, 2019	926.55	841.00	929.20	827.70
September, 2019	992.65	849.50	994.80	850.00
October, 2019	963.00	844.95	971.90	842.00
November, 2019	920.05	805.00	920.05	806.10
December, 2019	830.40	765.05	833.60	767.05
January, 2020	921.00	820.00	920.00	818.00
February, 2020	901.35	755.00	900.00	753.00
March, 2020	778.55	370.05	799.00	424.95



vii. Registrar and 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 • Website 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 31-03-2020

Sr. No.	No. of Equity Shares held	No. of shareholders	No. of shares	% of shareholders	% of shareholding
1.	1-500	18309	10,48,394	95.91	18.55
2.	501-1,000	418	3,13,116	2.19	5.54
3.	1,001-2,000	188	2,68,898	0.98	4.76
4.	2,001-3,000	59	1,46,179	0.31	2.59
5.	3,001-4,000	19	67,362	0.10	1.19
6.	4,001-5,000	19	87,926	0.10	1.55
7.	5,001-10,000	30	2,11,436	0.16	3.74
8.	10,001- above	48	35,08,249	0.25	62.08
	Total	19090	56,51,560	100.00	100.00

Share Holding Pattern as on 31-03-2020

Sr. No.	Category	No. of shares	% to total shareholding
1	Promoters & Promoter Group	18,90,459	33.45
2	Financial Institutions/Banks	7,07,767	12.52
3	Mutual Funds/ UTI	2,27,158	4.02
4	NRIs/OCBs	93,461	1.65
5	Corporate Bodies	4,79,870	8.49
6	Indian Public	22,52,845	39.87
	Total	56,51,560	100.00

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, 2020, 98.96% 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		Total
			OTC	Exchange	OTC	Exchange	
Copper	22074.98	4270.24	–	–	–	–	–
Total	22074.98	4270.24	–	–	–	–	–

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, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Telephone No.24306237, Fax No.24370624.

Shareholders may correspond on all matters relating to shares at the addresses mentioned below:

- Link Intime India Pvt. Ltd.
C-101, 1st 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, 6th 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 been retained at 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 : August 13, 2020

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, 2020.

For Bharat Bijlee Limited

Nikhil J. Danani

DIN 00056514

Vice Chairman & Managing Director

Place : Mumbai

Date : August 13, 2020

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, 2019 to March 31, 2020. 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

UDIN: F001176B000552243

N. L. Bhatia

Managing Partner

FCS: 1176

CP. No. 422

Place : Mumbai

Date : August 05, 2020

MD CFO CERTIFICATION 2019-2020

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, 2020 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 : June 20, 2020

Place : Mumbai

ANNEXURE VI

SECRETARIAL AUDIT REPORT**FORM NO. MR-3****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

[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, 2020 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, 2020 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, 2018; **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, 2014; **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, 2018; **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,

1. The shareholders granted their assent by way of Special Resolution dated December 17, 2019 for Re-appointment and Remuneration of Mr. Shome N. Danani as Whole-Time Director, designated as "Executive Director" of the Company for a further period of Five Consecutive Years, with effect from January 28, 2020 to January 27, 2025.
2. The Board of Directors vide circular resolution dated February 25, 2020 declared an Interim Dividend of 12.50/- per Equity share of ₹ 10/- each.
3. Company has not spent the amount under Corporate Social Responsibility for the Financial Year 2019-20

Date: June 23, 2020
Place: Mumbai

For M/s. N L Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F008663B000371729

Bhaskar Upadhyay
Partner
FCS No.: 8663
CP No.: 9625

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018]

To,
The Members of
Bharat Bijlee Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bharat Bijlee Limited (CIN: L31300MH1946PLC005017) and having its registered office at Electric Mansion, 6th Floor Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status on the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that for the Financial Year ended 31st March, 2020, none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1.	Mr. Prakash Vasantlal Mehta	00001366	07/08/1990
2.	Mr. Sanjiv Nemish Shah	00007211	14/08/2002
3.	Mr. Nikhil Jaisingh Danani	00056514	20/06/1988
4.	Mr. Nakul Prahlad Mehta	00056561	20/06/1988
5.	Mr. Rajeshwar Devraj Bajaj	00087845	11/09/2014
6.	Mr. Jairaj Chatrabhuj Thacker	00108552	14/08/2002
7.	Mr. Shome Nikhil Danani*	00217787	28/01/2009
8.	Mr. Ravishanker Prasad	06641845	22/01/2014
9.	Ms. Mahnaz Amir Ebrahim Curmally	06907271	25/07/2014

* Mr. Shome Nikhil Danani re-appointed for further period of Five Consecutive Years, with effect from January 28, 2020 to January 27, 2025.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F008663B000576736

Date: August 13, 2020
Place: Mumbai

Bhaskar Upadhyay
(Partner)
FCS No.: 8663
CP. No.: 9625

ANNEXURE VII
BUSINESS RESPONSIBILITY REPORT
[See Regulation 34(2)(f)]
SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Heading	Particulars		
1	Corporate Identity Number (CIN) of the Company	L31300MH1946PLC005017		
2	Name of the Company	Bharat Bijlee Limited		
3	Registered Address	Electric Mansion, 6 th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025.		
4	Website	https://www.bharatbijlee.com/		
5	E-mail id	bblcorporate@bharatbijlee.com		
6	Financial Year reported	2019 - 2020		
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Sr. No.	Name of Main Product / Services	NIC of Product / Services
		1)	Electric Motors	27900
		2)	Transformers	27900
8	List three key products / services that the Company manufactures/provides (as in Balance Sheet)	1) Electric Motors 2) Transformers 3) Magnet Technology Machines		
9	Total number of locations where business activity is undertaken by the Company	1 Registered Office, 1 Manufacturing Facility; and 13 Branch Offices		
	(a) Number of International Locations (Provide details of major 5)	Nil		
	(b) Number of National Locations	15 1) Factory at Airoli, Navi Mumbai; 2) Registered Office at Mumbai; 3) Branch Offices at : – Northern Region - New Delhi, Indore, Ludhiana, Raipur, Jaipur; – Southern Region - Bangalore, Chennai, Secunderabad, Coimbatore; – Eastern Region - Kolkata; – Western Region - Mumbai, Pune, Ahmedabad		
10	Markets served by the Company – Local / State / National/ International	National & International		

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : ₹565.16 lakhs
2. **Total Turnover (INR)** : ₹92872.67 lakhs
3. **Total profit after taxes (INR)** : ₹4562.00 lakhs
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**:-
The Company is evaluating the possible initiatives under its CSR Policy.
5. **List of activities in which expenditure in 4 above has been incurred**:-
Not applicable in view of above.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**
No.
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
Not applicable.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**
No.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

(a) Details of the Director responsible for implementation of the BR policies

Name	Mr. Nikhil J. Danani
Designation	Vice Chairman and Managing Director
DIN	00056514
Telephone No.	+91 22 2430 6237
Email Id	bblcorporate@bharatbijlee.com

(b) Details of the BR head

Name	Mr. Yogendra S. Agarwal
Designation	Chief Financial Officer & Vice President: Finance
DIN (if applicable)	Not Applicable
Telephone No.	+91 22 2763 7200
Email Id	bblcorporate@bharatbijlee.com

2. Principle-wise (as per NVGs) BR Policy/policies
(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Yes								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes, specify?	Yes								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Many of the policies have been approved by the Board. The policies pertaining to local legislations and systems are approved by relevant senior management personnel.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has a committee each for CSR, Sexual Harassment of Women at the Workplace. For the other policies, the Company has adequate internal control on their review and implementation.								
6	Indicate the link for the policy to be viewed online? https://www.bharatbijlee.com/company/about-us/vision-values/ https://www.bharatbijlee.com/media/1200/csr-policy.pdf https://www.bharatbijlee.com/company/investor-relations/policies/eohs-policy/ https://www.bharatbijlee.com/media/15062/bbl_whistle-blower-policy.pdf https://www.bharatbijlee.com/media/13550/bbl_code_of_conduct_for_board_members_final_11112014.pdf https://www.bharatbijlee.com/media/13459/bll_code-of-conduct_pit-regulations-2015_01042019.pdf https://www.bharatbijlee.com/electric-motors/quality-assurance/ https://www.bharatbijlee.com/transformers/quality-assurance/ All other policies are available on the Company's internal network.									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the Company have in-house structure to implement the policy / policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes								
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The BR performance is reviewed annually by the CEO.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

This is the first year of publishing the Business Responsibility Report. The same is annexed to the Annual Report for the year.

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- 1 Does the policy relating to ethics, bribery and corruption cover only the company?**

Yes.

- 2 Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Bharat Bijlee Limited does not have any Group company / Joint Venture. The Policy extends to Suppliers / Contractors / Others as well.

- 3 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

SN	Category	No of Complaints filed during the past financial year	Percentage of complaints satisfactorily resolved
NIL			

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- Premium Efficiency IE3 series Electric Motor
- SynchroVERT® Super Premium Efficiency IE4 Electric Motor
- Gearless Permanent Magnet Machines for Elevator Application
- Transformer with natural/ synthetic ester oil

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

Not Available

- **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

- **Premium Efficiency IE3 series Electric Motor and SynchroVERT® Super Premium Efficiency IE4 Electric Motor**

We have many installations in industry where customers have achieved energy saving using our product and solution.

- **Gearless Machines for Elevator Applications**

Gearless Machines for elevator applications has helped our customers improve efficiency of the lifting system by eliminating gearbox and thereby solving problems like oil spillage.

- **Transformer with natural/synthetic Ester Oil**

Transformers with natural/ synthetic ester-based insulating fluid have helped customers to protect the environment, as this oil is readily bio-degradable, non-toxic, and has lower flammability.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Company ensures sustainability throughout the supply chain, through an effective Vendor Evaluation and Selection Process consisting of vendor assessment by cross functional teams including compliance to the Company's Code of Conduct and an efficient Vendor Monitoring system including vendor audits and a system of periodic vendor rating.

