Bharat Bijlee

67 TH ANNUAL REPORT 2013-14

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Letter from the Executive Director

Dear Shareholders,

The financial year 2013 – 2014 has drawn to a close, but many questions regarding the power and infrastructure sectors remain unanswered. The "NaMo" government has the hope of the nation riding on its shoulders. We must however understand that all changes brought about by this new regime will need time. There will be a gestation period before any changes translate into increased demand for our products.

The past year has seen us work hard on operational efficiencies and cutting costs. However, there is a point beyond which cost cutting can hurt the scalability and day to day operations of the company. We recognize this and have tried innovative approaches to boost sales and keep morale high. Our prime focus this year will be on driving top line growth. We have chalked out an aggressive Business Development plan which will aim to strengthen our sales and marketing functions. This augers well with our push towards increasing business volume from the private sector for some of our divisions. We are in the process of implementing an Employee Engagement program which will help keep our people motivated through these trying times.

The Transformer division has bagged its largest export order from a large government utility in the Middle East. However there is much more to be done in this area and efforts are on to gain various approvals that will enable increased access to export markets. We now have a separate vertical in the Transformer division that will target the business from industry. While the order book is healthy, prices and profitability continue to be a cause for concern. The Motor business too has focused on market penetration and leveraging the supply chain. These efforts have fructified into market share increases. We also continue to make inroads into the project and OEM business with some marquee orders coming our way.

In the Projects business we continue to cherry pick and de-risk ourselves by quoting for very specific projects. Although we have a large enquiry base, we have witnessed a constant delay in finalization of substations. Among our achievements this year has been the completion of a switchyard for the largest solar power plant in Asia. The Drives division has registered an impressive 35% growth over the corresponding first quarter of last year. Our portfolio of automation solutions is now impressive and we are looking at appointing solution partners across India and neighboring countries to increase our market reach. The servo drives market is growing at a rapid rate and we are exploring various opportunities in this space. The Elevator Systems division has been a pioneer in the gearless machines market. We have registered a 25% year on year growth as this technology gains acceptance. The division is currently pursuing the challenging opportunity of supplying to major elevator manufacturers.

The Modi government has made an effort to bring in accountability by uniting the frequently warring camps of Power, Coal and Renewable Energy under a single head. This should boost smoother functioning of these ministries. We look forward to policy changes that will help to unleash the potential of the power sector which has so far been unrealized.

Shome Danani
Executive Director

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DIRECTORS

Mr. Bansi S. Mehta (Chairman)

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

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

Mr. Shome N. Danani
(Executive Director)

Mr. Prakash V. Mehta

Mr. Anand J. Danani

Mr. Sanjiv N. Shah

Mr. Jairaj C. Thacker

Mr. Ravishanker Prasad
(Appointed as Additional Director
w.e.f. 22nd January, 2014)

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 Dalal & Shah

SOLICITORS

M/s Malvi Ranchoddas & Co.

BANKERS

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

REGIONAL OFFICES

Northern Regional Office

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

Western Regional Offices

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

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

Eastern Regional Office

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

Southern Regional Office

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

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.

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

REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors are pleased to present their 67th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31st March, 2014.

The Indian economy continued to be sluggish during the year under review and this has adversely impacted the businesses of your Company. Investments in infrastructure and manufacturing will be the key for revival of our business prospects. We expect the macro-economic situation to improve steadily going ahead and are building internal capabilities to leverage on that.

During the year under review there was continued emphasis on improving customer reach, diversification of customer and geographical mix while keeping strong focus on cost control. Concurrently, important steps have been taken to prepare your Company for the next phase of growth and expansion. The higher voltage motor facility inaugurated last year has successfully delivered its first export order. This is an important milestone as we establish our capabilities in the market place. The Drives and Elevators Systems businesses also continue to grow profitably as they scale up. Both the businesses have very good traction in the market and continue to see healthy growth.

FINANCIAL PERFORMANCE

	Year Ended 31st March 2014	Year Ended 31st March 2013
	(Rs. In Lakhs)	(Rs in lakhs)
Income from Sales & Service	**53748.76**	59401.25
Less: Excise Duty	**5100.61**	5148.52
	48648.15	54252.73
Other Income	**1814.98**	1745.34
	50463.13	55998.07
Profit before Interest, Finance Charges, Depreciation, Exceptional Items and Tax	**1061.50**	1492.66
Less: Interest & Finance Charges	**1309.55**	1242.06
Less: Depreciation	**1094.07**	1069.93
Profit before Exceptional Item and Tax	**(1342.12)**	(819.33)
Add : Exceptional Item	**-**	-
Profit before Tax	**(1342.12)**	(819.33)
Less: Provision for Taxes	**(144.20)**	(329.83)
Profit after Tax	**(1197.92)**	(489.50)
Short (-) / Excess Provision of tax for earlier years	**68.53**	2.67
Profit after Taxation	**(1129.39)**	(486.83)
Add: Profit brought forward from previous year	**6171.29**	6823.42
Profit available for appropriation	**5041.90**	6336.59
APPROPRIATION		
Proposed Equity Dividend	**-**	141.29
Tax on Proposed Equity Dividend	**-**	24.01
General Reserve	**-**	-
Profit Carried Forward	**5041.90**	6171.29

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

DIVIDEND

In view of the net loss during the financial year 2013-2014, the Directors have not recommended payment of dividend for the year ended 31st March, 2014.

OPERATIONS

Income from Sales and Service for the Company reduced from Rs. 59401 lakhs in the previous year to Rs. 53749 lakhs, a drop of 10%. Revenues of the Power Systems remained under pressure due to sluggish market demand and delay in customer project execution timelines.

The Company incurred a loss before exceptional items and tax of Rs.1342 lakhs as against a loss before exceptional items and tax of Rs. 819 lakhs in the previous year mainly due to pressure on margins in the Industrial Systems segment.

FINANCE

In spite of tight money market conditions, adverse liquidity and substantial erosion in profitability, the focus of the Company on the efficient management of short-term and long-term funds through rigorous monitoring of deployment towards working capital, a comprehensive evaluation and execution process for capital expenditure, and prudent deployment of surplus funds helped it generate positive cash flow from operations. Although the Company incurred interest and finance costs of Rs.1309.55 lakhs, it also earned income of Rs.1413.29 lakhs from deployment of surplus funds and treasury operations.

The Company's free reserves as on 31st March, 2014 decreased by Rs.1129.39 lakhs to Rs. 29513.27 lakhs.

As on 31st March, 2014, the Company had Fixed Deposits aggregating to Rs. 2160.90 lakhs. Out of the Fixed Deposits which matured for payment prior to 31st March, 2014, 54 deposits aggregating to Rs. 11.63 lakhs were neither renewed nor claimed till 31st March, 2014. Of these, 10 deposits aggregating to Rs. 1.80 lakhs have since been refunded on receipt of requests from the deposit holders. The balance 44 deposits aggregating to Rs. 9.83 lakhs have been neither claimed nor renewed till date of this report, in spite of the Company's intimation to the deposit holders. There has been no default or delay in meeting any maturity payment obligations.

During the year Rs. 5.41 lakhs was transferred to the Investor Education and Protection Fund.

HUMAN RESOURCES AND EMPLOYEE RELATIONS

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

The long term wage agreement with the Union was signed on January 15, 2014 and the same will be valid up to December 31, 2014. Employee Relations across the Company continued to be cordial, and issues were settled amicably. Productivity levels continued to be subject to continuous monitoring.

Employee strength as on March 31, 2014 was 1436 as compared to 1362 in the previous year.

CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS (MDA) REPORT:

A separate report on MDA forms part of the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2014, and the profit and loss for that period;

c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

d) The Directors have prepared Annual Accounts on a going concern basis;

e) The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operated effectively and;

f) The Directors have devised proper systems to ensure compliance with the processes of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS:

During the year, Mr. Jaisingh R. Danani, Director on the Board of the Company and who was a Managing Director of the Company for 35 years until 1990, passed away on August 5, 2013.

Mr. Mukul Harkisondass who joined the Board on August 29, 1972 also passed away on June 14, 2013.

The Company has suffered an irreparable loss due to their demise and the Board of Directors place on record their appreciation for the immense contribution, valuable guidance and commitment rendered by Mr. Jaisingh R. Danani and Mr. Mukul Harkisondass during their tenure as Directors.

During the year, Mr. Harish Chandra Mishra resigned from the Board w.e.f. July 25, 2013. The Board of Directors place on record their appreciation for the invaluable advice and guidance given by Mr. Harish Chandra Mishra during his association with the Company.

Mr. Ravishanker Prasad was appointed as an Additional Director with effect from January 22, 2014 and holds office up to the date of the forthcoming Annual General Meeting. Notice has been received under Section 160 of the Companies Act, 2013 from a member proposing his candidature for office of Director and such appointment has been proposed at Item No. 5 of the Notice dated July 25, 2014.

Ms. Mahnaz A. Curmally was appointed as an Additional Director with effect from July 25, 2014 and holds office upto the date of the forthcoming Annual General Meeting. Notice has been received under Section 160 of the Companies Act, 2013 from a member proposing her candidature for office of Director and such appointment has been proposed at Item No. 4 of the Notice dated July 25, 2014.

Mr. Anand J Danani retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr. Prakash V Mehta, Mr. Sanjiv N. Shah and Mr. Jairaj C. Thacker, Non-executive Directors of the Company have submitted declaration under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria

of independence prescribed for Independent Directors as stipulated under Section 149(6) of the said Act.

Notices have been received from members under Section 160 of the Companies Act, 2013 proposing their appointment as Independent Directors. The Independent Directors are proposed to be appointed for a period of 5 years from the date of the ensuing meeting and they shall not retire by rotation.

Notice has been received under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Rajeshwar R. Bajaaj as an Independent Director who has also confirmed that he meets the criteria of independence prescribed for Independent Directors as stipulated under Section 149(6) of the said Act and such appointment has been proposed at Item No. 9 of the Notice dated July 25, 2014.

Information on the Directors eligible for reappointment/ appointment as required under Clause 49 of the Listing Agreement with Stock Exchanges is disclosed in the profiles of the Directors under Item Nos. 4 to 9 forming part of the Notice dated July 25, 2014 circulated along with the Annual Report 2013-14.

AUDITORS:

The Company's auditors, M/s. Dalal & Shah, bearing Firm Registration No. 102021W, hold office till the date of the ensuing Annual General Meeting and, being eligible, are recommended for reappointment. The Company has received a confirmation from M/s. Dalal & Shah to the effect that their appointment, if made at the ensuing Annual General Meeting would be in terms of Section 139 and 141 of the Companies Act, 2013 and rules made thereunder. The Board on the recommendation of the Audit Committee proposes to appoint M/s. Dalal & Shah as Statutory Auditors of the Company for a period of 3 years from the conclusion of the ensuing Annual General Meeting, subject to ratification by members of the Company at each Annual General Meeting. This item of business is covered under Item No. 3 of the accompanying Notice dated July 25, 2014.

COST AUDITORS:

M/s. P. M. Nanabhoy & Co. an independent firm of Cost Accountants having an arm's length relationship with the Company and who are free from any disqualification as specified under Section 141(3) have been appointed by the Board as Cost Auditors of the Company, for electric motors, power transformers, drives and elevator system products for the Financial Year ending 31st March, 2015, subject to the approval of the Central Government at a remuneration of Rs. 72,000/- which is subject to approval by members. Their appointment is in accordance with the limits specified in Section 141 (3) (g) of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES:

The information required under Section 217 (2A) of the Companies Act, 1956, read with Company's (Particulars of Employees) Rules, 1975, and forming part of this Report, are annexed to this Report. However, as per the provisions of Section 219 (1)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all Shareholders of the Company, excluding the Statement of Particulars of Employees. Any shareholder interested in the Particulars of Employees, may write to the Company Secretary at the Registered Office of the Company for a copy of the Statement.

Additional information as required by Department of Companies Affairs is presented on Page No. 8 of this Annual Report.

COMPANIES ACT, 2013

The Companies Act, 2013 was notified in the Official Gazette of the Government of India on August 29, 2013. On September 12, 2013 the Ministry of Corporate Affairs (MCA) notified 98 sections and on March 27, 2014, the MCA notified another 198 sections, which were deemed to come into force with effect from April 1, 2014.

The MCA vide Circular No. 08/2014 dated April 4, 2014 clarified that the financial statements and the documents required to be attached thereto, the auditors' and directors' report in respect of the financial year under reference shall continue to be governed by the relevant provisions of the Companies Act, 1956, schedules and rules made thereunder.

The Company has accordingly prepared this balance sheet, statement of profit and loss, the schedules and notes thereto and the Directors' Report in accordance with the relevant provisions of the Companies Act, 1956, schedules and rules made thereunder.

The Company has taken cognizance of the new legislation and shall comply with the provisions of the Companies Act, 2013, as applicable.

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board of Directors

Bansi S. Mehta
Chairman

Date: July 25, 2014

ADDITIONAL INFORMATION

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

A. Conservation of Energy :

1) Measures:

- Maintained 1000kVAR Capacitor bank in Transformer Plant and installed 300 KVAR capacitor bank in sub-station and achieved power factor of 0.99
- Installed Magnetic Induction Lamps of 150 Watts in place of 250 Watts Metal Halide lamps and 55 Watts in place of 150 Watts Metal Halide lamps in T2 Plant and new Motor Finished Goods Godown
- Replacement of 36Wx2 tube light fixtures by 15Wx2 LED fixtures
- Replacement of conventional ballast for Metal Halide lamps by electronic ballast is in progress
- Installed timers for automatic switching on and switching off exhaust fans and lights in toilets
- Installed Remote Switching ON-OFF system to avoid idle running of compressors on no load condition
- Motion controlled sensors installed in Painting Booth
- Regenerative Test Plant installed
- Converted electric heating ovens to Piped Natural Gas (Thermopac) heating.

2) Impact of Measures:

- Savings of 4% to 5% in monthly billing by improving power factor
- Energy savings of approx. 30% in lighting, 10% in Cranes & 5% in Ovens, and 40% in compressed air consumption and testing units

3) Measures Planned : Energy Savings:

- Replacement of Metal Halide Lamps with Magnetic Induction Lamps in Shop floor
- Replacement of existing motors by energy efficient motors
- Replacement of conventional reciprocating compressor off chilling plants by lobe (screw) compressors

B. Technology, Absorption, Adaptation, and Innovation:

1) Efforts made:

- Upgraded existing Vapour Phased Drying Plant with latest technology to improve Drying Quality and to save energy
- Installed new turbo air ventilator in Transformer T1 Plant to reduce heat impact during summer
- SCADA operated regenerative test plant with 4 No. Bed installed for testing IE2 motor up to 22KW
- Kone cranes installed in Finished Goods Godown with overload monitoring mechanism
- 2 nos. Dry type painting booth installed in motor plant

2) Benefits derived:

- Increase in manufacturing and testing capacity
- Increase in manufacturing capacity
- Quality Improvement
- Better pollution control
- Compatibility for testing motors as per new ISI5999 Part II Sec 1 with actual measurement of losses
- Equipment availability and reliability improved

3) Technology imported during the last five years:

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

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

C. Foreign Exchange earnings and outgo:

1) Export Activities :

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

2) Foreign Exchange earned :

		Rs. in Lakhs
-	Deemed Exports	2536.20
-	Direct Exports	1102.93
3)	Foreign Exchange used :	2676.20

CORPORATE GOVERNANCE REPORT- ANNEXURE A

1. Company's Philosophy on Corporate Governance:

We believe that Corporate Governance is the product of culture and the mindset of the Management of the Company and meets or exceeds the demands of the regulatory authorities. Focus and practice of corporate governance in the Company, since its inception, is based on the principle of transparency and fairness, accountability and responsibility, disclosures and compliance in all dealings of the Company. Requirement of revised Clause 49 of the Listing Agreement with Stock Exchanges, Code of Conduct on Prevention of Insider trading and also a Code of Conduct for Directors and Senior Management personnel is adhered to regularly.

2. Board of Directors & Board Meetings:

a. Composition :

The Board consists of nine (9) Directors, out of which four (4) are Independent, two (2) are Non-Executive and three (3) are Executive Directors. The Chairman is an Independent Director. He is not a promoter nor related to promoters or to persons occupying management positions at Board level or at one level below the Board. The Non-Executive Directors account for 66% of the Board's strength against the minimum requirement of 50% as per the Listing Agreement. Independent Directors constitute 44 % of the total strength of the Board as against one third (33.33%) required when the Chairman is a Non Executive Director. The Non-Executive Directors are all eminent professionals with experience in overall management, finance and law and have a wide range of skills and experience. The day to day operations of the Company are overseen by three Executive Directors, Mr. Nikhil J. Danani, Mr. Nakul P. Mehta (both Managing Directors), and Mr. Shome N. Danani (Executive Director).

During the year Mr. Harish Chandra Mishra resigned from the Board w.e.f. 25th July, 2013. Mr. Ravishanker Prasad was appointed as an Additional Director w.e.f 22nd January, 2014 who holds office as such upto the date of this ensuing Annual General Meeting.

Notice has been received under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ravishanker Prasad to be appointed as Director on the Board and the same is proposed at item no.5 of the Notice of Annual General Meeting dated 25th July, 2014.

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

b. Board Meetings:

In the Financial Year 2013-2014, five (5) Board of Directors' meetings were held on the following dates:

1. 17th May, 2013
2. 28th June, 2013
3. 25th July, 2013
4. 17th October, 2013
5. 22nd January, 2014

c. Attendance/Sitting fees of Directors:

Sr. No.	Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships of other Companies	Membership of Committees of *other* Companies		Sitting Fees for Board/ Committee meetings Rs.	No. of Equity Shares held as on March 31, 2014
						As Member	As Chairman		
1.	Mr. Bansi S. Mehta – Chairman	Independent Non-Executive	4	YES	15**	15@	4	40000	-
2.	Mr. Nikhil J. Danani – Managing Director	Executive	5	YES	1*	-	-	-	3,23,404
3.	Mr. Nakul P. Mehta- Managing Director	Executive	5	YES	2*	-	-	-	1,85,830
4.	Mr. Shome N. Danani	Executive	5	YES	2*	-	-	-	2,898
5.	Mr. Jaisingh R. Danani****	Non-Executive	2	NO	-	-	-	40000	-
6.	Mr. Mukul Harkisondass ****	Independent Non-Executive	1	NO	1*	-	-	30000	-
7.	Mr. Prakash V. Mehta	Independent Non-Executive	4	YES	16*	9@@	1	110000	325
8.	Mr. Anand J. Danani	Non-Executive	3	NO	-	-	-	30000	92,920
9.	Mr. Sanjiv N. Shah	Independent Non-Executive	3	YES	5*	3	-	90000	4,560
10.	Mr. Jairaj C. Thacker	Independent Non Executive	4	NO	5*	-	-	100000	-
11.	Mr. Harish C. Mishra	Non-Executive	2	YES	***	-	-	20000	-
12.	Mr. Ravishanker Prasad	Non-Executive	1	NO	-	-	-	10000	-
							Total	4,70,000	

@ includes membership in Remuneration/Compensation committee in 6 companies

@@ includes membership in Remuneration committees in 3 companies

* includes Directorship in Pvt. Ltd. companies

** includes Alternate Directorship in 1 company

*** resigned w.e.f. 25th July, 2013

**** since deceased

d. Key functions of the Board

i. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.

ii. Monitoring the effectiveness of the company's governance practices and making changes as needed.

iii. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.

iv. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.

v. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

vi. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

vii. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

viii. Overseeing the process of disclosure and communications.

ix. Monitoring and reviewing Board Evaluation framework.

e. Information placed before the Board

i. Annual operating plans and budgets and any updates.

ii. Capital budgets and any updates.

iii. Quarterly results for the company and its operating divisions or business segments.

iv. Minutes of meetings of audit committee and other committees of the board.

v. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.

vi. Show cause, demand, prosecution notices and penalty notices which are materially important.

vii. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

viii. Any material default in financial obligations to and by the company, or substantial non payment for goods sold by the company.

ix. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.

x. Details of any joint venture or collaboration agreement.

xi. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

xii. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

xiii. Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.

xiv. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

xv. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

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

f. Code of Conduct :

The Company has adopted a Code of Conduct for its Board Members and Senior Management and has posted

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

3. Audit Committee:

The Audit Committee comprised of

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

has been reconstituted in order to comply with the Companies Act, 2013 on 17th October, 2013 and also due to the demise of Mr. Jaisingh R Danani and Mr. Mukul Harkisondass with the following three (3) Members:

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

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

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

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

a. Meetings & Attendance:

The Audit Committee had five (5) meetings during the Financial year 2013-14 and were held on the following dates:

1. 17th May, 2013
2. 17th June, 2013
3. 25th July, 2013
4. 17th October, 2013
5. 22nd January, 2014

Mr. Prakash V. Mehta and Mr. Jairaj C. Thacker attended four (4) meetings each and Mr. Sanjiv N. Shah attended Three (3) meetings.

Late Mr. Jaisingh R Danani attended two (2) meetings and Late Mr. Mukul Harkisondass attended one (1) meeting.

b. Terms of reference of Audit Committee :

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

The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

4. Nomination and Remuneration Committee :

Remuneration committee comprised of

1.	Late Mr. Mukul Harkisondass	Chairman & Independent Director
2.	Mr. Prakash V. Mehta	Independent Director
3.	Mr. Sanjiv N. Shah	Independent Director
4.	Mr. Jairaj C. Thacker	Independent Director

has been reconstituted as 'Nomination and Remuneration Committee' in order to comply with the Companies Act, 2013 on 17th October, 2013 and also due to the demise of Mr. Mukul Harkisondass with the following three (3) Members:

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

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

1. 17th May, 2013
2. 28th June, 2013
3. 22nd January, 2014

Mr. Prakash V. Mehta , Mr. Sanjiv N. Shah and Mr. Jairaj C. Thacker attended two (2) meetings each and Late Mr. Mukul Harkissondass attended one (1) meeting.

a. The role of the Nomination & Remuneration Committee is as under:

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.

b. Remuneration of Executive Directors:

The total remuneration payable to the Managing Directors/ Executive Director for the financial year 2013-2014 is as under:

in (Rs.)

	Salary	Perquisites	Commission Payable for the FY 2013-2014	Total
Mr. Nikhil J. Danani	60,00,000	64,15,688	0	1,24,15,688
Mr. Nakul P. Mehta	60,00,000	64,15,688	0	1,24, 15,688
Mr. Shome N. Danani	27,00,000	33,75,000	0	60,75,000

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

5. Stakeholders' Relationship Committee:

The Shareholders'/Investors' Grievance Committee comprised of

1. Late Mr. Mukul Harkisondass — Chairman & Independent Director
2. Mr. Prakash V. Mehta — Independent Director
3. Mr. Nikhil J. Danani — Executive Director
4. Mr. Nakul P. Mehta — Executive Director

has been reconstituted as 'Stakeholders Relationship Committee' in order to comply with the Companies Act, 2013 on 17th October, 2013 and also due to the demise of Mr. Mukul Harkisondass with the following four (4) Members:

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

Mr. D.N. Nagarkar, Company Secretary, is the Secretary of the Committee. The Committee has met once, on 22nd January, 2014, wherein all members were present. The total number of grievances redressed and reviewed by the Committee to the satisfaction of the shareholders was 21, most of them related to non receipt of dividend. There were no requests for share transfer / transmission / deletions of names etc. pending as on 31st March, 2014 and all such requests were processed and delivered within fifteen days (15 days) of lodgement with the company.

a. Terms of Reference:

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

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

6. Corporate Social Responsibility (CSR) Committee:

In terms of Section 135 (1) of the Companies Act, 2013 the Corporate Social Responsibility (CSR) Committee was constituted on 17th October, 2013

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

a. Terms of Reference :

i. Formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII and the prescribed Rules under Sections 135 of the Companies Act, 2013

ii. Recommend the amount of expenditure to be incurred on the activities referred to in point i. 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. atleast 2% of the average net profits of the Company made during the 3 annually preceding financial years.

7. Compliance Officer

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

8. Annual General Meetings :

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2012-2013	28-06-2013	3.00 p.m.	Walchand Hirachand Hall, 4th Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai - 400 020
2011-2012	29-06-2012	3.00 p.m.	-do-
2010-2011	24-6-2011	3.00 p.m.	-do-

Two (2) Special Resolutions were passed on a show of hands by the shareholders at the Annual General Meeting held on 28th June, 2013 to pay remuneration to the Managing Directors, Mr. Nikhil J. Danani and Mr. Nakul P. Mehta each, for the financial year 2013-2014, 2014-2015, 2015-2016 and for the residual period of their appointment in the year 2016-2017 in view of expected inadequacy of profits in the financial year 2013-2014.

POSTAL BALLOT

During the year the Company conducted a Postal Ballot in terms of Section 192 A of the Companies Act, 1956 and its rules to consider by way of a Special Resolution towards the reappointment and remuneration of the Executive Director Mr. Shome N. Danani for a period of three (3) years from 28th January 2014 to 27th January, 2017 in terms of Section 198, 269, 309, 310, 311, Schedule XIII and any other applicable provisions, If any, of the Companies Act, 1956.

The Company had appointed Mr. N.L.Bhatia, Partner, M/s NL Bhatia & Associates ,Practising Company Secretary as the Scrutinizer for this postal ballot process who submitted his report on March 20th , 2014. The result of the Postal Ballot was announced on 21st March, 2014 at the Registered Office of the Company.

The details of the Postal Ballot are as under:

Sr. No.	Particulars	No. of Postal Ballot's	No. of Shares	% of total votes cast
a)	Total Postal Ballots received	534	25,71,243	-
b)	Less: Invalid Postal Ballots	34	4,451	-
c)	Net Valid Postal Ballots (as per Register) of which:	500	25,66,792	100.00
d)	(i) Postal Ballots with assent for the Special Resolution	441	25,62,679	99.84
e)	(ii) Postal Ballots with dissent for the Special Resolution	59	4,113	0.16

9. 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, if any, are approved by the Audit Committee and recommended to the Board of Directors for their approval. During the year there were no transactions of material nature with the Directors or the Management or relatives that had potential conflict with the interests of the Company.

ii. Quarterly Disclosures – Results and notes thereon.

iii. Risk Management – Risk identification, prioritization and mitigation plans for the top 20 risks have been finalized with the risk owners. A risk policy and a formal organisation structure for risk management and monitoring process is in place. All risks and mitigation plans are monitored and reviewed on regular basis. The risk management and minimisation procedures are being reviewed with the Board members periodically.

iv. There were no instances of non-compliance on any matter related to the Capital Markets, nor were any penalties or strictures imposed on the company by SEBI or any Stock Exchanges or any statutory authority for non-compliance on any matter related to the Capital Markets during the last 3 years.

v. No member of the Senior Management has a potential conflict with the interest of the Company at large relating to any material financial and commercial transaction.

vi. The Company affirms that no employee has been denied access to the Audit Committee.

vii. The Company has complied with all mandatory requirements as stipulated in Clause 49 of the listing agreement with Stock Exchanges.

viii. As regards the other non-mandatory requirements, the Company has constituted a Remuneration Committee reconstituted as the 'Nomination & Remuneration Committee'. As regards whistle blower policy, the Board has taken cognizance of this and will be adopting it shortly.

ix. The shares held by the promoters have not been pledged with any Banks, Financial Institutions or with any third party.