A sustainability focus is ensured for vendors through strict implementation of the Code of Conduct and Process, with a thrust on compliance with legal, anti-corruption, and OHSAS regulations.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Bharat Bijlee Limited purchases nearly 95% of material inputs from local vendors within India. A large number of our vendors is from MSME sector and relies on the Company for its business. The Company continuously focuses on local sourcing through vendor development initiatives, and supports local and small vendors for a sustainable business model.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10 %, > 10%). Also, provide details thereof, in about 50 words or so.

Bharat Bijlee Limited is committed to an efficient waste management system through the ISO 14001 certification for its Airoli plant. Waste Management is one of the main organizational EOHS objectives, and this is achieved through the systematic approach of "Reduce, Reuse and Recycle". Waste is segregated into hazardous and non-hazardous waste. Non-hazardous waste is further segregated into recyclable and bio-degradable waste through a robust waste management system.

- Emphasis has been given to reduction of hazardous waste generation through engineering controls, increasing process efficiencies, and use of new technologies.
- Hazardous waste is sent to registered recyclers or to CPCB Authorised CHWTSDF (Common Hazardous Waste transportation, storage and disposal facilities) for disposal.
- E-waste is sent to registered recyclers.
- Non-hazardous waste such as paper, wood, metal scrap, plastic etc. is sent to MPCB authorised Recyclers through authorised vendors.
- Sewage effluents are treated in the sewage treatment plant. The treated water is used for irrigation of the green belt.

Principle 3 : Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

Bharat Bijlee Limited has 1,731 employees as of 31st March 2020.

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.

Bharat Bijlee Limited has 746 employees on temporary/ contractual/casual as of 31st March 2020. This does not include third party work force.

3. Please indicate the Number of permanent women employees.

Bharat Bijlee Limited has 80 permanent women employees as of 31st March 2020.

4. Please indicate the Number of permanent employees with disabilities

Bharat Bijlee Limited has 3 permanent employees with disabilities as of 31st March 2020.

5. Do you have an employee association that is recognized by management?

Yes

6. What percentage of your permanent employees are members of this recognized employee association?

100% of Staff and workmen

7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor and sexual harassment in the last financial year and pending, as on the end of the financial year.

Bharat Bijlee Limited has adopted a social accountability policy which prohibits any form of child labour, forced labour, discrimination or harassment of any nature, and respects freedom of association of its workmen. The Employee Code of Conduct Policy guides employees in ensuring honest and ethical conduct, maintaining a corporate climate in which the integrity and dignity of each individual is valued and promoted, and ensuring compliance with laws, rules and regulations that govern the Organization's business activities.

There is an Internal Complaints Committee chaired by a senior level woman employee to address complaints regarding sexual harassment. The Committee includes both central (factory and corporate) as well as regional representation to look into sexual harassment cases with sensitivity and confidentiality.

SN	Category	No of complaints filed during the financial year	No of complaints pending (as on 31 st March 2020)
1.	Child labor / forced labor / involuntary labour	—	—
2.	Sexual harassment	—	—
3.	Discriminatory employment	—	—

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- **Permanent Employees**
- **Permanent Women Employees**
- **Casual/Temporary/Contractual Employees**
- **Employees with Disabilities**

SN	Category	Trainings for skill up gradation (employee numbers)	Trainings for safety (employee numbers)
1.	Permanent Employees	487	84
2.	Permanent Female Employees	60	—
3.	Casual/Temporary/Contractual Employees	37	424
4.	Employee with disabilities	3	—

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has formulated its CSR Policy with emphasis on activities in the areas of health, education, livelihood/ income generation, and environment.

Principle 5: Businesses should respect and promote human rights

- 1 Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Policy covers the Company only. Bharat Bijlee Limited does not have any Group company / Joint Venture.

- 2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company has received 4 stakeholders' complaints (investor complaints) during the year which have been resolved satisfactorily by the Management.

Principle 6: Business should respect, protect, and make efforts to restore the environment

- 1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The policy related to Principle 6 covers the Company and extends to Suppliers/ Contractors/others as well. Bharat Bijlee Limited does not have any Group company / Joint Venture.

- 2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes. Bharat Bijlee Limited has environmental initiatives in the areas of reduction in greenhouse gases and Energy Efficiency program. There are several ways to reach this goal, such as

- Development of energy efficient products - https://www.bharatbijlee.com/media/14228/synchrovert_catalogue.pdf
- Gearless PMSM products for elevator application - <https://www.bharatbijlee.com/magnet-technology-machines/product-range/>
- Green Building certification at Airoli - <https://www.bharatbijlee.com/media/15344/igbc.jpg>
- Regular plantation of trees

- 3. Does the company identify and assess potential environmental risks?**

Yes

- 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No

- 5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes

- 6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes

- 7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- 1. Is your company a member of any trade and chamber or association?**

Yes

Name only those major ones that your business deals with:

- (a) Confederation of Indian Industry
- (b) Indian Electrical & Electronics Manufacturers' Association (IEEMA)

- (c) Indian Merchants' Chamber
- (d) Bombay Chamber of Commerce and Industry
- (e) Thane-Belapur Industries' Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

Yes.

- Tax issues relating the industry
- Minimum Energy Efficiency standards

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company has formulated a Corporate Social Responsibility (CSR) Policy. The initiatives under the policy are being evaluated.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The initiatives under the CSR Policy are being evaluated.

3. Have you done any impact assessment of your initiative?

The initiatives are at evaluation stage.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

In view of the above, no amount has yet been expended.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The initiatives are at evaluation stage.

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There were no consumer cases in district consumer forum.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./ Remarks (additional information).

Bharat Bijlee Limited adheres to all applicable laws and regulations on product labeling.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anticompetitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No cases were filed by any of the stakeholders against Bharat Bijlee Limited related to irresponsible advertising, unfair trade practices, and/or anti-competitive behavior during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes. Bharat Bijlee Limited carries out consumer surveys at regular interval and monitors customer satisfaction trends. Customer feedback is also collected through customer interactions, during execution and service. The Company evaluates these inputs to facilitate continuous improvements in customer satisfaction.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS, OPPORTUNITIES AND THREATS

The financial year 2019-20 witnessed paradigm shifts in geo-political strategies of several nations. The trend of globalization gave way to rising trade barriers. These developments magnified the cyclical and structural slowdowns already underway, dampening business sentiments globally. With the economic environment becoming more uncertain, firms turned cautious on long-range spending, and global purchases of machinery and equipment decelerated. To avert a deeper slowdown, central banks have cut interest rates and restarted asset purchases to create supportive financial conditions, and to stimulate consumer sentiment and, in turn, demand.

The domestic economy during the financial year 2019-20 witnessed GDP growth of 4.2%, the slowest in the last eleven years. The Index of Industrial Production (IIP) registered cumulative growth of -0.8% during the year 2019-20 over the previous year. IIP – Manufacture of Electrical Equipment contracted by 4.2% during the same period. This was culmination of declining sales and inventory accumulation across sectors, and deferment of capital expenditure by both the private and public sector.

The Indian transformer industry continued to witness overcapacity and fierce competition amongst market players. The industry has been stagnant over the past several years due to the slowdown in private investment and the manufacturing sector.

UDAY (Ujwal DISCOM Assurance Yojana), a Scheme for the financial turnaround of power distribution companies (DISCOMs), was approved by the Government of India with the objective to improve operational and financial efficiency of State DISCOMs. Many DISCOMs have not been able to adhere to the reform paths envisaged under UDAY for a variety of reasons: tariffs not being reflective of costs; inadequate budgeting of subsidies; high aggregate technical and commercial (AT&C) losses etc. This has kept investment in the power sector muted.

The Indian electrical motors industry also showed no growth, but your Company's initiatives to broaden its market reach has shown results. Energy efficient motors, transportation, railways and water are sectors driving demand for electric motors.

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 up to 200 MVA, 220 KV voltage class and EPC projects for electrical substations up to 400 KV.

The sector continues to suffer from over-capacity and almost stagnant demand. Though the Company achieved near full capacity volumes, intense competition kept prices lower and profits muted.

To maintain its flagship position as a preferred transformer supplier, the transformer plant has been upgraded to manufacture power transformers in a dust-free and humidity-controlled environment by air-conditioning the winding shop and installing de-humidifiers.

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 the Power Systems Segment decreased by 9.9% as certain deliveries could not be effected in view of preventive measures and the nation-wide lockdown by the Government to contain the spread of Covid-19 pandemic; however the segmental profit improved by 16.6% due to cost control measures taken by the Company.

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.

The Motors business, despite a moderate GDP growth with negative IIP – manufacture of electrical equipment, continued its growth by enlarging product offerings, focusing on value engineering, and deepening its geographical reach.

During the year we secured order for and successfully delivered a wide range of motors to lift the dam gates for the Kaleshwaram Lift Irrigation Project, currently the world's largest multi-stage lift irrigation system. Further, our flameproof motors received the IECEx Certificate of Conformity under the IEC Certification Scheme for Explosive Atmospheres from SGS BASEEFA.

The Drives and Automation business has been developing newer applications with an eye on widening its sectoral reach.

The MTM business has been focusing on value engineering, and offers solutions for Indian and export markets. In spite of the entry of several international brands, our gearless elevator machines continue to hold a flagship position in the domestic market and have made inroads into export markets through our overseas partner. This vertical has also successfully developed and manufactured a range of servo motors; these have been successfully tested at Electrical Research and Development Association (ERDA).

The revenue of the Industrial Systems segment increased by 10.8% and the segmental profit increased by 31.9% as your Company successfully seized available market opportunities.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Key Financial Ratio	FY 2019-20	FY 2018-19	Change (%)	Reason for Change more than 25%
Debtors Turnover Ratio	3.18	3.64	-13%	
Inventory Turnover Ratio	4.73	6.33	-25%	Inventory increased to support higher volume in Industrial Systems and delayed dispatch clearances at the year-end due to Covid-19 pandemic
Interest Coverage Ratio ¹	-53.47	-10.88	392%	Increase in finance cost due to elongated working capital cycle
Current Ratio	1.59	1.71	-7%	
Debt Equity Ratio ²	0.50	0.42	18%	
Return on Net Worth ³	10.88%	10.78%	1%	
Operating Profit Margin ⁴	7.42%	6.64%	12%	
Net Profit Margin ⁵	4.91%	4.45%	10%	

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, underutilized manufacturing capacity, and muted private sector capital expenditure remain the key risks.