10. Communication to Shareholders:

i. Quarterly/half yearly/annual results and information relating to convening of Board meetings/Annual General Meetings are published in Free Press Journal and Navshakti and are also notified to the Stock Exchanges as required under the Listing Agreement. Half yearly report is not sent to each shareholder in view of its publication in newspapers. As required by the Listing Agreement, the requisite information is transmitted through Corporate Filing and Dissemination System (CFDS). They are also filed with the National Stock Exchange of India Limited through NSE Electronic Application Processing System (NEAPS) and with BSE Ltd. All such financial results are also posted on the Company website. The Stock Exchanges are also informed of all materially significant events which have taken place during the year under review. The Annual Accounts are also filed with the MCA in the XBRL format.

ii. The Company has made no presentation to any Institutional Investors / Analysts during the year.

iii. Management Discussion and Analysis is covered as part of this Annual Report.

iv. The Company has put in place a Model Code as prescribed under SEBI (Prohibition of Insider Trading) Regulations, 1992 and all designated employees have disclosed their holdings and dealings in the shares of the Company and have been obtaining prior approval before dealing in shares in excess of the prescribed limit under the said code.

v. The Company has its own website, www.bharatbijlee.com.

vi. In terms of the Clause 49 of the Listing Agreement, the certification by the Managing Director and Vice President: Finance & Corporate Strategy on the financial statements and internal controls relating to financial reporting has been obtained by the Board of Directors.

vii. The requirement of the revised Clause 49 of the Listing Agreement, though not applicable until 1st October, 2014, have been selectively instituted and hence reported in this Corporate Governance Report.

11. General Shareholders Information :

i. Annual General Meeting :

Day : Thursday

Date : 11th September, 2014

Time : 3.00 p.m.

Venue : Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020

ii. Financial Year :

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

iii Dates of Book Closure :

Monday, 08th September, 2014 to Thursday, 11th September, 2014 (both days inclusive).

iv. Dividend Payment Date : Not Applicable

v. Listing of Equity Shares on Stock Exchanges :

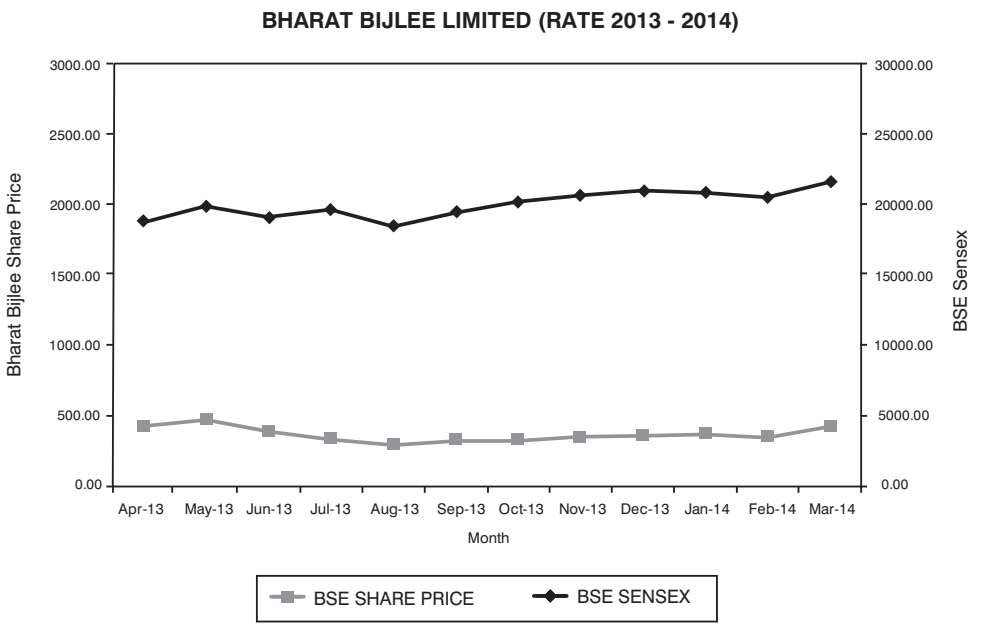
Name of Stock Exchange	Stock Code
Bombay Stock Exchange Limited (BSE)	503960
National Stock exchange of India Limited (NSE)	BBL

The listing fees for the financial year 2014-15 has been paid to both BSE & NSE.

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

vi. Stock Price data at the Stock Exchanges :

Month	BSE High (Rs.)	BSE Low (Rs.)	NSE High (Rs.)	NSE Low (Rs.)
April, 2013	466.95	413.05	460.00	410.50
May, 2013	531.65	423.20	534.15	426.05
June, 2013	452.80	331.45	461.15	356.00
July, 2013	384.95	290.00	380.20	290.85
August, 2013	343.60	259.00	342.00	258.00
September, 2013	362.75	288.50	365.90	278.00
October, 2013	358.70	302.10	358.90	302.15
November, 2013	378.00	313.05	377.70	315.00
December, 2013	384.00	331.10	385.50	330.10
January, 2014	398.00	342.00	396.80	345.00
February, 2014	375.00	324.40	364.05	325.10
March, 2014	499.80	343.65	502.30	343.75



vii. Registrar and Transfer Agents :

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

viii. Share Transfer System :

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

ix. Distribution of Shareholding as on 31-03-2014

S.No.	No. of Equity Shares held	No. of shareholders	No. of shares	% of shareholders	% of shareholding
1.	1-500	21315	1214536	96.63	21.49
2.	501-1000	411	308824	1.86	5.46
3.	1001-2000	174	253577	0.79	4.49
4.	2001-3000	72	182300	0.33	3.23
5.	3001-4000	17	60363	0.08	1.07
6.	4001-5000	12	54931	0.05	0.97
7.	5001-10000	17	126805	0.08	2.24
8.	10001- above	40	3450224	0.18	61.05
	Total		**56,51,560**	**100.00**	**100.00**

Share Holding Pattern as on 31-03-2014

S.No.	Category	No. of shares	% to total shareholding
1.	Promoters & Promoter Group	20,21,234	35.76
2.	Financial Institutions/Banks	8,83,783	15.64
3.	Mutual Funds/ UTI	2,08,889	3.70
4.	FIIs	16,840	0.30
5.	NRIs/OCBs	1,87,281	3.31
6.	Corporate Bodies	2,73,579	4.84
7.	Indian Public	20,59,954	36.45
	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 31st March, 2014, 97.87% of shares have been held in dematerialized form and the rest are in physical form. All promoters' shareholding are in dematerialised form (100%).

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

xii. **Plant Location :**

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

xiii. **Address for Correspondence :**

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

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

2. Bharat Bijlee Limited,
   Electric Mansion, 6th Floor
   Appasaheb Marathe Marg,
   Prabhadevi, Mumbai 400 025.
   Tel : 24306237
   Fax : 24370624

2. As per the requirement of Clause 47(f) of the Listing Agreement with Stock Exchanges, 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

CEO CFO CERTIFICATION 2014

We, the Vice Chairman & Managing Director, Mr. Nikhil J. Danani and the Vice President Finance & Corporate Strategy, Mr. S. M. Tilak, hereby certify in terms of Clause no. 49(IX) of the Listing Agreement with Stock Exchanges that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 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 fradulent, 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

S. M. Tilak
Vice President
Finance & Corporate Strategy

Date: 20th May, 2014
Place : Mumbai

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Clause 49 of the Listing Agreements with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended 31st March, 2014.

For Bharat Bijlee Limited

Place : Mumbai
Date : 25th July, 2014

Nikhil J.Danani
Vice Chairman & Managing Director

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Bharat Bijlee Limited

We have examined the compliance of conditions of Corporate Governance by Bharat Bijlee Limited, for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

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

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

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

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

S. VENKATESH
Partner
Membership Number : F-037942

Mumbai, May 17, 2013

MANAGEMENT DISCUSSION AND ANALYSIS - ANNEXURE B

The Indian economy continued to pass through a phase of subdued economic activity during the past year. A weak investment climate, in an already sluggish economy beset by high inflation, adversely impacted the capital expenditure cycle. This further aggravated the demand for your Company's products.

Macro-economic concerns related to both demand and supply side factors need to be urgently addressed and we believe that early signs of a concerted effort in that direction are visible. The Reserve Bank of India has been aggressively targeting the demand side and currency volatility issues with a clearly stated monetary policy. As the new Central Government takes charge, we expect the supply side factors to be actively addressed as well. Focus on infrastructure and capital formation would be the key first steps.

While it is early to predict the business outlook in the immediate future, we believe that the coming year will be better than the year under review. This is partly due to our belief that it is almost inevitable for the country to push reforms and take steps for economic growth. As soon as the core industries begin to grow, your Company's key businesses of Power and Industrial Systems should begin to look up.

Till such time that we see credible and sustained revival on the ground, we will continue to focus aggressively on costs and, more importantly, to build capabilities that will help us leverage the opportunities that will come in the future.

SEGMENT ANALYSIS

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

Power Systems:

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

Our transformer business is tightly linked to the Transmission and Distribution network investments. Since this is predominantly a State subject, business outlook is different across various States of India. While a few States have revised tariffs upwards, investment levels have not surged. To add to this, there is also a lot of equipment capacity that has been built in anticipation of these investments. Consequently, competition is likely to remain intense and margins will continue to be under pressure for most of the coming year. To offset some of these risks, we have actively diversified our customer base to reduce our dependence on State level power sector investments.

The Projects business continues to see a good flow of enquiries. However, given the uncertain economic environment, we have consciously adopted a more conservative approach to building our order book. So far this seems to have worked well, and our focus on execution quality has helped us build a strong reputation with our customers.

Industrial Systems:

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

The Industrial Motors business continues to experience lower demand resulting in higher competitive intensity and lower margins. However, this is a segment that can quickly see a reversal if the macro-economic environment were to shift for the better. In the meanwhile, we continue to concentrate on market reach, customer focus and strengthening the supply chain. Your Company has also built its presence in the Medium Voltage motor space with the first export order being delivered during the year. This is an important milestone for the acceptance of our products and we continue to focus on expanding our product portfolio.

The Drives business caters to highly engineered application segments. Our new facility that manufactures a range of AC drives has helped us reduce costs, address a wider customer base and offer better after-sales service to our customers.

Sales of AC permanent-magnet gearless machines for the elevator industry continue to see robust growth. We continue to maintain our leadership position in this market and have increased production capacities to sustain the growth momentum.

INTERNAL CONTROLS, AUDITS, RISK MANAGEMENT & IT

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

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

Internal controls related to all business operations in the

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

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

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

To promote our efforts to manage and protect critical business knowledge, the internal PRO+Active team that maps and improves internal processes is being complemented through Knowledge Management initiatives.

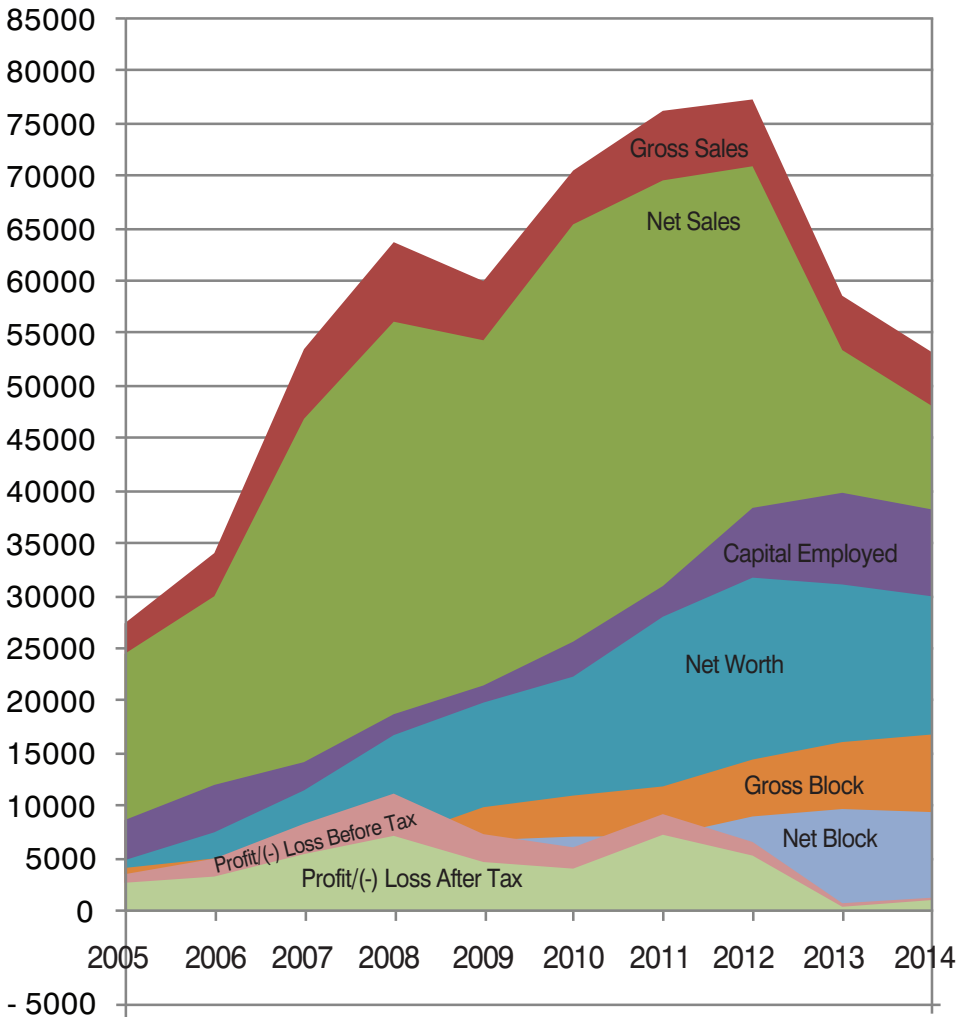
RISKS AND CONCERNS

A lot of expectations on the macro-economic front are really the cornerstone of business outlook in the coming year. While the RBI has a clear inflation containment policy, the steps taken by the new Central Government will really provide the necessary impetus for growth revival. We hope that these measures are rolled out at the earliest in order to put the economy on a long, sustained growth path.