INTERNAL CONTROLS AND RISK MANAGEMENT

Most of 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 ensure that transactions are being made within authority delegated by the top management, 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 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 gets reviewed regularly and updated along with all businesses of the Company.

OUTLOOK

It was expected that political stability following the general elections would bring much needed foreign capital into infrastructure development. The Government of India has set an ambitious target of a \$ 5 Trillion economy by

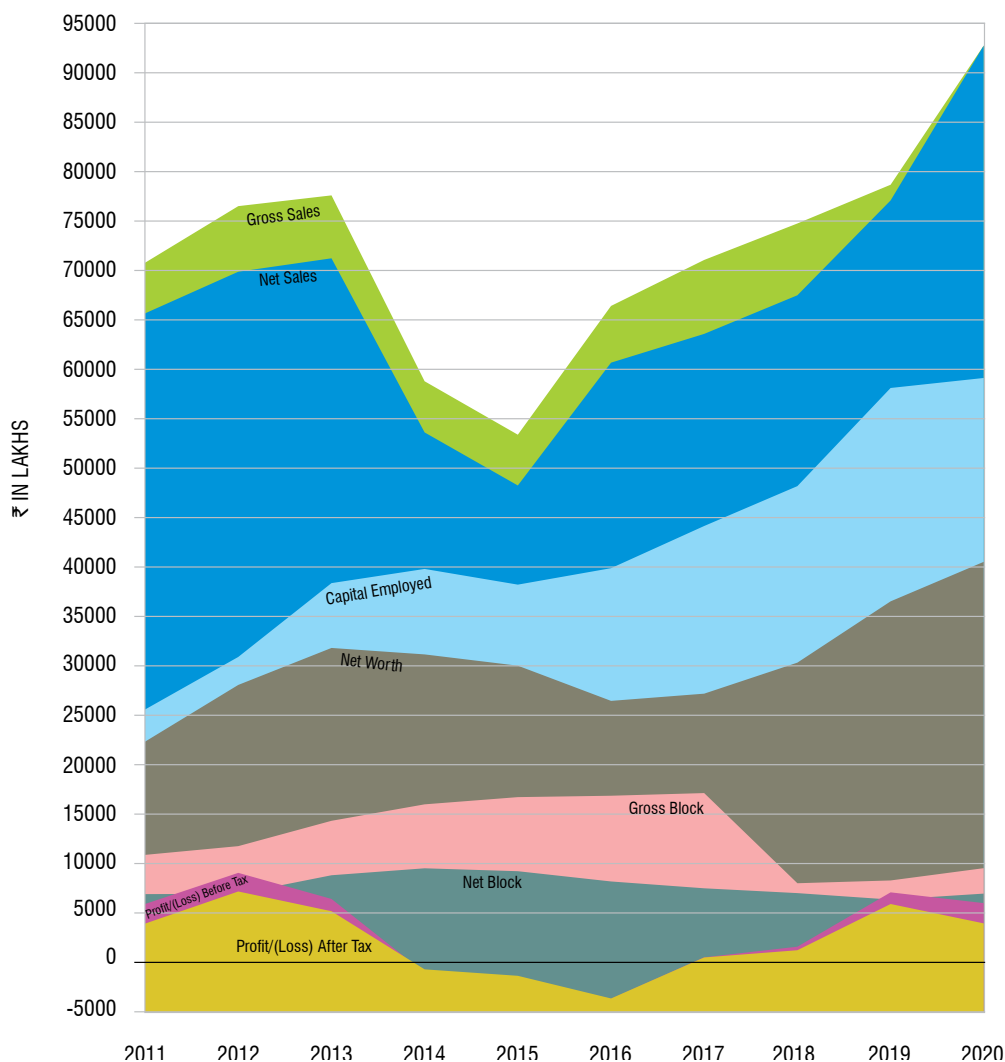
2025. It has also announced a INR 100 trillion spend on infrastructure. To energise the "Make in India" programme, the Government also revised tax rates to attract investment in manufacturing. Global trade tensions, geo-political conflicts, and protectionist policies continue to cause import-export distortions. Despite these concerns, the long term growth story of India remains intact.

The lockdown to combat the Covid-19 pandemic outbreak, not only domestically but globally, has had a destructive impact on economic activity. The lockdown has since been extended in a graded manner. For the foreseeable future, economic activity in general and profitability will continue to be affected by supply chain gaps, labour mismatches due to departure of migrant workers, and behavioural changes towards consumption and funding issues. A revival in consumption and economic activity, and a receding of risk sentiment will hinge upon the timing and availability of a vaccine for Covid-19.

Against this backdrop of a tough environment, your Company has been cautiously treading the path of enriching its product basket and upgrading its manufacturing facilities to maintain its position of a trusted engineering brand.

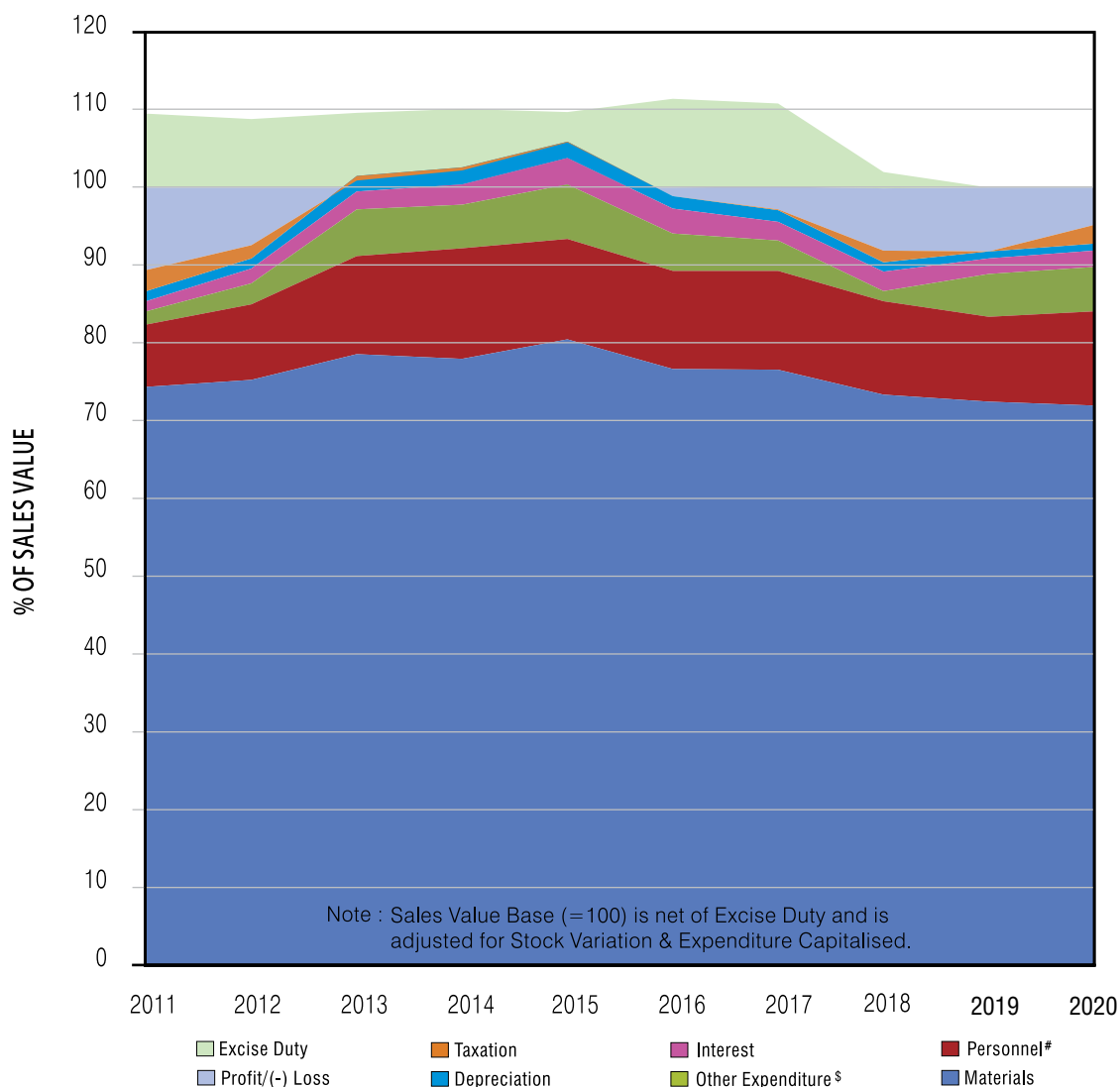
For Bharat Bijlee Limited

Nikhil J. Danani
Vice Chairman & Managing Director

BUSINESS TRENDS


Particulars	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gross Sales	76299	77385	58683	53306	66262	70883	74557	78456	92457	92111
Net Sales	69704	71051	53534	48205	60562	63453	67334	76874	92457	92111
Cptl. Empld. ¹	30951	38375	39807	38224	39875	44127	48136	58008	60448	68135
Net Worth ¹	28135	31860	31208	30078	26535	27254	30378	36544	40518	43350
Gross Block	11913	14465	16127	16845	16986	17258	8184	8466	9705	11010
Net Block	7124	8989	9688	9400	8370	7672	7197	6547	6948	7357
Profit/(Loss) Before Tax	9233	6603	(819)	(1342)	(3443)	735	1806	7268	6193	6892
Profit/(Loss) After Tax	7353	5367	(478)	(1130)	(3405)	719	1442	6097	4153	4562

¹ Excluding Equity Instruments through other Comprehensive Income

COST TRENDS


	(In %)									
Particulars	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excise Duty	9.5	8.8	9.6	10.1	9.8	11.4	10.7	2.1	—	—
Profit/(Loss)	10.6	7.4	(0.9)	(2.2)	(5.9)	1.1	2.9	8.0	8.2	4.8
Taxation	2.7	1.7	(0.6)	(0.4)	(0.1)	—	0.1	1.5	—	2.4
Depreciation	1.3	1.3	2.0	2.2	2.1	1.6	1.5	1.2	0.9	0.9
Interest	1.3	1.9	2.3	2.6	3.4	3.2	2.4	2.5	2.0	2.1
Other Exp. \$	1.7	2.7	6.0	5.6	7.0	4.8	3.9	1.3	5.5	5.7
Personnel #	8.0	9.7	12.6	14.2	12.9	12.6	12.7	12.0	10.9	12.1
Materials	74.4	75.3	78.6	78.0	80.5	76.7	76.6	73.4	72.5	72.0