FUTURE OUTLOOK

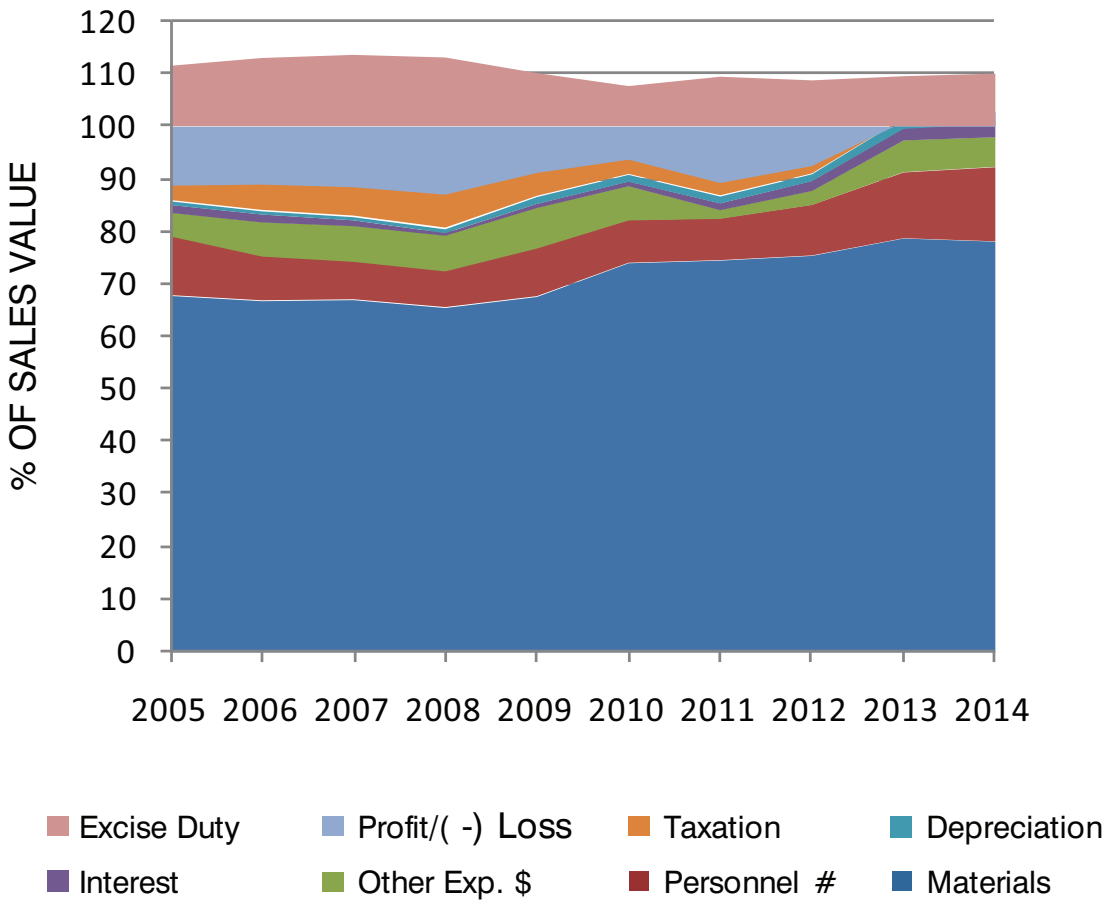
Business environment is not expected to change overnight. However, the structural growth measures expected to be rolled out by the new Government give us hope that the worst is behind us.

BUSINESS TRENDS



Particulars	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Gross Sales	27479	34173	53601	63790	60077	70609	76299	77385	58683	53306
Net Sales	24584	30078	46986	56240	54470	65514	69704	71051	53534	48205
Cptl. Empld	8718	12061	14226	18776	21507	25668	30951	38375	39807	38224
Net Worth	4928	7585	11584	16850	19950	22424	28135	31860	31208	30078
Gross Block	4171	5075	5607	6940	9941	11043	11913	14465	16127	16845
Net Block	2135	2938	3383	4403	6752	7094	7124	8989	9688	9400
Profit/(-) Loss Before Tax	3557	5030	8320	11169	7342	6096	9233	6603	(-819)	(-1342)
Profit/(-) Loss After Tax	2777	3368	5508	7249	4753	4122	7353	5367	(-487)	(-1130)

COST TRENDS



Particulars	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Excise Duty	11.6	13.1	13.7	13.2	10.2	7.7	9.5	8.8	9.6	10.1
Profit/(-) Loss	11.1	10.9	11.4	12.8	8.7	6.2	10.6	7.4	-0.9	-2.2
Taxation	3.1	5.2	5.8	6.7	4.7	3.0	2.7	1.7	-0.6	-0.4
Depreciation	0.7	0.6	0.6	0.7	1.3	1.3	1.3	1.3	2.0	2.2
Interest	1.5	1.5	1.1	0.5	0.8	0.9	1.3	1.9	2.3	2.6
Other Exp. $	4.5	6.5	6.8	6.8	7.7	6.5	1.7	2.7	6.0	5.6
Personnel #	11.4	8.6	7.4	7.1	9.3	8.2	8.0	9.7	12.6	14.2
Materials	67.7	66.7	66.9	65.4	67.5	73.9	74.4	75.3	78.6	78.0

$ Other Expenditure is adjusted for Other Income and Exceptional Income.
# Personnel cost is adjusted for Expenditure on VRS write off and Provision for Gratuity.

TEN YEARS FINANCIAL DATA

(Rs. in lakhs)

Period Ended	**March 2014**	March 2013	March 2012	March 2011	March 2010	March 2009	March 2008	March 2007	March 2006	March 2005
SALES & EARNINGS										
Sales	**53305.60**	58682.72	77384.76	76299.48	70608.64	60077.08	63789.81	53600.79	34173.42	27479.12
Profit/(-) Loss Before Taxes	**(-1342.12)**	(-819.33)	6602.51	9232.85	6095.96	7341.95	11168.72	8320.2	5029.64	3556.9
Profit/(-) Loss After Taxes Net of Adjustments	**(-1197.92)**	(-489.50)	5367.23	7352.53	4122.35	4752.79	7249.18	5508.05	3367.98	2776.54
Dividends	**-**	141.29	1412.89	1412.89	1412.89	1412.89	1695.47	1412.89	762.96	508.64
Earnings Per Shares (Rs.)	***(-19.98)**	*(-8.61)	*94.97	*130.10	*72.94	*84.10	*128.27	*97.46	*59.59	491.29
Equity Dividend Rate (Rs. Per Share)	**-**	*2.50	*25.00	*25.00	*25.00	*25.00	*30.00	*25.00	*13.50	90
Net Worth Per Share (Rs.)	***532.21**	*552.20	*563.74	*497.82	*396.78	*352.99	*298.14	*204.97	*134.21	871.99
Debt Equity Ratios +	**0.04:1**	0.05:1	0.04:1	0.07:1	0.08:1	0.06:1	0.11:1	0.16:1	0.26:1	0.39:1

+ Debt = Loan Funds less cash credit & Short -Term Loans from Banks; Equity = Shareholder' Funds

* On Equity Share of Rs. 10/- each sub-divided

INDEPENDENT AUDITORS' REPORT

To the Members of Bharat Bijlee Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Bharat Bijlee Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

   (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;

(e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Dalal & Shah
Firm Registration Number: 102021W
Chartered Accountants

S Venkatesh
Partner
Membership Number 037942

Mumbai
May 28, 2014

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Bharat Bijlee Limited on the financial statements as of and for the year ended March 31, 2014

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.

(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

ii. (a) The inventory has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. (a) The Company has not granted any loans, to companies / firms / other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) [(b), (c) and (d)] of the said Order are not applicable to the Company.

(e) The Company has taken unsecured loans, from 3 other parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to Rs. 32.50 Lakhs each.

(f) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.

(g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts, as stipulated, and is also regular in payment of interest, as applicable.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained

under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the 'Companies (Acceptance of Deposits) Rules, 1975' with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax and service-tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, customs duty and excise duty as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act	Excise Duty	423.60	1986-1995 and 2002-2004	Central Excise and Service Tax Appellate Tribunal
Local Sales Tax	Local Sales Tax (including VAT, Works Contract Tax etc.)	206.58	1999-2004 and 2007-2012	Commissioner Appeals - Sales Tax
Customs Act	Custom Duty	180.83	1996-1999	Central Excise and Service Tax Appellate Tribunal
Income Tax Act	Income Tax	30.00	2009-10	Commissioner Appeals

x. The Company has no accumulated losses as at the end of the financial year and it has incurred cash losses in the financial year ended on that date but not in the immediately preceding financial year.

xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company

xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.

xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company

xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.

xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company

xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.

xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Dalal & Shah
Firm Registration Number: 102021W
Chartered Accountants

S Venkatesh
Partner
Membership Number 037942

Mumbai
May 28, 2014

(All amounts are Rs.in Lakhs, unless otherwise stated)

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	As at 31st March 2014	As at 31st March 2013
EQUITY AND LIABILITIES :			
SHAREHOLDERS' FUNDS:			
Share Capital	3	**565.16**	565.16
Reserves and Surplus	4	**29513.27**	30642.66
		30078.43	31207.82
NON-CURRENT LIABILITIES:			
Long-term borrowings	5	**1124.05**	1527.10
Deferred Tax Liability (Net)	6	**-**	144.20
Other Long-term liabilities	7	**98.93**	104.40
Long-term provisions	8	**165.99**	273.02
		1388.97	2048.72
CURRENT LIABILITIES :			
Short-term borrowings	9	**5984.76**	6504.73
Trade payables	10	**14478.11**	13893.59
Other current liabilities	11	**4801.13**	3818.92
Short-term provisions	12	**870.96**	1441.98
		26134.96	25659.22
	Total	**57602.36**	58915.76
ASSETS :			
NON-CURRENT ASSETS :			
Fixed Assets	13		
Tangible assets		**9335.76**	9511.46
Intangible assets		**64.70**	176.63
		9400.46	9688.09
Capital Work-in-Progress		**65.65**	249.06
Non-current investments	14	**402.33**	402.33
Long term loans and advances	15	**2435.65**	5598.57
Other non-current assets	16	**-**	81.89
		12304.09	16019.94
CURRENT ASSETS :			
Current investments	17	**825.34**	2001.09
Inventories	18	**12170.47**	9523.75
Trade receivables	19	**15820.39**	18845.39
Cash and bank balances	20	**592.36**	752.31
Short-term loans and advances	21	**14589.49**	10515.17
Other current assets	22	**1300.22**	1258.11
		45298.27	42895.82
	Total	**57602.36**	58915.76
General Information	1		
Significant Accounting Policies	2		

The Notes are an integral part of these financial statements

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

S. Venkatesh
Partner
Membership No. 037942

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

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

Mumbai, 28th May, 2014

Nikhil J. Danani
Nakul P. Mehta
Vice Chairman & Managing Directors

Shome N. Danani
Executive Director

Mumbai, 28th May, 2014

(All amounts are Rs.in Lakhs, unless otherwise stated)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note	**Year ended 31st March 2014**	Year ended 31st March 2013
REVENUE :			
Gross Revenue From Operations	23	**53748.76**	59401.25
Less : Excise Duty		**5100.61**	5148.52
Net Revenue From Operations		**48648.15**	54252.73
OTHER INCOME	24	**1814.98**	1745.34
TOTAL REVENUE		**50463.13**	55998.07
EXPENSES :			
Cost of materials consumed	25	**37375.59**	40684.92
Purchases of stock in trade	26	**1936.51**	1361.35
Changes in inventories	27	**(2163.35)**	36.97
Employee benefits	28	**7155.96**	6729.49
Finance costs	29	**1309.55**	1242.06
Depreciation and amortisation expense	13	**1094.07**	1069.93
Other expenses	30	**5096.92**	5692.68
TOTAL EXPENSES		**51805.25**	56817.40
PROFIT/(LOSS) BEFORE TAX		**(1342.12)**	(819.33)
TAX EXPENSE			
Current Tax		**-**	-
MAT (credit)/set-off		**-**	-
Deferred Tax Charge/(Credit)		**(144.20)**	(329.83)
		(144.20)	(329.83)
		(1197.92)	(489.50)
Short/(Excess) Provision for Tax for earlier years		**(68.53)**	(2.67)
PROFIT/(LOSS) FOR THE YEAR		**(1129.39)**	(486.83)
Basic and diluted earning per share (in Rs.)	43		
[nominal value Rs.10 per share]		**(19.98)**	(8.61)

The Notes are an integral part of these financial statements

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

S. Venkatesh
Partner
Membership No. 037942

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

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

Mumbai, 28th May, 2014

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

Shome N. Danani Executive Director

Mumbai, 28th May, 2014

(All amounts are Rs.in Lakhs, unless otherwise stated)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

			Year ended 31st March 2014		Year ended 31st March 2013
A: CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(Loss) before Taxation			**(1342.12)**		(819.33)
Adjustments for :					
Depreciation and amortisation		**1094.07**		1069.93	
Loss/(Profit) on sale of Fixed Assets (net)		**(0.77)**		15.38	
Profit on redemption of current investments		**(112.84)**		(54.41)	
Finance Cost		**1309.55**		1242.06	
Interest Income		**(1300.45)**		(1411.79)	
Dividend Income		**(175.54)**		(188.19)	
Unrealised exchange (gain) / loss (net)		**(3.29)**		3.01	
			810.73		675.99
Operating Profit /(Loss) Before Working Capital changes			**(531.39)**		(143.34)
Changes in Working Capital :					
Increase / (Decrease) in trade payable			**582.07**		(623.17)
Increase / (Decrease) in provisions			**(512.75)**		17.93
Increase / (Decrease) in other current liabilities			**345.74**		(1032.52)
Increase / (Decrease) in other long-term liabilities			**(5.47)**		8.62
(Increase) / Decrease in trade receivables			**3030.74**		2536.49
(Increase) / Decrease in inventories			**(2646.72)**		292.94
(Increase) / Decrease in loans and advances			**8.79**		(282.47)
(Increase) / Decrease in other current assets			**325.43**		132.73
(Increase) / Decrease in other non-current assets			**81.89**		41.50
			1209.72		1092.05
Cash generated from Operations			**678.33**		948.71
Direct Taxes paid			**(170.09)**		(213.84)
Net Cash inflow/(outflow) from Operating Activities	**(A)**		**508.24**		734.87
B: CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets		**(466.01)**		(1484.65)	
Proceeds from Sale of Fixed Assets		**9.71**		10.79	
Proceeds from Sale/(Purchase) of Current Investments (net)		**1288.59**		(1396.35)	
Inter Corporate Deposits (given) / redeemed (net)		**(847.53)**		315.73	
Interest received		**932.91**		1141.32	
Dividend received		**175.54**		188.19	
Net Cash inflow/(outflow) from Investing Activities	**(B)**		**1093.21**		(1224.97)
C: CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds/(Repayment) of Fixed Deposits (Net)		**208.49**		(449.64)	
Proceeds/(Repayment) of Short Term Loans from Banks (net)		**(519.97)**		2866.27	
Interest paid		**(1278.80)**		(1250.82)	
(Increase)/Decrease in other bank balance		**103.13**		(119.26)	
Dividend paid including Dividend Distribution Tax		**(171.12)**		(1637.90)	
Net Cash inflow/(outflow) from Financing Activities	**(C)**		**(1658.27)**		(591.35)
	(A+B+C)		**(56.82)**		(1081.45)
Net decrease in Cash and Cash equivalents			**(56.82)**		(1081.45)
Cash and Cash equivalents at the beginning of the year			**505.35**		1586.80
Cash and Cash equivalents at the end of the year (Refer Note No. 20)			**448.53**		505.35

The Notes are an integral part of these financial statements

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

S. Venkatesh
Partner
Membership No. 037942

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

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

Mumbai, 28th May, 2014

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

Shome N. Danani Executive Director

Mumbai, 28th May, 2014

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, projects, electric motors, elevator systems and drives. The Company has a well established all-India marketing network that ensures responsive pre and after sales service.

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of Presentation:

a) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

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 Revised Schedule VI to the Companies Act,1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current-non current classification of assets and liabilities.

b) The preparation of accounting statements in conformity with GAAP requires the management to make assumption and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statement and the amounts of income and expenses during the period reported under the financial statements. Any revision to the accounting estimates are recognised prospectively when revised.

2.02 Revenue Recognition

a) Revenue from sale of products are recognised on transfer of all significant risk and rewards of ownership of the product on to the customers, which is generally on despatch of goods.

b) Revenue from Construction Contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and the estimated total costs. When it is estimated that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined based on the technical and other assessment of cost to be incurred.

c) Revenue from sale of products and construction contracts are stated exclusive of Value Added Tax/Sales Tax, Returns and Trade discounts for the year.

d) Service income is recognised, net of service tax, when the related services are provided.

e) Dividend income is recognised on establishment of the right to receive the same.

f) Interest income is recognised on the time proportion basis.

g) Insurance and other claims are accounted as and when unconditionally admitted by the appropriate authorities.

h) Eligible export incentives are recognised in the year of export.

2.03 Fixed Assets and Depreciation:

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

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

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

Spares in the nature of capital spares/ insurance spares are added to the cost of the assets. The total cost of such

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

spares is depreciated over a period not exceeding the useful life of the fixed asset to which they relate.

2.04 Intangible Assets:

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

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

2.05 Investments:

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

2.06 Inventories:

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

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

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

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

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

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

2.07 Foreign Currency Transactions:

(i) Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

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

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Deivatives' issued in March 2008.

2.08 Employee Benefits:

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

B. Retirement Benefits:

a) Retirement benefits in the form of Provident Fund/Family Pension Fund and Superannuation Fund, which are Defined Contribution Plans, are accounted on accrual basis and charged to the Statement of Profit and Loss of the year.

b) Retirement benefits in the form of Gratuity which is a defined benefit plan and the long term employee benefit in the form of Leave Encashment, are determined and accrued on the basis of an independent actuarial valuation applying the Projected Unit Credit Method.

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

c) The actuarial gains/losses arising during the year are recognised in the Statement of Profit and Loss of the year.

2.09 Borrowing Costs:

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

2.10 Taxation:

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

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

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

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

2.11 Leases:

Operating Leases

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

2.12 Impairment of Assets :

a) The carrying amount of assets is reviewed at each balance sheet date to assess whether there is any indication of impairment in respect of such asset or group of assets (cash generating unit). If such indication exists, the recoverable amount of such asset or group of assets is estimated.

b) If such recoverable amount of the asset or the group of assets is less than its carrying amount, an impairment loss is reckoned by reducing the carrying amount to its recoverable amount. If there is an indication at the balance sheet date that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

2.13 Provisions and Contingent Liabilities:

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

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

2.14 Cash and Cash Equivalents :

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

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

		As at 31st March 2014	As at 31st March 2013
3 Share Capital			
Authorised:			
2,00,000 (Previous Year- 2,00,000)	12% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 100 each	**200.00**	200.00
80,00,000 (Previous Year- 80,00,000)	Equity Shares of Rs.10 each	**800.00**	800.00
		1000.00	1000.00
Issued and Subscribed and fully paid up shares			
56,51,560 (Previous Year- 56,51,560)	Equity Shares of Rs. 10 each	**565.16**	565.16

(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	**507815**	507815
		(8.99)	(8.99)
2	Danmet Chemicals Pvt. Ltd.	**459777**	459777
		(8.14)	(8.14)
3	Gayatri Education Medical & Research Foundation Pvt. Ltd.	**450165**	450165
		(7.97)	(7.97)

(b) Rights, preferences and restrictions attached to shares

Equity Shares : The Company has one class of equity shares having a par value of Rs. 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.

4 Reserves and Surplus		
General Reserve		
Balance as at the beginning of the year	**24471.37**	24471.37
Balance as at the end of the year	**24471.37**	24471.37
Surplus in the statement of Profit and Loss		
Balance as at the beginning of the year	**6171.29**	6823.42
Add: Profit / (Loss) for the year	**(1129.39)**	(486.83)
	5041.90	6336.59
Less: Appropriations		
Proposed Dividend on Equity Shares @ Rs. Nil per equity share (Previous year Rs. 2.50 per equity share)	**-**	141.29
Tax on proposed Equity Dividend	**-**	24.01
Balance as at the end of the year	**5041.90**	6171.29
	29513.27	30642.66

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

		As at 31st March 2014	As at 31st March 2013
5	**Long-term Borrowings**		
	Unsecured:		
	Fixed Deposits		
	- From Related Party	**32.50**	32.50
	- From Public	**1091.55**	1494.60
		1124.05	1527.10
	Fixed Deposits are for the period one to three years and carry an interest rate of 9.00% p.a. to 10.00% p.a.		
6	**Deferred Tax Liability (Net)**		
	Deferred Tax Liability		
	Depreciation	**1179.58**	1173.16
	Deferred Tax Asset		
	Provision for doubtful debt	**239.01**	201.80
	U/s 43B of the Income Tax Act, 1961	**227.91**	289.49
	Provision for Contracts	**81.39**	189.93
	Unabsorbed Depreciation	**631.27**	347.74
		1179.58	1028.96
		-	144.20
	Deferred Tax Assets and Deferred Tax Liability have been offset as they relate to the same governing taxation laws.		
7	**Other Long-term Liabilities**		
	Deposits from Vendors, Dealers	**98.93**	104.40
		98.93	104.40
8	**Long-term Provisions**		
	Employee benefits :		
	Provision for Gratuity (Refer Note No 39)	**165.99**	273.02
		165.99	273.02
9	**Short-term Borrowings**		
	Secured :		
	Working Capital Demand Loans from Banks	**4084.76**	6504.73
		4084.76	6504.73
	Secured by hypothecation of all tangible moveable assets including stock of Raw Materials and Components, Stores, Spares, Fuel, Work-in-Progress, Finished Goods, Stock-in-trade and Book Debts. The oral equitable mortgage, ranking second and subservient to mortgages created, on immovable properties excluding vacant land at Company's Kalwe factory is in the process of being satisfied as the same has been waived by the banks.		
	Unsecured :		
	Short Term Loans from Banks	**1900.00**	-
	The above loan is repayable after 90 days carrying interest @ 10.50% p.a.	**1900.00**	-
		5984.76	6504.73

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

		As at 31st March 2014	As at 31st March 2013
10	**Trade Payables**		
	Acceptances	**5207.19**	5405.14
	Due to Micro and Small Enterprises	**-**	-
	Due to creditors other than Micro and Small Enterprises	**9270.92**	8488.45
		14478.11	13893.59

(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, 2014. 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 which has been relied upon by the auditors.

(b) Disclosure in accordance with Section 22 of the Act read with Notification No.GSR 719(E) dated 16th November 2007 issued by the Ministry of Corporate Affairs :

Principal amount remaining unpaid and interest due thereon	—	—
Interest paid in terms of Section 16	—	—
Interest due and payable for the period of delay in payment	—	—
Interest accrued and remaining unpaid	—	—

11	**Other Current Liabilities**		
	Current maturities of long term fixed deposits referred to in Note 5	**1036.85**	422.71
	Interest accrued but not due on borrowings	**123.73**	92.98
	Unclaimed dividends *	**58.11**	63.93
	Unclaimed matured deposits and interest accrued thereon *	**14.20**	16.80
	Other payables		
	Advances from Customers	**1078.34**	1283.45
	Employee Benefits	**968.95**	554.12
	Project Amount due to customers (Refer Note No 38)	**9.98**	68.23
	Statutory dues	**741.96**	705.03
	Others	**769.01**	611.67
		4801.13	3818.92

* As at the year end there is no amount due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 .

12	**Short-term Provisions**		
	Employee benefits :		
	Provision for Leave Entitlement	**462.93**	501.45
	Others		
	Provision for warranty costs (Refer Note No 44)	**187.64**	216.46
	Provision for contracts	**220.39**	558.77
	Provision for proposed equity dividend	**-**	141.29
	Provision for tax on proposed equity dividend	**-**	24.01
		870.96	1441.98

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

13 Fixed Assets

Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK	
	As At 01.04.2013	Additions	Deductions	As At 31.03.2014	As At 01.04.2013	For the year	On Deductions	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
TANGIBLE ASSETS										
Leasehold Land	12.95	-	-	12.95	7.16	0.13	-	7.29	5.66	5.79
Buildings Incl. Roads+	3652.39	140.46	-	3792.85	706.52	115.09	-	821.61	2971.24	2945.87
Plant and Machinery	10286.91	595.00	75.43	10806.48	4110.33	753.14	68.22	4795.25	6011.23	6176.58
Furniture and Fixtures	345.75	4.28	4.90	345.13	142.34	22.71	4.74	160.31	184.82	203.41
Office Equipment	350.49	13.37	17.67	346.19	182.67	25.39	16.10	191.96	154.23	167.82
Motor Vehicles	46.46	-	-	46.46	34.47	3.41	-	37.88	8.58	11.99
SUB TOTAL	14694.95	753.11	98.00	15350.06	5183.49	919.87	89.06	6014.30	9335.76	9511.46
Previous Year's Total	13092.21	1735.74	133.00	14694.95	4401.88	888.44	106.83	5183.49	9511.46	
INTANGIBLE ASSETS										
Application Software	1360.35	62.27	-	1422.62	1183.72	174.20	-	1357.92	64.70	176.63
Technical Knowhow	71.89	-	-	71.89	71.89	-	-	71.89	-	-
SUB TOTAL	1432.24	62.27	-	1494.51	1255.61	174.20	-	1429.81	64.70	176.63
Previous Year's Total	1372.39	59.85	-	1432.24	1074.12	181.49	-	1255.61	176.63	

+ Includes Rs.11,850 (Previous Year - Rs. 11,850) being the value of 231 (Previous Year - 231) shares in Co-operative Societies for ownership premises.