\$ 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 2020	March 2019	March 2018	March 2017	March 2016	March 2015	March 2014	March 2013	March 2012	March 2011
SALES & EARNINGS										
Sales	92872.67	92457.43	78455.85	74557.09	70882.85	66262.36	53305.60	58682.72	77384.76	76299.48
Profit/(Loss) Before Taxes	6891.63	6193.00	7267.82	1805.68	735.37	(3443.14)	(1342.12)	(819.33)	6602.51	9232.85
Profit/(Loss) After Taxes Net of Adjustments	4562.00	4153.06	6096.76	1441.82	719.19	(3404.95)	(1197.92)	(489.50)	5367.23	7352.53
Dividends	706.45	706.45	141.29	—	—	—	—	141.29	1412.89	1412.89
Earnings Per Share (₹)	80.69	73.49	107.88	25.51	12.73	(60.25)	(19.98)	(8.61)	94.97	130.10
Equity Dividend Rate (₹ Per Share)	12.50	12.50	2.50	—	—	—	—	2.50	25.00	25.00
Net Worth Per Share (₹)	767.09	716.93	646.61	537.52	510.25	469.52	532.21	552.20	563.74	497.82
Debt Equity Ratios+	—	—	—	—	—	0.01:1	0.04:1	0.05:1	0.04:1	0.07:1
+ 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 31 March 2020, 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 31 March 2020, 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Existence and condition of Inventories (Refer Note 9 to the financial statements) The Covid-19 outbreak created a challenge for the Management and thus the physical verification counting was conducted by the Management at a date later than the date of the financial statements. Similarly, due to lockdown restrictions it was impracticable for us to physically attend the inventory counting. Since we could not attend the inventory counting either at/ prior to/post the balance sheet date, we have performed sufficient alternative audit procedures. These alternative audit procedures involved more efforts to ensure existence and conditions of inventory. Given the performance of the extended procedures/ efforts, this is considered as a Key Audit Matter.	Principal audit procedures performed: With respect to the existence and conditions of inventories at the year-end: - Our audit procedures included understanding process and evaluating the control design and implementation of the management's controls to establish the existence and condition of inventory on periodic basis. We also performed testing whether such controls operated effectively during the period of audit. The testing includes process and controls around purchases and sales. - We in discussion with the Management appointed other chartered accountant after determining their objectivity. We communicated the nature and the extent of the work assigned to the other chartered account by way of instructions. We utilized technology for supervising the work of the chartered accountant to ensure they perform verification in line with the instructions given to them. We performed roll-back procedures to the balance sheet date from the date when the other chartered accountant performed the physical verification.

Sr. No.	Key Audit Matter	Auditor's Response
		3. We performed on a test check basis inspection of documents supporting purchases and subsequent sales of certain inventory items/specific inventory acquired/purchased prior to management counting the inventory. 4. We obtained direct confirmations for inventory held with third party. 5. For inventory in transit we verified the documentary evidence of subsequent receipts or delivery.

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 and will 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 scepticism 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 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 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 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

Place: Mumbai,
Date: 30 June 2020

(Membership No. 048393)
UDIN : 20048393AAAAAC7847

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, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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 Company’s 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, 2020, based on the criteria for internal financial control over financial reporting established by the respective 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)

Sunder V. Iyer
Partner

Place: Mumbai
Date: 30 June 2020

(Membership No. 048393)
UDIN : 20048393AAAAAC7847

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 fixed assets.
- (b) The Company has a program of verification of Property, Plant & 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 & 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, 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, guarantees, etc. 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 fixed asset 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 the 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, 2013. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit 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
- (vii) 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.

(viii) 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, Sales Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities except for the month of March 2020 where there was a delay in payment of Goods and Service Tax and Income Tax deducted at source beyond the extended due dates.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Goods and Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2020 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	240.83
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	21.79	21.79
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	54.24

- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the current year in the repayment of loans or borrowings to Banks and the Company does not have any loans or borrowings from any financial institutions or government nor has it issued any debentures.
- (x) The Company has not raised moneys during the year by way of initial public offer or further public offer

(including debt instruments) or term loans during the current year and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

- (xi) 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.
- (xii) 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.
- (xiii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiv) 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.
- (xv) 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 CARO 2016 is not applicable to the Company.
- (xvi) 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 with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvii) 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)

Sunder V. Iyer
Partner

Mumbai
Date: 30 June 2020

(Membership No. 048393)
UDIN : 20048393AAAAAC7847

BALANCE SHEET AS AT 31ST MARCH, 2020

	Note	As at 31st March, 2020	As at 31st March, 2019
ASSETS:			
NON-CURRENT ASSETS:			
a) Property, Plant and Equipment	3	7269.38	6920.22
b) Right of use asset	3	64.74	—
c) Capital Work-in-Progress		2393.11	788.43
d) Intangible assets	4	22.55	28.06
		9749.78	7736.71
e) Financial Assets			
(i) Investments	5 (i)	32603.38	35089.71
(ii) Loans	5 (ii)	2.24	2.99
(iii) Other financial assets	5 (iii)	4205.91	2489.59
f) Non-Current Tax Assets (Net)	6	296.70	138.94
g) Deferred Tax Assets (Net)	7	—	1096.18
h) Other non-current assets	8	500.94	751.80
		47358.95	47305.92
CURRENT ASSETS:			
a) Inventories	9	19635.10	14727.39
b) Financial Assets			
(i) Investments	10 (i)	2697.86	2516.13
(ii) Trade receivables	10 (ii)	29246.76	25596.58
(iii) Cash and cash equivalents	10 (iii)	409.93	352.87
(iv) Bank balances other than (iii) above	10 (iv)	18.51	1026.15
(v) Loans	10 (v)	21985.88	20276.62
(vi) Other financial assets	10 (vi)	391.50	913.05
c) Current Tax Assets (Net)	11	51.92	51.75
d) Other current assets	12	2217.39	2073.54
		76654.85	67534.08
Total Assets		124013.80	114840.00
EQUITY AND LIABILITIES:			
EQUITY:			
a) Equity Share Capital	13	565.16	565.16
b) Other Equity	14	74986.81	74630.84
		75551.97	75196.00
LIABILITIES:			
NON-CURRENT LIABILITIES:			
a) Financial Liabilities	15	11.49	—
b) Provisions	16	114.70	114.70
c) Deferred Tax Liability (Net)	17	51.09	—
		177.28	114.70
CURRENT LIABILITIES:			
a) Financial Liabilities			
(i) Borrowings	18 (i)	24729.19	19930.90
(ii) Lease Liability	18 (ii)	56.07	—
(iii) Trade payables	18 (iii)	—	—
– Total outstanding dues of Micro Enterprises and Small Enterprises		9.63	2.23
– Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		16540.27	15131.47
(iv) Other financial liabilities	18 (iv)	370.57	275.05
b) Other current liabilities	19	5444.23	3030.97
c) Provisions	20	1132.46	1155.77
d) Current Tax Liabilities (Net)	21	2.13	2.91
		48284.55	39529.30
Total Equity and Liabilities		124013.80	114840.00
General Information			
Significant Accounting Policies			
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

Vice Chairmen &
Managing Directors

Shome N. Danani

Executive Director

Mumbai, 30th June, 2020

Mumbai, 30th June, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
INCOME:			
Revenue From Operations	22	92872.67	93232.23
Other Income	23	3013.81	2961.32
TOTAL INCOME		95886.48	96193.55
EXPENSES:			
Cost of materials consumed	24	68459.52	70295.12
Purchases of Stock-in-Trade	25	549.43	693.13
Change in inventories of finished goods, stock-in-trade and work-in-progress	26	(3751.71)	(2725.18)
Employee benefits expense	27	11577.44	10270.61
Finance costs	28	2028.74	1691.43
Depreciation and amortisation expense	3 & 4	897.01	837.69
Other expenses	29	9234.42	8937.75
TOTAL EXPENSES		88994.85	90000.55
PROFIT BEFORE TAX		6891.63	6193.00
TAX EXPENSE			
Current Tax	39(a)	1158.33	1273.79
Deferred Tax Charge/(Credit)	39(a)	1171.30	766.15
		2329.63	2039.94
PROFIT FOR THE YEAR		4562.00	4153.06
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of Defined Benefit Plan		(40.40)	(13.83)
(ii) Fair Value of Equity Instruments through Other Comprehensive Income		(2486.34)	2089.13
Income tax relating to above items			
(i) Remeasurement of Defined Benefit Plan		14.12	4.83
(ii) Fair Value of Equity Instruments through Other Comprehensive Income		9.91	(9.91)
TOTAL OTHER COMPREHENSIVE INCOME		(2502.71)	2070.22
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2059.29	6223.28
Earnings per equity share (Basic and Diluted) (₹)	37		
[nominal value ₹ 10 per share]		80.69	73.49

The Notes are an integral part of these financial statements

As per our report of even date.
For Deloitte Haskins & Sells LLP
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Nikhil J. Danani }
Nakul P. Mehta } Vice Chairmen & Managing Directors

Shome N. Danani } Executive Director

Mumbai, 30th June, 2020

Mumbai, 30th June, 2020

NOTES TO THE FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2020

(A) EQUITY SHARE CAPITAL

Balance as at 1st April, 2018	565.16
Changes in equity share capital	—
Balance as at 31st March, 2019	565.16
Changes in equity share capital	—
Balance as at 31st March, 2020	565.16