		As at 31st March 2014	As at 31st March 2013
14 Non-current Investments			
Non Trade - at cost			
Quoted:			
(All fully paid up)			
21,38,160	Equity Shares of Rs. 2 each of Siemens India Ltd.	**162.57**	162.57
5,14,900	Equity Shares of Rs. 2 each of HDFC Ltd.	**13.52**	13.52
15,821	Equity Shares of Rs. 10 each of ICICI Bank Ltd.	**6.16**	6.16
3,33,333	Equity Shares of Rs. 10 each of Hindustan Oil Exploration Co. Ltd.	**216.50**	216.50
2,500	Equity Shares of Rs. 2 each of HDFC Bank Ltd.	**0.05**	0.05
5,400	Equity Shares of Rs. 10 each of Bank of India	**2.43**	2.43
		401.23	401.23
Unquoted			
(All fully paid up)			
1,000	Equity Shares of Rs.10 each of Saraswat Co-operative Bank Ltd.	**0.10**	0.10
10,000	Equity Shares of Rs.10 each of NKGSB Co-operative Bank Ltd.	**1.00**	1.00
		1.10	1.10
		402.33	402.33
	Aggregate Amount of Investments		
	Quoted :		
	Book value	**401.23**	401.23
	Market value	**21459.61**	16363.18
	Unquoted :		
	Book value	**1.10**	1.10

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

	As at 31st March 2014	As at 31st March 2013
15 Long term Loans and Advances		
Unsecured, considered good		
Capital Advances	**15.31**	181.27
Security Deposits	**220.97**	252.13
(including National Savings Certificates of the face value of Rs.0.36 lakhs matured but not encashed deposited with Government Departments and Semi Government - previous year Rs.0.36 lakhs)		
Other Loans and Advances		
Corporate Deposit	**-**	3427.59
Employee Loans and Advances	**17.17**	27.75
Advances to Vendors	**45.04**	29.41
Sales Tax and Excise Refund Receivable including TDS on WCT	**1316.02**	997.80
Advance payments of tax and tax deducted at source (net of provision Rs 1347.91 Lakhs, Previous Year Rs 7400.86 Lakhs)	**642.71**	504.19
MAT Entitlement	**118.43**	118.43
Other Deposits	**60.00**	60.00
	2435.65	5598.57
16 Other Non-current Assets		
Long Term Trade Receivables		
Unsecured, considered doubtful	**703.16**	593.70
Less : Provision for doubtful receivable	**703.16**	593.70
	-	-
Interest Receivable	**-**	81.89
	-	81.89
17 Current Investments		
Valued at the lower of cost and fair value		
Quoted :		
Units in Mutual Funds		
- (Previous year 706256) of Birla Sun Life Income Plus - Growth-Regular Plan (NAV - Rs. Nil, Previous Year - Rs. 375.71 Lakhs)	**-**	375.00
- (Previous year 3401939) of ICICI Prudential Ultra Short Term - Regular Plan - Growth (NAV - Rs. Nil , Previous Year - Rs. 402.85 Lakhs)	**-**	400.00
- (Previous year 1012527) of ICICI Prudential Income - Regular Plan-Growth (NAV - Rs. Nil, Previous Year - Rs. 375.74 Lakhs)	**-**	375.00
- (Previous year 19956) of UTI Liquid Cash Plan - Institutional - Growth (NAV - Rs. Nil, Previous Year - Rs. 383.81 Lakhs)	**-**	351.09
- (Previous year 3555652) of IDFC Dynamic Bond Fund - Growth - Regular Plan (NAV - Rs. Nil, Previous Year - Rs. 500.49 Lakhs)	**-**	500.00

Notes (Contd.)

	As at 31st March 2014	As at 31st March 2013
Current portion of Non-current Investments		
4,150,000 (Previous year Nil) of HDFC FMP Series 29 - 369 Days March-2014 (1) -Regular-Growth (NAV- Rs. 419.30 Lakhs, Previous Year - Rs. Nil)	**415.00**	-
4,103,418 (Previous year Nil) of ICICI Prudential - FMP Series 68 - 369 Days Plan K Regular Plan Cumulative (NAV- Rs. 437.84 Lakhs, Previous Year - Rs. Nil)	**410.34**	-
	825.34	2001.09
Aggregate Amount of Investments		
Quoted :		
Book value	**825.34**	2001.09
Market value	**857.14**	2038.60
18 Inventories		
Raw Materials and Components (In transit Rs. 433.70 Lakhs - Previous year Rs. 40.78 lakhs)	**3333.03**	2912.28
Work-in-Progress	**4512.89**	3215.38
Finished Goods	**3761.50**	2811.99
Stock in Trade	**476.76**	503.48
Stores Spare Parts and Fuel	**33.03**	30.06
Consumable Tools	**15.98**	16.25
Packing Materials	**37.28**	34.31
	12170.47	9523.75
19 Trade Receivables		
Secured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	**9.15**	8.01
Others	**30.07**	29.85
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	**2048.80**	2128.76
Others	**13732.37**	16678.77
	15820.39	18845.39
20 Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	**9.38**	5.79
Cheques on hand	**81.99**	252.70
Remittances in transit	**94.16**	114.78
Bank balances		
In Cash credit Accounts	**140.25**	90.19
In Current Accounts	**122.75**	41.89
	448.53	505.35

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

	As at 31st March 2014	As at 31st March 2013
Other bank balances		
Earmarked balances with banks		
In Current Accounts (refer footnote a)	**78.83**	86.96
In Fixed Deposits (refer footnote b)	**65.00**	160.00
	143.83	246.96
	592.36	752.31

Footnotes :

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

b) Balance in fixed deposits is earmarked as margin against the public deposits maturing within next twelve months.

21 Short-term Loans and Advances

Unsecured, considered good		
Corporate Deposit	**13424.67**	9149.55
Employee Loans and Advances	**35.02**	34.16
Advances to Vendors	**238.47**	427.51
CENVAT Credit and Sales Tax Refund Receivable including TDS on WCT	**605.86**	619.18
Advance payments of tax and tax deducted at source (net of provision Rs. 2219.90 Lakhs, Previous Year Rs. Nil)	**199.91**	99.81
Others	**85.56**	184.96
	14589.49	10515.17

22 Other Current Assets

Export Incentive	**44.32**	79.22
Interest Receivable	**1059.46**	691.92
Gross Amounts Due from Customers of Construction Contracts (Refer Note No. 38)	**140.60**	469.98
Other Receivables	**55.84**	16.99
	1300.22	1258.11

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

	Year Ended 31st March 2014	Year Ended 31st March 2013
23 Gross Revenue From Operations		
Sale of products		
Manufactured goods	**48894.51**	54077.15
Traded goods	**2274.07**	1588.97
	51168.58	55666.12
Sale of Services	**159.10**	195.28
Project Revenue	**1977.92**	2821.32
	53305.60	58682.72
Other Operating Revenue		
Scrap Sales	**443.16**	718.53
	53748.76	59401.25
Less: Excise Duty	**5100.61**	5148.52
	48648.15	54252.73
Details of Sales		
Manufactured goods		
Electric Motors	**23740.84**	24496.73
Transformers	**23077.87**	27615.37
Gearless Machines for Elevators	**1766.54**	1335.02
Drive Systems	**309.26**	630.03
	48894.51	54077.15
Traded goods		
Drives	**2073.17**	1368.80
Others	**200.90**	220.17
	2274.07	1588.97
	51168.58	55666.12
24 Other Income		
Interest	**1300.45**	1411.79
Dividend Income	**175.54**	188.19
Profit on redemption of Current Investments	**112.84**	54.41
Profit on sale of Fixed Assets	**8.10**	4.05
Net gain on foreign currency transaction and translation	**-**	14.75
Provision no longer required/Credit Balances appropriated	**64.05**	48.48
Miscellaneous Income (Includes Rs. 98 Lakhs towards encashment of Bank Guarantee)	**154.00**	23.67
	1814.98	1745.34

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

	Year Ended 31st March 2014	Year Ended 31st March 2013
25 Cost of Materials Consumed		
Raw Materials and Components Consumed	**35743.53**	38274.90
(Including Processing charges and Subcontracting charges)		
Packing Materials Consumed	**921.14**	864.91
Project Materials Consumed	**710.92**	1545.11
	37375.59	40684.92
(a) Details of materials consumed :		
Laminations	**4233.70**	5296.49
Electrolytic Copper Wires, Strips	**10803.42**	11657.76
Stampings	**2395.03**	2206.95
Hardware and Components	**11728.58**	11241.14
Others	**6582.80**	7872.56
	35743.53	38274.90
	Amount	Amount
(b) Value of Imported and Indigenous materials consumed	**(%)**	(%)
Imported	**1483.40**	1532.11
	(4%)	(4%)
Indigenous	**34260.13**	36742.79
	(96%)	(96%)
	35743.53	38274.90
26 Purchases of Stock in Trade		
Purchases	**1936.51**	1361.35
	1936.51	1361.35
Details of purchases of stock in trade		
Drives	**1751.81**	1177.45
Others	**184.70**	183.90
	1936.51	1361.35
27 Changes in Inventories		
Changes in inventories of Finished goods, Work-in-Progress and Stock in trade		
Stock at the beginning of the year		
Work-in-Progress	**3215.38**	2401.94
Finished Goods	**2811.99**	3880.08
Stock in trade	**503.48**	451.43
	6530.85	6733.45
Stock at the end of the year		
Work-in-Progress	**4512.89**	3215.38
Finished Goods	**3761.50**	2811.99
Stock in trade	**476.76**	503.48
	8751.15	6530.85

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

	Year Ended 31st March 2014	Year Ended 31st March 2013
Variation in Excise duty on finished goods		
Excise duty on closing stock	**431.88**	374.93
Less :Excise duty on opening stock	**374.93**	540.56
	56.95	(165.63)
	(2163.35)	36.97
28 Employee Benefits		
Salaries and Wages	**5866.44**	5596.03
Workmen and Staff Welfare Expenses	**998.49**	903.95
Contribution to and provision for Provident and Other Funds	**291.03**	229.51
	7155.96	6729.49
29 Finance Costs		
Interest expense	**1141.69**	1091.53
Discounting Charges	**46.10**	85.60
Net (gain) / loss on foreign currency transaction and translation adjusted to interest cost	**121.76**	64.93
	1309.55	1242.06
30 Other Expenses		
Power and Fuel	**472.63**	556.14
Stores, Spare Parts and Tools consumed	**185.04**	289.57
Fuel consumed (excluding for own power generation)	**115.20**	131.29
Repairs to Buildings	**90.27**	158.59
Repairs to Machinery	**95.32**	141.38
Other Repairs	**34.19**	35.04
Insurance	**55.81**	53.23
Rent	**118.14**	119.23
Rates and Taxes	**221.57**	152.52
Royalty and Technical Service Fee	**21.63**	14.84
Post and Telecommunication Charges	**116.90**	121.89
Travelling, Conveyance and Motor Vehicle Expenses	**510.38**	518.33
Freight and Forwarding Charges (net)	**469.50**	501.98
Discount and Allowances on Sales	**115.40**	151.99
Product Advertisement and Publicity	**30.82**	42.74
Printing and Stationery	**81.52**	93.50
Data Processing Charges	**113.68**	122.51
Professional Charges	**422.02**	408.63
Commission	**452.98**	694.09
Bank Charges	**164.05**	217.52
Miscellaneous	**1076.47**	955.60
Directors' Fees	**4.70**	6.60
Net loss on foreign currency transaction and translation	**9.41**	-

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

		Year Ended 31st March 2014	Year Ended 31st March 2013
Loss on Fixed Assets sold, discarded, and scrapped		**7.33**	19.43
Provision for Doubtful Debts	**239.46**		336.02
Less: Provision for Doubtful debts no longer required	**130.00**		152.99
		109.46	183.03
Bad Debts/Sundry Debit Balances written off		**2.50**	3.01
		5096.92	5692.68

(a) Value of Imported and Indigenous stores, spare parts and tools consumed :

	Amount (%)	Amount (%)
Imported	**3.38**	0.18
	(2%)	(-)
Indigenous	**181.66**	289.39
	(98%)	(100%)
	185.04	289.57

	As at 31st March 2014	As at 31st March 2013
31 Contingent Liabilities not provided for in respect of :		
Disputed Sales Tax Demands	**225.33**	189.90
Disputed Excise Duty Demands	**423.60**	423.60
Disputed Custom Duty Demand	**126.12**	191.12
Disputed Income Tax Demands	**228.43**	162.03

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.

32 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**14.84**	474.10

33 Professional Charges Include:		
(a) To Auditors: (net of Service Tax)		
Audit Fees	**17.50**	17.50
Tax Audit Fee	**3.00**	1.20
Company Law	**0.50**	0.50
Others	**4.75**	5.50
Reimbursement of Out of Pocket Expenses	**0.50**	0.60
	26.25	25.30
(b) To Cost Auditors (net of Service Tax)	**0.72**	0.41

Notes (Contd.)