(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, 2018 (a)	11507.27	24471.37	32599.25	68577.89
Profit for the year (b)	4153.06	—	—	4153.06
Other comprehensive income (c)	(9.00)	—	2079.22	2070.22
Total Comprehensive Income for the year (d) = (b) + (c)	4144.06	—	2079.22	6223.28
Dividend on Equity Shares (e)	(141.29)	—	—	(141.29)
Tax on Dividend on Equity Shares (f)	(29.04)	—	—	(29.04)
Balance as at 31st March, 2019 (g) = (a) + (d) + (e) + (f)	15481.00	24471.37	34678.47	74630.84
Profit for the year (h)	4562.00	—	—	4562.00
Other comprehensive income (i)	(26.28)	—	(2476.43)	(2502.71)
Total Comprehensive Income for the year (j) = (h) + (i)	4535.72	—	(2476.43)	2059.29
Dividend on Equity Shares for FY 2018-19 (k)	(706.45)	—	—	(706.45)
Tax on Dividend on Equity Shares for FY 2018-19 (l)	(145.21)	—	—	(145.21)
Interim and Final Dividend on Equity Shares for FY 2019-20 (m)	(706.45)	—	—	(706.45)
Tax on Interim and Final Dividend on Equity Shares for FY 2019-20 (n)	(145.21)	—	—	(145.21)
Balance as at 31st March, 2020 (o) = (g) + (j) + (k) + (l) + (m) + (n)	18313.40	24471.37	32202.04	74986.81

The Notes are an integral part of these financial statements

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Shome N. Danani

Executive Director

Mumbai, 30th June, 2020

Mumbai, 30th June, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	Year ended 31st March, 2020	Year ended 31st March, 2019
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	6891.63	6193.00
Adjustments for:		
Depreciation and amortisation	897.01	837.69
Loss/(Profit) on sale of Property, Plant & Equipment (net)	9.29	18.50
Profit on sale of current investments	(0.46)	(172.21)
Finance Cost	2028.74	1691.43
Interest Income	(2171.54)	(2283.25)
Dividend Income	(241.17)	(254.30)
Unrealised exchange (gain) / loss (net)	(7.47)	1.18
	514.40	(160.96)
Operating Profit /(Loss) Before Working Capital changes	7406.03	6032.04
Changes in Working Capital:		
Increase / (Decrease) in trade payable	1612.49	(322.55)
Increase / (Decrease) in provisions	(63.71)	(7.11)
Increase / (Decrease) in other current liabilities	2434.49	(627.58)
(Increase) / Decrease in trade receivables	(3645.16)	3997.08
(Increase) / Decrease in inventories	(4907.71)	(3625.17)
(Increase) / Decrease in loans	0.46	5.54
(Increase) / Decrease in current financial and other assets	(127.92)	(371.49)
(Increase) / Decrease in non-current financial and other assets	39.60	1728.44
	(4657.46)	777.16
Cash generated from Operations	2748.57	6809.20
Direct Taxes (paid) / Refund	(1317.04)	(1460.55)
Net Cash flow from Operating Activities (A)	1431.53	5348.65
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Capital Work-in-Progress	(2762.72)	(1417.63)
Proceeds from Sale of Property, Plant & Equipment	2.04	4.62
Proceeds from Sale/(Purchase) of Current Investments (net)	(181.27)	(606.90)
Inter Corporate Deposits given	(21983.08)	(20274.11)
Inter Corporate Deposits redeemed	20274.11	17430.12
(Increase)/Decrease in other bank balance (net)	5.02	12.79
Fixed Deposit with Banks placed	(1472.82)	(24.32)
Fixed Deposit with Banks matured	1000.00	470.00
Interest received	2487.93	2124.40
Dividend received	241.17	254.30
Net Cash flow (used in) Investing Activities (B)	(2389.62)	(2026.73)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Short Term Loans from Banks (net)	4798.29	(1533.66)
Proceeds/(Repayment) of Lease Liabilities	(127.99)	—
Interest paid	(1947.19)	(1731.91)
Unclaimed / Dividend including Dividend Distribution Tax paid	(1707.96)	(178.21)
Net Cash flow from/(used in) Financing Activities (C)	1015.15	(3443.78)
(A+B+C)	57.06	(121.86)
Net Increase /(Decrease) in Cash and Cash equivalents	57.06	(121.86)
Cash and Cash equivalents at the beginning of the period	352.87	474.73
Cash and Cash equivalents at the end of the period [Refer Note No.10 (iii)]	409.93	352.87

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

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

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

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Managing Directors

Shome N. Danani

Executive Director

Mumbai, 30th June, 2020

Mumbai, 30th June, 2020

NOTES TO THE FINANCIAL STATEMENTS

Notes

1. GENERAL INFORMATION

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

2A 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 in to 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 30th June, 2020.

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.

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).

2.03 Revenue Recognition:

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.

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

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 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.

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)**(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

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 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.

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:

The Company has adopted Ind AS 116 – "Leases" w.e.f. 1 April, 2019. Accordingly, at the inception of a contract, the Company assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, 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. Lease payments under operating leases are recognised as an expense, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)**2B 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 Note10 (ii).

(iii) 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.

(iv) 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.

(v) 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.

(vi) COVID-19 Impact Assessment

The Company's manufacturing facilities had to suspend operations temporarily in view of lockdown across the country due to the COVID-19 pandemic. The Company has since re-commenced its operations in 2nd week of May, 2020 in a phased manner, after obtaining requisite permissions, as applicable, from concerned Government authorities. Management has carried out a detailed assessment of the impact of COVID-19 on its business operations and liquidity position, recoverability and carrying values of its assets comprising property, plant and equipment, investments, inventories, receivables and other assets at the balance sheet date. On the basis of evaluation, the Management has concluded that no material adjustments are required in the financial results. Given the criticalities associated with nature, condition and duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as required.

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	Right of use Office Premises	Right of Use Vehicle Lease	Motor Vehicles	Total
Deemed Cost:									
As at 01-04-2019	4.81	3286.45	5658.14	219.67	171.18	—	—	143.15	9483.40
Additions	—	39.88	978.08	35.95	42.50	195.55	5.16	—	1297.12
Deductions	—	—	10.84	0.14	0.35	—	—	—	11.33
As at 31-03-2020	4.81	3326.33	6625.38	255.48	213.33	195.55	5.16	143.15	10769.19
Accumulated depreciation:									
As at 01-04-2019	0.35	330.86	1979.75	99.12	101.56	—	—	51.54	2563.18
Depreciation charge for the year	0.11	116.97	542.14	28.60	30.25	135.11	0.86	17.85	871.89
Deductions	—	—	—	—	—	—	—	—	—
As at 31-03-2020	0.46	447.83	2521.89	127.72	131.81	135.11	0.86	69.39	3435.07
Net book value									
As at 01-04-2019	4.46	2955.59	3678.39	120.55	69.62	—	—	91.61	6920.22
As at 31-03-2020	4.35	2878.50	4103.49	127.76	81.52	60.44	4.30	73.76	7334.12
Deemed Cost:									
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
As at 31-03-2019	4.81	3286.45	5658.14	219.67	171.18	—	—	143.15	9483.40
Accumulated depreciation:									
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	—	—	—	—	—	—	—	—	—
As at 31-03-2019	0.35	330.86	1979.75	99.12	101.56	—	—	51.54	2563.18
Net book value									
As at 01-04-2018	4.57	2538.53	3671.09	89.23	73.00	—	—	110.29	6486.71
As at 31-03-2019	4.46	2955.59	3678.39	120.55	69.62	—	—	91.61	6920.22

Note:

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

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

4. Intangible Assets

	Application Software
Cost:	
As at 01-04-2019	221.30
Additions	19.61
Deductions	—
As at 31-03-2020	240.91
Accumulated depreciation:	
As at 01-04-2019	193.24
Depreciation charge for the year	25.12
Deductions	—
As at 31-03-2020	218.36
Net book value	
As at 01-04-2019	28.06
As at 31-03-2020	22.55
Cost:	
As at 01-04-2018	207.18
Additions	14.12
Deductions	—
As at 31-03-2019	221.30
Accumulated depreciation:	
As at 01-04-2018	146.83
Depreciation charge for the year	46.41
Deductions	—
As at 31-03-2019	193.24
Net book value	
As at 01-04-2018	60.35
As at 31-03-2019	28.06

5. Financial Assets

i) Investments

	Nominal Value (in ₹)	Quantity	As at 31st March, 2020	Quantity	As at 31st March, 2019
Non-current					
Quoted equity instruments					
(All fully paid up)					
Investments carried at fair value through other comprehensive income (FVTOCI)					
Siemens India Ltd.	2	2138160	23766.72	2138160	24117.38
HDFC Ltd.	2	514900	8395.19	514900	10129.63
ICICI Bank Ltd	2	87015	282.36	87015	347.06
Hindustan Oil Exploration Co. Ltd	10	333333	114.17	333333	432.00

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

5. Financial Assets (Contd.)

	Nominal Value (in ₹)	Quantity	As at 31st March, 2020	Quantity	As at 31st March, 2019
HDFC Bank Ltd	1*	5000	43.10	2500	57.91
*(Subdivided from ₹ 2 face value to ₹ 1)					
Bank of India	10	5400	1.74	5400	5.63
Total aggregate quoted investments (at Fair Value)		A	32603.28	A	35089.61
Aggregate Market Value of quoted investments			32603.28		35089.61
Unquoted equity instruments					
(All fully paid up)					
Saraswat Co-operative Bank Ltd	10	1000	0.10	1000	0.10
Total aggregate unquoted investments		B	0.10	B	0.10
Total non-current investments		(A + B)	32603.38	(A + B)	35089.71

	As at 31st March, 2020	As at 31st March, 2019
(ii) Loans:		
Loans Receivables considered good - Unsecured		
Employee Loans	2.24	2.99
	<u>2.24</u>	<u>2.99</u>

(iii) Other financial assets		
Unsecured, considered good		
Security Deposits	329.03	277.03
‘(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	6.27	4.00
Deposits with Banks with maturity period more than 12 months *	3124.37	1651.55
Interest accrued on Deposits	746.24	557.01
	<u>4205.91</u>	<u>2489.59</u>
* - Includes ₹ 151.15 lakhs (Previous Year ₹ 151.55 lakhs) kept as Fixed Deposits against Bank Guarantees		

6. Non-Current Tax Assets (Net)

Advance payments of tax (net of provision)	296.70	138.94
	<u>296.70</u>	<u>138.94</u>

7. Deferred Tax Assets (Net)

Deferred Tax (Liability)		
Property, Plant and Equipment	-	(886.83)
Deferred Tax Asset		
Provision for doubtful debts and advances	-	237.77
Other Temporary Differences	-	234.88
Provision for Contracts	-	2.11
MAT Credit	-	1508.25
	-	1983.01
	-	1096.18

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

(Refer Note No.39 for deferred tax movement and related disclosures)

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

	As at 31st March, 2020	As at 31st March, 2019
8. Other non-current assets		
Capital Advances (Unsecured)	50.15	207.14
Other Loans and Advances		
Advances to Vendors	5.16	8.10
Balances with Statutory / Government Authorities	364.04	427.65
Prepaid Expenses	6.66	7.41
Other Deposits	66.01	66.01
Prepaid Gratuity (Refer Note No.33)	8.92	35.49
	500.94	751.80

9. Inventories:

Raw Materials and Components (In transit ₹ 196.39 Lakhs - Previous year ₹ 10.43 lakhs)	4985.85	3869.13
Work-in-Progress	6254.40	6162.56
Finished Goods	8061.76	4305.63
Stock in Trade	203.20	299.46
Stores, Spare Parts and Fuel	21.88	25.18
Consumable Tools	21.48	21.70
Packing Materials	86.53	43.73
	19635.10	14727.39

Notes:

- The cost of inventories recognised as an expense during the year was ₹ 65569.51 lakhs (for the year ended 31st March, 2019: ₹ 68545.35 lakhs).
- The cost of inventories recognised as an expense includes ₹ 283.65 lakhs (during 2018-2019: ₹ 413.32 lakhs) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ 386.90 lakhs (during 2018-2019: ₹ 318.29 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 18(i) on Borrowings.