	As at 31st March 2014	As at 31st March 2013
34 Value of Imports on C.I.F. basis:		
Raw Materials	**2549.63**	2442.75
Components and Spare parts	**3.05**	0.18
Capital Goods	**6.74**	90.84
35 Expenditure in Foreign Currency:		
Travelling	**34.93**	44.49
Royalty	**21.63**	14.84
Others	**60.22**	100.09
36 Earnings in Foreign Exchange:		
Direct Exports on F O B basis	**1102.93**	2314.55
37 Deemed Exports:	**2536.20**	6767.97

38 Disclosure persuant to Accounting Standard - 7 : Construction Contracts

		As at 31st March, 2014	As at 31st March, 2013
a)	Contract Revenue recognised for the year	**1935.65**	2756.46
b)	For contracts in progress as at year end		
	i) Aggregate amount of cost incurred and recognised profits (less recognised losses)	**5876.09**	7174.60
	ii) Amount of advances received from customers	**64.66**	263.42
	iii) Amount of retentions due from customers	**318.44**	635.67
c)	Gross amount due from customers	**140.60**	469.98
d)	Gross amount due to customers	**9.98**	68.23

	2013-2014	2012-2013
39 Disclosure persuant to Accounting Standard - 15 : Employee Benefits		
39.1 Defined Contribution Plans		
The Company has recognised the following amounts in the Statement of Profit and Loss for the year :		
(1) Contribution to Employees' Provident Fund/ Employees' Family Pension Fund	**131.95**	128.43
(2) Contribution to Employees' Superannuation Fund	**66.11**	75.44
39.2 Defined Benefit Plan - Gratuity		
(I) Changes in the Present Value of the Defined Benefits Obligation		
(1) Present Value of Defined Benefit Obligaton at the beginning of the year	**2104.99**	2074.58
(2) Interest Cost	**173.66**	171.15
(3) Current Service Cost	**108.17**	113.95
(4) Benefits paid	**(217.32)**	(178.12)
(5) Actuarial (Gain)/Loss on Defined Benefit Obligation	**(65.10)**	(76.57)
(6) Present Value of Defined Benefit Obligaton at the end of the year	**2104.40**	2104.99

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

		2013-2014	2012-2013
(II)	**Changes in the Fair Value of Plan Assets**		
(1)	Fair Value of Plan Assets at the beginning of the year	**1831.97**	1727.20
(2)	Expected Return on Plan Assets	**169.46**	164.09
(3)	Contributions	**200.00**	100.00
(4)	Benefits paid	**(217.32)**	(178.12)
(5)	Actuarial Gain/(Loss) on Plan Assets	**(45.70)**	18.80
(6)	Fair Value of Plan Assets at the end of the year	**1938.41**	1831.97
(III)	**Amounts recognised in the Balance Sheet**		
(1)	Present Value of Defined Benefit Obligaton at the end of the year	**2104.40**	2104.99
(2)	Fair Value of Plan Assets at the end of the year	**(1938.41)**	(1831.97)
(3)	Liability to be recognised in the Balance Sheet	**165.99**	273.02
(IV)	**Balance Sheet Reconciliation**		
(1)	Net liability at the beginning of the year	**273.02**	347.38
(2)	Expense recognised in the statement of profit and loss	**92.97**	25.64
(3)	Contributions	**(200.00)**	(100.00)
(4)	Net liability at the end of the year	**165.99**	273.02
(V)	**Amounts recognised in the Statement of Profit and Loss**		
(1)	Current Service Cost	**108.17**	113.95
(2)	Interest Cost on obligation	**173.66**	171.15
(3)	Expected Return on plan assets for the period	**(169.46)**	(164.09)
(4)	Net Actuarial (Gain)/Loss	**(19.40)**	(95.37)
(5)	Expense Recognised in the Statement of Profit and Loss	**92.97**	25.64
(VI)	**Actual Return on Plan Assets**		
(1)	Expected Return on plan assets for the period	**169.46**	164.09
(2)	Actuarial Gain/(Loss) on Plan Assets	**(45.70)**	18.80
(3)	Actual Return on Plan Assets	**123.76**	182.89
(VII)	**Percentage of each category of Plan Assets to total Fair Value of Plan Assets**		
(1)	Insurer managed fund	**100%**	100%
(VIII)	**Actuarial Assumption**		
(1)	Discount Rate	**9.25%**	8.25%
(2)	Expected Rate of Return on Plan Assets	**9.25%**	9.50%
(3)	The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		

Notes (Contd.)

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

		For the annual period ended				
		31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
i.	Present Value of Defined Benefit Obligation	**2104.40**	2104.99	2074.58	1934.82	1468.64
ii.	Fair Value of Plan Assets	**1938.41**	1831.97	1727.20	1524.85	1243.02
iii.	(Surplus)/Deficit in the Plan	**165.99**	273.02	347.38	409.97	225.62
iv.	Experience adjustment on Plan Liability (Gain) / Loss	**25.70**	(76.58)	(25.85)	350.15	39.86
v.	Experience adjustment on Plan Assets Gain / (Loss)	**45.70**	18.80	11.30	1.18	16.48

40 SEGMENT INFORMATION

BUSINESS SEGMENTS

Particulars	**Power Systems**		**Industrial Systems**		**Total**	
	2013-2014	2012-2013	**2013-2014**	2012-2013	**2013-2014**	2012-2013
Segment Revenue						
External Revenue	**23222.73**	28697.67	**24982.26**	24836.53	**48204.99**	53534.20
Inter-segment Revenue	**-**	-	**-**	-	**-**	-
Total Revenue	**23222.73**	28697.67	**24982.26**	24836.53	**48204.99**	53534.20
Segment Result	**(214.82)**	(833.43)	**1186.13**	2420.39	**971.31**	1586.96
Unallocated Income/(Expense) (Net)					**(1003.88)**	(1164.23)
Finance Costs					**(1309.55)**	(1242.06)
Exceptional Items					**-**	-
Excess/(Short) provision for tax in respect of earlier years					**68.53**	2.67
Tax Expense (Debit)/Credit					**144.20**	329.83
Profit /(Loss) after Taxation					**(1129.39)**	(486.83)
Other information :						
Segment Assets	**22314.01**	25512.49	**16398.76**	14427.91	**38712.77**	39940.40
Unallocated Assets					**18889.59**	18975.36
Total assets					**57602.36**	58915.76
Segment Liabilities	**11653.56**	11987.04	**6944.35**	5907.46	**18597.91**	17894.50
Unallocated Liabilities					**8926.02**	9813.44
Total liabilities					**27523.93**	27707.94
Capital Expenditure						
Segment Capital Expenditure	**219.46**	514.78	**101.47**	870.22	**320.93**	1385.00
Unallocated Capital Expenditure					**145.08**	99.65
Total Capital Expenditure					**466.01**	1484.65
Depreciation and Amortisation						
Segment Depreciation and Amortisation	**719.49**	711.27	**231.00**	196.00	**950.49**	907.27
Unallocated Depreciation and Amortisation					**143.58**	162.66
Total Depreciation and Amortisation					**1094.07**	1069.93

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

Particulars	**Power Systems**		Industrial Systems		Total	
Significant Non Cash Expenditure	**2013-2014**	2012-2013	**2013-2014**	2012-2013	**2013-2014**	2012-2013
Segment Significant Non Cash Expenditure	**-**	-	**-**	-	**-**	-
Unallocated Non Cash Expenditure	**-**	-	**-**	-	**-**	-
Total Significant Non Cash Expenditure	**-**	-	**-**	-	**-**	-

1. Segments have been identified in line with Accounting Standard AS 17 on the basis of production and distribution process and regulatory environment.
2. Company has disclosed Business segments as Primary segments.

   Composition of Business Segments :

   a. Power Systems

      This segment comprises 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.

   b. Industrial Systems

      This segment comprises the development, marketing and manufacture of a wide range of standard and customized electric motors; synchronous gearless machines for the elevator industry and the engineering and supply of AC variable-speed drives and drive systems.
3. Segment Revenue, Result, Assets & Liabilities include respective amounts directly attributable to each segment & other relevant amounts allocated on reasonable basis.

   While presenting the segment results, common expenses, common assets and liabilities to the extent not directly identifiable with any one segment have been grouped as unallocable.
4. Company does not have any secondary segments since risk and return are not significantly dependent on geographical locations. Further since the revenue from within India and the assets within India are greater than 90% of the total revenues and total assets, respectively, of the Company, the disclosure requirements for secondary segment as per the aforesaid standard is also not applicable.

41 RELATED PARTY DISCLOSURES:

41.1 RELATED PARTIES

A. Key Management Personnel

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

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

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

B. Relatives of Key Management Personnel

B1. Late Mr. Jaisingh R. Danani, a non-executive Director (father of Mr. Nikhil J. Danani & Grandfather of Mr. Shome N. Danani)

B2. Ms. Avanti P. Mehta (sister of Mr. Nakul P. Mehta)

B3. Ms. Sita P. Mehta (sister of Mr. Nakul P. Mehta)

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

C1. Danmet Chemicals Pvt. Ltd.

C2. Nasivan Investments Pvt. Ltd.

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

Notes (Contd.)

41.2 TRANSACTIONS WITH RELATED PARTIES

Nature of Transaction	Related Parties														
	Referred in I(A) above					Referred in I(B) above					Referred in I(C) above				
	With	During the year		Closing Balance Dr/(Cr)		With	During the year		Closing Balance Dr/(Cr)		With	During the year		Closing Balance Dr/(Cr)	
		CY	**PY**	**CY**	**PY**		**CY**	**PY**	**CY**	**PY**		**CY**	**PY**	**CY**	**PY**
Remuneration	A1	**124.16**	133.21	-	**-**										
	A2	**124.15**	132.75	-	**-**										
	A3 *	**60.75**	60.75	-	**-**										
Sitting Fee						B1	**0.40**	**0.70**	**-**	**-**					
Purchases											C1	**176.13**	**170.92**	**(27.65)**	**(39.73)**
Deposits Taken	A2	**-**	-	**(25.00)**	(25.00)	B2	**-**	**-**	**(1.00)**	**(1.00)**	C2	**-**	**-**	**(5.50)**	**(5.50)**
						B3	**-**	**-**	**(1.00)**	**(1.00)**					
Interest Paid	A2	**2.50**	2.50	-	**-**	B2	**0.10**	**0.10**	**-**	**-**		**-**	**-**	**-**	**-**
						B3	**0.10**	**0.10**	**-**	**-**	C2	**0.68**	**0.64**	**(0.68)**	**(0.64)**
Rent Received											C1	**3.76**	**3.76**	**-**	**-**

* In view of absence of profit for the year ended March 31, 2014 the remuneration payable to the Executive Director for the period January 28, 2014 to March 31, 2014 aggregating Rs. 10.69 Lakhs which has been approved by a special resolution by the shareholders through postal ballot is subject to the approval of Central Government for which an application has been made by the Company dated March 29, 2014. The above referred remuneration paid subsequent to the year end is being held in trust by the Executive Director.

a. No amount has been written off or written back during the year ended **31.03.2014.**

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

42 Disclosure pursuant to Accounting Standard - 19 : Leases

As a lessee in a Operating Lease :

Non-cancellable

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

	As at 31st March 2014	As at 31st March 2013
MLP due not later than one year	**34.35**	37.93
MLP due later than one year but not later than five years	**-**	34.35

43 Disclosure pursuant to Accounting Standard - 20 : Earnings Per Share

		Year ended 31st March 2014	Year ended 31st March 2013
Profit / (Loss) after Tax	A	**(1,129.39)**	(486.83)
Weighted Average number of Equity Shares	B	**5,651,560**	5,651,560
Nominal Value Per Share (Rs.)	C	**10.00**	10.00
Basic and Diluted Earning per Share (Rs.)	A/B	**(19.98)**	(8.61)

NOTES TO THE FINANCIAL STATEMENTS

Notes (Contd.)

44 Disclosure as required by AS 29 - Provisions for Warranty Costs

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

	Carrying amount as on 01.04.2013	Provision made	Amount used during the year	Carrying amount as on 31.03.2014
Warranty	**216.46**	**270.52**	**299.34**	**187.64**
	(268.18)	(170.49)	(222.21)	(216.46)

Figures in the bracket are for the previous year.

45 Foreign currency exposures not hedged at the end of the year

Nature of Transaction	Currency	**As at 31st March, 2014**	As at 31st March, 2013
Trade Payable	EUR	**12015**	55490
	USD	**16792**	10308
Trade Receivable	EUR	**16952**	21547

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

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

S. Venkatesh
Partner
Membership No. 037942

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

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

Mumbai, 28th May, 2014

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

Shome N. Danani Executive Director

Mumbai, 28th May, 2014

NOTES

NOTES

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY-SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF BHARAT BIJLEE LIMITED WILL BE HELD AT 3.00 P.M. ON THURSDAY, SEPTEMBER 11, 2014 AT 'WALCHAND HIRACHAND HALL', INDIAN MERCHANTS' CHAMBER BUILDING, VEER NARIMAN ROAD, CHURCHGATE, MUMBAI 400020, TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2014, the audited statement of Profit and Loss for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Anand J. Danani (holding DIN 00056534), who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint Auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142, 143(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof, Messrs Dalal & Shah, Chartered Accountants, having Registration No. 102021W issued by The Institute of Chartered Accountants of India, be and are hereby appointed as auditors of the Company for a period of 3 (three) years and to hold office as such from the conclusion of this 67th Annual General Meeting until the conclusion of the 70th Annual General Meeting of the Company, subject to ratification of such appointment by the Members of the Company at every Annual General Meeting at an annual remuneration of Rs 17,50,000/- (Rupees Seventeen Lakhs Fifty Thousand only) plus applicable service tax and reimbursement of out of pocket expenses incurred by them during the course of the audit as aforesaid, for the financial year 2014-15, for the purpose of audit of the Company's accounts at the head office in Mumbai and all its branch offices in India AND THAT the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to the said auditors for the subsequent financial years, subject to its disclosure in the notice and notes forming part of the accounts."