10. Financial Assets

(i) Investments

Investments	Number of Units	As at 31st March, 2020	Number of Units	As at 31st March, 2019
Current				
Unquoted Mutual Funds				
Investments carried at fair value through profit and loss (FVTPL)				
ICICI Prudential Money Market Fund - Growth	578853	1606.38	578853	1498.26
UTI Money Market - IP - Growth *	48497	1091.48	48497	1017.87
* (Under lien in favour of Bank of India pending documentation of Non-fund based facilities)				
Total aggregate unquoted investments		2697.86		2516.13
Aggregate market value of unquoted investments		2697.86		2516.13

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

10. Financial Assets (Contd.):

	As at 31st March, 2020	As at 31st March, 2019
(ii) Trade receivables		
Trade Receivables considered good - Secured	87.16	73.29
Trade Receivables considered good - Unsecured	29144.51	25511.91
Trade Receivables which have significant increase in Credit Risk	15.09	11.38
Trade Receivables - credit impaired	624.90	680.43
	<u>29871.66</u>	<u>26277.01</u>
Less: Allowance for doubtful debts	624.90	680.43
	<u>29246.76</u>	<u>25596.58</u>
(iii) Cash and Cash equivalents		
Bank balances		
In Cash credit Accounts	277.29	55.12
In Current Accounts	87.86	104.09
Cheques on hand	36.81	153.22
Cash on hand	4.97	3.63
Remittances in transit	3.00	36.81
	<u>409.93</u>	<u>352.87</u>
(iv) Bank balances other than (iii) above		
Earmarked balances with banks		
In Current Accounts (refer note below)	18.09	26.15
In Fixed Deposits *	0.42	—
Other		
Deposits with Banks - others	—	1000.00
	<u>18.51</u>	<u>1026.15</u>
	<u>428.44</u>	<u>1379.02</u>
Note:		
Balances in current accounts are earmarked towards unclaimed dividend, repayment of public deposits including interest.		
* - ₹ 0.42 lakhs kept as Fixed Deposits towards security with Sales Tax Dept .		
(v) Loans:		
Loans Receivables considered good - Unsecured		
Employee Loans	2.80	2.51
Corporate Deposit	21983.08	20274.11
	<u>21985.88</u>	<u>20276.62</u>
(vi) Other financial assets		
Unsecured, considered good		
Employee Advances	12.30	15.39
Interest accrued on Deposits	372.74	878.36
Other Receivables	6.46	19.30
	<u>391.50</u>	<u>913.05</u>

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

		As at 31st March, 2020	As at 31st March, 2019
11. Current Tax Assets (Net)			
Advance payments of tax (net of provision)		51.92	51.75
		<u>51.92</u>	<u>51.75</u>
12. Other current assets			
Advances to Vendors		333.65	163.40
Balances with Statutory / Government Authorities		1320.82	1510.73
Prepaid Expenses		416.74	328.94
Others		140.81	23.34
Gross Amounts Due from Customers of Construction Contracts		–	21.13
Prepaid Gratuity (Refer Note No.33)		5.37	26.00
		<u>2217.39</u>	<u>2073.54</u>
13. Equity Share Capital			
Authorised:			
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>
Issued and Subscribed and fully paid up shares			
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>
(a) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company			
		No. of Shares (% of holding)	No. of Shares (% of holding)
1. Life Insurance Corporation of India		352291 (6.23)	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) Rights, preferences and restrictions attached to shares			

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

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

	Note	As at 31st March, 2020	As at 31st March, 2019
14. Other Equity:			
General Reserve	I(A)	24471.37	24471.37
Retained Earnings	I(B)	18313.40	15481.00
Equity Instruments through Other Comprehensive Income		32202.04	34678.47
		<u>74986.81</u>	<u>74630.84</u>
Notes:			
I Nature and Purpose of Reserve			
(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.			
II. Interim and Final Dividend on Equity Shares			
Interim and Final Dividend for the year ended 31st March, 2020 : ₹ 12.50 per share. (31st March, 2019 : ₹ 12.50 per share)		706.45	706.45
Interim and Final Dividend Distribution Tax on dividend		145.21	145.21
		<u>851.66</u>	<u>851.66</u>
15. Financial Liabilities			
Lease Liability		11.49	—
		<u>11.49</u>	<u>—</u>
16. Provisions:			
Others (Refer Note No. 38)		114.70	114.70
		<u>114.70</u>	<u>114.70</u>
17. Deferred Tax Liability (Net)			
Deferred Tax Liability			
Property, Plant and Equipment		908.35	—
Deferred Tax Asset			
Provision for doubtful debts and advances		(218.37)	—
Other Temporary Differences		(222.01)	—
Provision for Contracts		(7.64)	—
MAT Credit		(409.24)	—
		<u>(857.26)</u>	<u>—</u>
		<u>51.09</u>	<u>—</u>

Deferred Tax Assets and Deferred Tax Liability have been offset as they relate to the same governing taxation laws.
(Refer Note No.39 for deferred tax movement and related disclosures)

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

	As at 31st March, 2020	As at 31st March, 2019
18. Financial Liabilities:		
(i) Borrowings:		
Secured:		
Working Capital Facilities from Banks repayable on demand	1469.07	1430.90
	<u>1469.07</u>	<u>1430.90</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 8.6 % p.a. (for 31st March, 2019 10.7% p.a.)		
Term Loans from Institution (Secured against Corporate Deposit)	1225.00	—
Unsecured:		
Short Term Loans from Banks	22035.12	18500.00
	<u>23260.12</u>	<u>18500.00</u>
The present interest rate on the bank loans is 8% p.a. (for 31st March , 2019 8.6% p.a.).		
	<u>24729.19</u>	<u>19930.90</u>
(ii) Lease Liability	56.07	—
	<u>56.07</u>	<u>—</u>
(iii) Trade Payables		
Due to Micro Enterprises and Small Enterprises [see notes (a) and (b) below]	9.63	2.23
	<u>9.63</u>	<u>2.23</u>
Due to creditors other than Micro Enterprises and Small Enterprises		
(i) Acceptances	5591.28	7912.68
(ii) Others	10948.99	7218.79
	<u>16540.27</u>	<u>15131.47</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, 2020. 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	9.63	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		

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

	As at 31st March, 2020	As at 31st March, 2019
18. Financial Liabilities: (Contd.)		
(iv) Other financial liabilities		
Interest accrued but not due on borrowings	123.56	42.01
Unclaimed dividends *	7.58	12.22
Unclaimed matured deposits and interest accrued thereon *	10.48	13.10
Deposits from Vendors, Dealers	222.17	197.93
Derivative liability	0.46	3.00
Others	6.32	6.79
	<u>370.57</u>	<u>275.05</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.		
19. Other current liabilities		
Other payables		
Advances from Customers	2505.56	615.68
Employee Benefits	2052.52	1472.02
Project Amount due to customers	313.08	17.66
Statutory dues	573.07	925.61
	<u>5444.23</u>	<u>3030.97</u>
20. Provisions:		
Employee benefits :		
Provision for compensated absences	773.55	673.34
Others		
Provision for Warranty Costs (Refer Note No 38)	358.15	476.37
Provision for Contracts	0.76	6.06
	<u>1132.46</u>	<u>1155.77</u>
21. Current Tax Liabilities (Net)		
Provision for Tax (net of advance tax)	2.13	2.91
	<u>2.13</u>	<u>2.91</u>

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

REVENUE FROM OPERATIONS

22. Revenue From Operations

	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of products		
Manufactured goods	87522.79	86829.65
Traded goods	822.37	846.97
	<u>88345.16</u>	<u>87676.62</u>
Sale of Services	2420.26	3153.10
Project Revenue	1345.33	1627.71
	<u>92110.75</u>	<u>92457.43</u>
Other Operating revenue		
Scrap Sales	761.92	774.80
	<u>92872.67</u>	<u>93232.23</u>

Disaggregation of Revenue based on major products:

Manufactured goods		
Electric Motors	41028.23	35739.43
Transformers	41339.75	45808.64
Magnet Technology Machines	3552.99	3334.09
Drive Systems	1601.82	1947.49
	<u>87522.79</u>	<u>86829.65</u>
Traded goods		
Drives	600.60	622.33
Others	221.77	224.64
	<u>822.37</u>	<u>846.97</u>
	<u>88345.16</u>	<u>87676.62</u>

Disaggregation of Revenue based on geographical areas is disclosed in Note no.34

Changes in contract assets are as follows:

Balance at the beginning of the year	21.13	0.02
Revenue recognised during the year	1345.33	1627.71
Invoices raised during the year	(1366.46)	(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	17.66	75.63
Revenue recognised that was included in the contract liabilities at the beginning of the year	(17.66)	(62.37)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	313.08	4.40
Balance at the end of the year	313.08	17.66

Reconciliation of Revenue from operations with Contracted price

Contracted price	93479.57	90778.71
Increase / (Decrease) towards variable consideration components	(606.90)	2453.52
Revenue recognised	<u>92872.67</u>	<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, 2020	Year ended 31st March, 2019
23. Other Income		
Interest	2171.54	2283.25
Dividend Income	241.17	254.30
Fair valuation of Current Investments	182.19	297.72
Profit on sale of Fixed Assets	0.06	0.07
Net gain on foreign currency transaction and translation	14.67	–
Provision no longer required/Credit Balances appropriated	74.96	37.36
Miscellaneous Income	329.22	88.62
	<u>3013.81</u>	<u>2961.32</u>
24. Cost of materials consumed		
Raw Materials and Components Consumed	65822.40	68122.70
(Including Processing charges and Subcontracting charges)		
Packing Materials Consumed	1603.65	1505.93
Project Materials Consumed	1033.47	666.49
	<u>68459.52</u>	<u>70295.12</u>
25. Purchases of Stock-in-Trade		
Purchases	549.43	693.13
	<u>549.43</u>	<u>693.13</u>
26. Change in inventories of finished goods, stock-in-trade and work-in-progress		
Stock at the beginning 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>
Stock at the end of the year		
Work-in-Progress	6254.40	6162.56
Finished Goods	8061.76	4305.63
Stock in trade	203.20	299.46
	<u>14519.36</u>	<u>10767.65</u>
	<u>(3751.71)</u>	<u>(2725.18)</u>
27. Employee benefits expense		
Salaries and Wages	9760.44	8615.38
Workmen and Staff Welfare Expenses	1285.90	1192.29
Contribution to Provident and Other Funds	531.10	462.94
	<u>11577.44</u>	<u>10270.61</u>

NOTES TO THE FINANCIAL STATEMENTS
Notes (Contd.)

	Year ended 31st March, 2020	Year ended 31st March, 2019
28. Finance costs		
Interest expense	1971.01	1526.20
Discounting Charges	57.73	47.26
Net (gain) / loss on foreign currency transaction and translation adjusted to interest cost	—	117.97
	<u>2028.74</u>	<u>1691.43</u>
29. Other expenses		
Power and Fuel	804.85	756.80
Stores, Spare Parts and Tools consumed	312.26	282.28
Fuel consumed (excluding for own power generation)	117.44	129.92
Repairs to Buildings	267.04	55.66
Repairs to Machinery	248.80	205.32
Other Repairs	104.41	52.58
Insurance	97.44	73.55
Rent	50.25	157.52
Rates and Taxes	184.52	135.71
Royalty	92.47	99.92
Post and Telecommunication Charges	150.59	153.26
Travelling, Conveyance and Motor Vehicle Expenses	706.63	765.22
Freight and Forwarding Charges	2999.55	2589.50
Product Advertisement and Publicity	71.48	124.69
Printing and Stationery	130.28	116.51
Data Processing Charges	191.36	159.82
Professional Charges	529.49	488.47
Commission	343.21	421.30
Corporate Social Responsibility Expenses	23.30	—
Bank Charges	237.75	301.67
Directors' Fees	19.10	17.00
Net loss on foreign currency transaction and translation	—	9.50
Net loss arising on financial liability mandatorily measured at FVTPL	—	(15.18)
Loss on Fixed Assets sold, discarded, and scrapped	9.35	18.57
Allowance for doubtful debts	45.10	54.23
Less: Allowance for doubtful debts no longer required	<u>100.63</u>	<u>70.25</u>
	(55.53)	(16.02)
Bad Debts/Sundry Debit Balances written off	35.72	21.37
Others	1562.66	1832.81
	<u>9234.42</u>	<u>8937.75</u>

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

	As at 31st March, 2020	As at 31st March, 2019
30. Contingent Liabilities:		
Disputed Sales Tax Demands	73.92	73.92
Disputed Excise Duty Demands	237.09	237.09
Disputed Custom Duty Demand	126.12	126.12
Disputed Income Tax Demands	27.77	27.77
It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.		
31. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	370.58	1353.73
32. Professional Charges include:		
(a) To Auditors: (net of Service Tax / GST)		
Audit Fees	20.00	20.00
Tax Audit Fees	3.60	3.60
Others	15.70	22.40
Reimbursement of Out of Pocket Expenses	0.58	0.31
	<u>39.88</u>	<u>46.31</u>
(b) To Cost Auditors (net of Service Tax / GST)	0.98	0.98

33. 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, 2020	For the year ended 31st March, 2019
i) Employer's Contribution to Provident Fund	307.04	267.68
ii) Employer's Contribution to Superannuation Fund	57.26	55.70
Total	<u>364.30</u>	<u>323.38</u>

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

33. 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, 2020 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, 2020	As at 31st March, 2019
1. Discount rate	6.75%	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 (2012-14) Ultimate (IALM 2012-14)	Indian Assured Lives Mortality (2006-08)

B. Expenses recognised in Statement of Profit and Loss

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Service cost:		
Current service cost	171.56	143.81
Past service cost	-	-
Net Interest cost	(4.76)	(4.25)
Components of defined benefit costs recognised in the 'Employee benefits expenses' in the Statement of Profit and Loss	166.80	139.56
Net Interest Cost recognised in Statement of Profit and Loss:		
Interest Cost	169.57	165.66
(Interest Income)	(174.33)	(169.91)
Net interest cost recognised in Statement of Profit and Loss	(4.76)	(4.25)

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

33. 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, 2020	Year ended 31st March, 2019
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	128.23	-
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	(47.21)	28.94
Return on Plan Assets excluding Interest Income	(40.61)	(15.11)
Net (Income)/Expense For the Period Recognized in OCI	40.41	13.83

D. Amount recognised in the Balance Sheet

Particulars	As at 31st March, 2020	As at 31st March, 2019
Present Value of Defined Benefit Obligation as at the end of the year	2389.57	2187.96
Fair Value of plan assets	(2403.86)	(2249.45)
Net (asset)/liability recognised in the Balance Sheet	(14.29)	(61.49)
Recognised under:		
Long term (asset) / provision (Refer Note No. 8)	(8.92)	(35.49)
Short term (asset) / provision (Refer Note No. 12)	(5.37)	(26.00)
Total	(14.29)	(61.49)

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

Opening defined benefit obligation	2187.95	2137.50
Current Service Cost	171.56	143.81
Interest cost	169.57	165.66
Past Service Cost	-	-
Remeasurement (gains)/losses	81.02	28.94
Benefits Paid (From the Fund)	(220.53)	(287.96)
Closing defined benefit obligation	2389.57	2187.95

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

Opening fair value of the plan assets	2249.45	2192.39
Contributions by the Employer	160.00	160.00
Remeasurement (gains)/losses	-	-
Interest income	174.33	169.91
Expected return on plan assets not included in the interest income	40.61	15.11
Benefits paid	(220.53)	(287.96)
Closing fair value of plan assets	2403.86	2249.45

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

33. 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, 2020	Estimated for the year ended 31st March, 2019
1st Following Year	718.36	497.22
2nd Following Year	320.43	292.03
3rd Following Year	185.18	156.44
4th Following Year	162.77	126.95
5th Following Year	288.97	210.46
Sum of Years 6 to 10	1068.08	861.28
Sum of years 11 - above	15701.88	13443.86
Total expected payments	18445.67	15588.24

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, 2020	As at 31st March, 2019
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(75.86)	(58.85)
Impact of -0.5% Change in Rate of Discounting	82.28	63.54
Impact of +0.5% Change in Rate of Salary Increase	82.08	64.00
Impact of -0.5% Change in Rate of Salary Increase	(76.37)	(59.79)
Impact of +0.5% Change in Rate of Employee Turnover	(1.04)	5.39
Impact of -0.5% Change in Rate of Employee Turnover	1.15	(5.72)

I. Other Disclosures

- The weighted average duration of the obligations as at 31st March, 2020 is 24 years (31st March, 2019: 24 years).
- The Company expects to contribute ₹ 131.03 lakhs to the plan during financial year 2020-21.

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

34. Disclosure pursuant to Ind AS - 108 : OPERATING SEGMENTS

BUSINESS SEGMENTS

Particulars	Power Systems		Industrial Systems		Total	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Segment Revenue						
External Revenue	45350.93	50334.68	47521.74	42897.55	92872.67	93232.23
Inter-segment Revenue	–	–	–	–	–	–
Total Revenue	45350.93	50334.68	47521.74	42897.55	92872.67	93232.23
Segment Result	3152.06	2702.75	7831.79	5938.13	10983.85	8640.88
Unallocated Income/(Expense) (Net)					(2063.48)	(756.45)
Finance Costs					(2028.74)	(1691.43)
Tax Expense (Debit)/Credit					(2329.63)	(2039.94)
Profit /(Loss) after Taxation					4562.00	4153.06

Particulars	Power Systems		Industrial Systems		Total	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Segment Assets	36259.50	29327.98	23376.47	20023.18	59635.97	49351.16
Unallocated Assets					64377.83	65488.84
Total assets					124013.80	114840.00
Segment Liabilities	12115.20	9002.79	9421.71	9619.92	21536.91	18622.71
Unallocated Liabilities					26924.92	21021.29
Total liabilities					48461.83	39644.00
Capital Expenditure						
Segment Capital Expenditure	2089.45	648.96	601.53	631.21	2690.98	1280.17
Unallocated Capital Expenditure					71.74	137.46
Total Capital Expenditure					2762.72	1417.63
Depreciation and Amortisation						
Segment Depreciation and Amortisation	297.46	367.22	339.66	311.43	637.12	678.65
Unallocated Depreciation and Amortisation					259.89	159.04
Total Depreciation and Amortisation					897.01	837.69
Significant Non Cash Expenditure						
Segment Significant Non Cash Expenditure					–	–
Unallocated Non Cash Expenditure					–	–
Total Significant Non Cash Expenditure					–	–

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

34. Disclosure pursuant to Ind AS - 108 : OPERATING SEGMENTS (Contd.)

GEOGRAPHICAL INFORMATION

Particulars	Revenue from External Customers	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Within India	91176.74	92479.71
Outside India	1695.93	752.52
	92872.67	93232.23

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, 2020 and 31st March, 2019.

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.

35. Disclosure pursuant to Ind AS - 24 : RELATED PARTY DISCLOSURES:

35.1 RELATED PARTIES

A. Key Management Personnel:

- A1. Mr. Nikhil J. Danani, Vice Chairman & Managing Director
- A2. Mr. Nakul P. Mehta, Vice Chairman & Managing Director
- A3. Mr. Shome N. Danani, Executive Director (son of Mr. Nikhil J. Danani)
- A4. Mr. Yogendra S. Agarwal, Chief Financial Officer
- A5. Mr. Durgesh N. Nagarkar, Company Secretary

B. Enterprises over which any of (A) can exercise control or significant influence:

- B1. Danmet Chemicals Pvt. Ltd.

NOTES TO THE FINANCIAL STATEMENTS
Notes (Contd.)
35. Disclosure pursuant to Ind AS - 24 : RELATED PARTY DISCLOSURES: (Contd.)
35.2 TRANSACTIONS WITH RELATED PARTIES

Nature of transaction	Related Parties		
	Referred in (A) and (B) above		
	With	Closing Balance	
		As at 31st March, 2020	As at 31st March, 2019
Short-term Employee Benefits Payable	A1	467.83	176.86
	A2	284.28	115.35
	A3	5.21	4.81
	A4	2.22	—
	A5	1.61	—
Vendor Payable	B1	9.21	17.75

Nature of transaction			
	With	During the year ended	
		31st March, 2020	31st March, 2019
Short-term Employee Benefits Paid	A1	635.78	290.44
	A2	452.33	228.26
	A3	87.75	87.75
	A4	44.99	—
	A5	45.42	—
Purchases	B1	231.54	233.01
Rent Received	B1	5.13	5.13

Notes:

- No amount has been written off or written back during the year ended 31st March, 2020. (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.

36. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 116 : Leases

Particulars	Year ended 31st March, 2020
Depreciation charge	135.97
Interest expense on lease liabilities	10.96
Expense relating to short-term lease	9.19
Expense relating to low value assets	8.38
Cash outflow for lease	(127.99)
Additions to right-of-use assets	5.16
Carrying amount of right-of-use assets	64.74

Nature of lessee's leasing activities : Leasing of office premises and vehicle
Maturity analysis of Lease Liability :

The future Lease Liability are as under :	As at 31st March, 2020
Due not later than one year	56.07
Due later than one year but not later than three years	7.50
Due later than three years	3.98

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

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

		Year ended 31st March, 2020	Year ended 31st March, 2019
Profit/(Loss) after Tax	A	4562.00	4153.06
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	80.69	73.49

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

Provisions	Carrying amount as on 1st April, 2019	Provision made during the year	Amount used during the year	Carrying amount as on 31st March, 2020
Others#	114.70	–	–	114.70
	(114.70)	–	–	(114.70)
Warranty*	476.37	202.63	320.85	358.15
	(504.79)	(497.37)	(525.79)	(476.37)

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.

39. 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, 2020	For the year ended 31st March, 2019
Current Tax:		
Current Tax (MAT)	1158.33	1279.25
Tax Refund / reversal pertaining to earlier years	–	(5.46)
	<u>1158.33</u>	<u>1273.79</u>
Deferred Tax:		
Deferred Tax	72.28	277.71
MAT Credit utilisation /(entitlement)	1099.02	488.44
	<u>1171.30</u>	<u>766.15</u>
Total Tax expenses	<u>2329.63</u>	<u>2039.94</u>

(b) Income Tax recognised in Other comprehensive income

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Deferred tax (credit)/charge on:		
Remeasurement of defined benefit obligation	(14.12)	(4.83)
Fair Value of Equity Instruments through Other Comprehensive Income	(9.91)	9.91
	<u>(24.03)</u>	<u>5.08</u>

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

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

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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before Tax (i)	6891.63	6193.00
Corporate tax rate as per Income Tax Act, 1961 (ii)	34.94%	34.94%
Tax on Accounting profit (iii) = (i) * (ii)	2408.21	2164.08
Tax difference on account of:		
(A) Income not chargeable to tax	(86.27)	(88.89)
(B) Expenses not allowable under the Income Tax Act	8.36	0.20
(C) Tax Refund / reversal pertaining to earlier years	–	(30.62)
(D) Other timing differences	(0.68)	(4.83)
Total effect of tax adjustments	(78.58)	(124.14)
Tax expense recognised during the year	2329.63	2039.94

(d) Movement in Deferred tax balances:

Particulars	For the year ended 31st March, 2020			
	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	(886.83)	(21.52)	–	(908.35)
Employee Benefits	–	(14.12)	14.12	–
Provision for doubtful debts and advances	237.77	(19.40)	–	218.37
Other Temporary Differences	234.88	(22.78)	9.91	222.01
Provision for Contracts	2.11	5.53	–	7.64
MAT Credit	1508.25	(1099.01)	–	409.24
Net Tax Asset (Liabilities)	1096.18	(1171.30)	24.03	(51.09)

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

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

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
Net Tax Asset (Liabilities)	1867.41	(766.15)	(5.08)	1096.18

40. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 107 : Financial Instruments: Disclosures

Financial instruments and Risk management

40.1 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.

40.2 Categories of financial instruments

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial assets		
(a) Mandatorily measured at fair value through profit or loss (FVTPL)		
(i) Mutual Fund Investments	2697.86	2516.13
(b) Measured at amortised cost		
(i) Cash and cash equivalent	409.93	352.87
(ii) Bank balance other than (i) above	18.51	1026.15
(iii) Trade receivables	29246.76	25596.58
(iv) Loans	21988.12	20279.61
(v) Other financial assets	4597.41	3402.64
(c) Measured at FVTOCI		
(i) Investments in equity instruments	32603.38	35089.71
Total Financial Assets	91561.97	88263.69

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

40. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 107 : Financial Instruments: Disclosures (Contd.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial liabilities		
(a) Mandatorily measured at fair value through profit or loss (FVTPL)		
(i) Derivative Liabilities	0.46	3.00
(b) Measured at amortised cost		
(i) Borrowings	24729.19	19930.90
(ii) Lease Liability	56.07	—
(iii) Trade payables	16549.90	15133.70
(iv) Other financial liabilities (including current maturities of borrowings)	370.11	272.05
Total Financial Liabilities	41705.73	35339.65

40.3 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.

40.3.1 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, 2020		As at 31st March, 2019	
		Hedged	Unhedged	Hedged	Unhedged
Trade Payable	EUR *	53400	41457	35400	8846
	INR	44.76	34.75	27.64	6.91
Trade Payable	USD *	17449	6338	15510	83991
	INR	13.21	4.80	10.74	58.17
Trade Payable	GBP *	—	—	31860	—
	INR	—	—	28.93	—
Trade Payable	CNY*	—	2350	671780	2350
	INR	—	0.26	71.09	0.25
Trade Payable	SEK	751272	—	—	—
	INR	58.15	—	—	—
Trade Receivable	USD *	—	—	—	—
	INR	—	22090	—	—

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

40. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 107 : Financial Instruments: Disclosures (Contd.)

Nature of Transaction	Currency	As at 31st March, 2020		As at 31st March, 2019	
		Hedged	Unhedged	Hedged	Unhedged
Trade Receivable	EUR *	-	16.56	-	83
	INR	-	91611	-	0.06
FCNR (B) based loan	USD *	-	75.43	-	-
	INR	-	-	-	-
<u>Firm Commitment</u>					
Trade Payable	EUR *	-	-	617	-
	INR	-	-	0.48	-
Interest on FCNR (B) based loan	USD *	-	-	-	-
	INR	-	-	-	-
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, 2020	31st March, 2019
Derivative Assets/(Liabilities) measured at FVTPL:			
(i) Forward contracts	Notional value * (to buy)	EUR - 53400	CNY - 671780
		USD - 17449	EUR - 36017
		SEK - 751272	USD - 15510
			GBP - 31860
	Notional value * (to sell)	-	USD - 104595
	Fair value (₹ lakhs)	(0.46)	(3.00)

* - 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.)

40. 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, 2020 would have increased/decreased by ₹ +/- 1630.16 lakhs (2018-2019: increase/decrease by ₹ +/- 1754.48 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, 2020 would have increased/decreased by ₹ +/- 26.98 lakhs (2018-2019: increase/decrease by ₹ +/- 25.16 lakhs) as a result of the changes in fair value of mutual funds.

40.3.2 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, 2020	31st March, 2019
0 - 6 months past due	27360.34	25124.80
More than 6 months past due	2511.32	1152.21
Total Trade receivables	29871.66	26277.01

Reconciliation of allowance for doubtful debts on Trade Receivables

Particulars	31st March, 2020	31st March, 2019
Balance as at beginning of the year	680.43	696.45
Allowance for doubtful debts based on Expected Credit Loss (ECL)	(55.53)	(16.02)
Balance at end of the year	624.90	680.43

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

40. 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.

40.3.3 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, 2020 ₹ 19727 lakhs, (as at 31st March, 2019 ₹ 14041 lakhs).

40.3.3.1 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
31st March, 2020					
Borrowings	8.00%	22233.91	–	–	22233.91
Trade Payables	–	16540.27	–	–	16540.27
Other Financial Liabilities	–	370.57	–	–	370.57
Total		39144.75	–	–	39144.75
31st March, 2019					
Borrowings	8.60%	18658.17	–	–	18658.17
Trade Payables	–	15131.47	–	–	15131.47
Other Financial Liabilities	–	275.05	–	–	275.05
Total		34064.69	–	–	34064.69

The derivative financial liability of ₹ 0.46 lakhs will get settled within one year.

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

40. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 107 : Financial Instruments: Disclosures (Contd.)

40.4 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, 2020	31st March, 2019		
1) Foreign currency Forwards: Derivative Assets	-	-	Level 2	Discounted cash flow. 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	0.46	3.00		
2) Investments in Mutual funds at FVTPL	2697.86	2516.13	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)	32603.38	35089.71	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.

41. 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

Vice Chairmen &
Managing Directors

Shome N. Danani

Executive Director

Mumbai, 30th June, 2020

Mumbai, 30th June, 2020



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