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution for appointment of Ms. Mahnaz A Curmally as a Director liable to retire by rotation:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof for the time being in force, Ms Mahnaz A Curmally (holding DIN 06907271), in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution for appointment of Mr. Ravishanker Prasad as a Director liable to retire by rotation:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof for the time being in force, Mr. Ravishanker Prasad (holding DIN 06641845), in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution for appointment of Mr. Prakash V Mehta as an Independent Director:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013, for the time being in force, Mr. Prakash V Mehta (holding DIN

00001366), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office as such for a period of 5 (five) consecutive years, with effect from the date of this meeting AND THAT he shall not be liable to retire by rotation."

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution for appointment of Mr. Sanjiv N Shah as an Independent Director:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013, for the time being in force, Mr. Sanjiv N Shah (holding DIN 00007211), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office as such for a period of 5 (five) consecutive years, with effect from the date of this meeting AND THAT he shall not be liable to retire by rotation."

8. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution for appointment of Mr. Jairaj C Thacker as an Independent Director:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013, for the time being in force, Mr. Jairaj C Thacker (holding DIN 00108552), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company , to hold office as such for a period of 5 (five) consecutive years, with effect from the date of this meeting AND THAT he shall not be liable to retire by rotation."

9. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution for appointment of Mr. Rajeshwar R Bajaaj as an Independent Director:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013, for the time being in force, Mr. Rajeshwar R Bajaaj (holding DIN 00419623), in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company , to hold office as such for a period of 5 (five) consecutive years, with effect from the date of this Meeting AND THAT he shall not be liable to retire by rotation."

10. To consider, and if thought fit, to pass, with or without modification, if any, the following resolution as a Special Resolution for approving payment of remuneration to Mr. Shome N. Danani, Executive Director in terms of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

"RESOLVED THAT approval of the members be and is hereby accorded to the partial modification of the Special Resolution passed by members by way of postal ballot on March 21, 2014, to pay remuneration including minimum remuneration to Mr. Shome N. Danani, Executive Director, in accordance with the provisions contained in Section 196, 197 and 198 read together with Schedule V, Part II, Section II (A) and provisions therein contained, along with the rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time AND THAT all other terms and conditions contained in the Special Resolution dated March 21, 2014 referred above remain unchanged."

11. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special

Resolution for approving the limits of borrowing by the Company:

"RESOLVED THAT in supersession of the resolution passed at the 63rd Annual General Meeting of the Company held on June 25, 2010, the consent of the Members of the Company be and is hereby accorded under the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, including any amendment, modification, variation or re-enactment thereof and the Articles of Association of the Company, to the Board of Directors of the Company to borrow, from time to time, such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; provided that the total amount up to which monies may be borrowed by the Board of Directors of the Company and which shall remain outstanding at any given point of time shall not exceed the sum of Rs 650 crore (Rupees Six Hundred Fifty Crore only)."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such borrowings, from time to time, viz. terms as to interest, repayment, security or otherwise as it may deem fit and to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and/or director(s) and/or officer(s) of the Company, to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 148 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors Rules) 2014, including any amendment, modification, variation or re-enactment thereof, for the time being in force, the Board on the recommendation of the Audit Committee appointed M/s. P M Nanabhoy & Co., Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of Rs 72,000/- per annum plus out of pocket expenses and taxes as may be applicable which remuneration be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary be and are hereby authorised to do all 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

Place : Mumbai
Date : July 25, 2014

NOTES:

i. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, TO BE VALID AND EFFECTIVE, SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

ii. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

iii. A Proxy shall not have a right to speak at the Meeting and shall not be entitled to vote except on a poll.

iv. A person appointed as Proxy shall act on behalf of not more than 50 Members and holding not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or Member.

v. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

vi. A Statement pursuant to Section 102 of the Companies Act, 2013, setting out all material facts relating to Special Businesses at Item Nos. 3 to 12 of this Notice is annexed herewith and the same should be taken as part of this Notice.

vii. In accordance with the provisions of Clause 49 of the Listing Agreement, a brief profile of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of committees of directors, shareholding and relationships between directors inter se, is set out in this Notice.

viii. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 8, 2014 to Thursday, September 11, 2014 (both days inclusive).

Members holding shares in physical form are requested to promptly notify in writing any changes in their address/ bank account details to the Link Intime India Pvt. Ltd., Unit: Bharat Bijlee Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078, Tel : 25963838, Fax : 25946969

ix. Members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participant(s) (DP).

x. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial year 2013-14 are being sent by e-mail to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories.

xi. The Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form or with the Company, in case shares are held in physical form.

xii. The Annual Report 2013-14 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.bharatbijlee.com and also on the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com.

xiii. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting, the said resolutions will not be decided on a show of hands at the AGM.

xiv. As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, a Company is required to transfer its dividends, debentures, bonds, redeemed preference shares, fixed deposits, interest on fixed deposits, interest on debentures, etc. which remain unpaid or unclaimed for a period of 7 years to the Investor Education and Protection Fund set up by the Central Government. The Company has in compliance transferred all such unclaimed amounts upto the financial year 31st March, 2007 to the said fund. It may be noted that no claims shall lie against the Company in respect of the said unclaimed amount(s) transferred to the said fund. Members who have not claimed the dividends declared for the financial year 31st March, 2008 and onwards are requested to lodge their claim immediately with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report.

xv. **Voting through electronic means**

In compliance with the provisions of Clause 35B of the Listing Agreement, Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to all its

Members to enable them 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 e-voting.

The instructions for members for voting electronically are as under:-

➢ In case of members receiving e-mail:

a) Log on to the e-voting website www.evotingindia.com

b) Click on "Shareholders" tab.

c) Now, select the "BHARAT BIJLEE LTD." from the drop down menu and click on "SUBMIT"

d) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

e) Next enter the Image Verification as displayed and Click on Login.

f) 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.

g) If you are a first time user follow the steps given below:

	For Members 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)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
	• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please **enter the number of shares held by you as on the cut off date in the Dividend Bank details field.**

h) After entering these details appropriately, click on "SUBMIT" tab.

i) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

k) Click on the EVSN for BHARAT BIJLEE LIMITED on which you choose to vote.

l) 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.

m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

n) 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.

o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

q) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

➢ **In case of members receiving the physical copy:**

a) Please follow all steps from sl. no. a) to sl. no. q) above to cast vote.

b) The voting period begins on Wednesday, September 3rd, 2014 at 9:00 AM and ends on Friday September 5th, 2014 at 5:00 PM During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

➢ Mr. N. L. Bhatia, Partner, Messrs N. L. Bhatia & Associates, Practising 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.

➢ The Scrutinizer shall within a period of 3 working days from the conclusion of the e-voting period submit his report in respect of the votes cast in favour or against each of the resolutions as set out in this Notice, to the Chairman of the Company.

➢ The Results shall be declared by the Chairman at the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website viz., www.bharatbijlee.com and on the website of CDSL, within 2 days of the AGM.

xvi. In terms of Clause 35B of the Listing Agreements, the Company in order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, is enclosing a Ballot Form along with this Notice.

xvii. A Member desiring to exercise his vote by Ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to the Scrutinizer in the enclosed self-addressed pre-paid postage Business Reply Envelope. Postage charges will be borne and paid by the Company.

However, in case a Member sends the Ballot Form by courier or registered post or delivers it in person at his expense, such Ballot Forms will also be accepted.

xviii The Ballot Form, duly completed and signed by the Member(s) should be returned in the enclosed self-addressed pre-paid postage Business Reply Envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours on or before September 5, 2014. Any Ballot Form received after the said date shall be treated as if the reply from the Member(s) has not been received.

xix. All documents referred to in this Notice and Statement setting out material facts and other statutory registers are open for inspection by the

Members at the Registered Office of the Company between 10.00 a.m. and 12 noon on all working days except Saturdays, Sundays and national holidays, from the date hereof up to the date of the AGM.

xx. For security reasons and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip. Members/ Proxies are requested to bring their Attendance Slip complete in all respects and signed at the place provided there at and hand it over at the entrance of the venue.

xxi. Members desiring any information relating to the annual accounts of the Company are requested to write to the Company at least 10 days before the Meeting, to enable the Company to keep the information ready at the Meeting.

MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

ANNEXURE TO THE NOTICE

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

Item No. 3

Messrs Dalal & Shah, Chartered Accountants, having Registration Number 102021W issued by The Institute of Chartered Accountants of India were appointed as auditors of the Company for the financial year 2013-14. Their term as auditors expires at the conclusion of this Meeting.

As per the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of Companies (Audit and Auditors) Rules, 2014, an audit firm can be appointed as auditors of a company for not more than two consecutive terms of five years each. For the purpose of calculating the period of 10 consecutive years, the period for which the audit firm had held office as auditors, prior to April 1, 2014, is required to be taken into account. Such appointment is also subject to the ratification by the Members at every Annual General Meeting, till the expiry of their term.

Accordingly, Messrs Dalal & Shah, Chartered Accountants, auditors of the Company are eligible to be appointed for a maximum period of 3 years from the conclusion of this Meeting.

Pursuant to the recommendation of the Audit Committee of Directors, the Board of Directors of the Company, proposes to appoint Messrs Dalal & Shah, as the auditors of the Company for one term of 3 consecutive years and to hold office as such from the conclusion of this Meeting until the conclusion of the 70th Annual General Meeting of the Company, subject to ratification by the Members of the Company at every Annual General Meeting, for the purpose of audit of the Company's accounts at the head office in Mumbai, all its branch offices in India

Messrs Dalal & Shah has consented to the said appointment and issued a certificate to the effect that the appointment, if made, shall be in accordance with the conditions as prescribed in Sections 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The Board accordingly recommends the appointment of Messrs Dalal & Shah, Chartered Accountants as the auditors of the Company as set out at Item No. 3 for the approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

Item No. 4

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, at their meeting held on July 25, 2014 appointed Mrs. Mahnaz A. Curmally as an "Additional Director" of the Company. Mrs. Curmally holds office as such upto the date of the 67th Annual General Meeting. Notice has been received from a member under Section 160(1) of the Companies Act, 2013 proposing the candidature of Mrs. Mahnaz A. Curmally for office of Director in the Company.

Further as per the provisions of Section 149(1)(b) of the Companies Act, 2013 and Rule 3 of the Companies (Acceptance and Qualification of Directors) Rules, 2014, every listed Company has to appoint at least one Woman Director on the Board within the stipulated time and the appointment of Mrs. Mahnaz A. Curmally as Director satisfies compliance with the above provision .

Profile of Mrs. Mahnaz A. Curmally is attached along with this notice.

The Board of Directors recommend the above appointment of Mrs. Mahnaz A. Curmally as Director. None of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, at their meeting held on January 22, 2014 appointed Mr. Ravishanker Prasad as an "Additional Director" of the Company.

Mr. Prasad holds office as such upto the date of the 67th Annual General Meeting. Notice has been received from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ravishanker Prasad for office of Director in the Company.

Profile of Mr. Ravishanker Prasad is attached along with this notice.

The Board of Directors recommend the above appointment of Mr. Ravishanker Prasad as Director. None of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

Item Nos. 6 to 9

As per the provisions of Section 149(4) of the Companies Act, 2013, every listed company shall have at least 1/3rd of its total number of directors as independent directors. Section 149(6) of the said Act, lays down the criteria for independence.

Mr. Prakash V Mehta, Mr. Sanjiv N. Shah, Mr. Jairaj C Thacker non-executive directors, liable to retire by rotation, of the Company along with Mr. Rajeshwar R Bajaaj have furnished declarations to the Company under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria prescribed for independent directors under Section149(6) of the said Act.

In the opinion of the Board these individuals are persons of integrity, possess the relevant expertise and experience, fulfill the conditions specified in the said Act and the rules made there under and are independent of the management of the Company.

In terms of Section 149 of the Companies Act, 2013, an independent director shall hold office for two terms of up to 5 consecutive years each on the board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of the same in the Directors' report. Further, in terms of Section 149(13) of the said Act, independent directors are not liable to retire by rotation.

However, the proposed Clause 49 II B 3 of the Listing Agreement relating to corporate governance provides that a person who has already served as an independent director for 5 years or more in a company as on October 1, 2014, shall be eligible for appointment, on completion of present term, for one term of 5 consecutive years only.

Accordingly, the Board proposes to appoint Mr. Prakash V Mehta, Mr. Sanjiv N. Shah, Mr. Jairaj C Thacker and Mr. Rajeshwar. R Bajaaj as Independent Directors of the Company for a period of 5 years with effect from the date of this Meeting, as set out at Item Nos. 6 to 9 of this Notice. Notices as required under Section 160 of the Companies Act, 2013 have been received from some Members proposing the candidature of the said Independent Directors of the Company.

Upon the confirmation of the appointment of these individuals as Independent Directors by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the Company to the said Independent Directors.

Brief profile of the said Independent Directors, in terms of Clause 49 of the Listing Agreement is attached with this Notice.

The Board accordingly recommends the resolutions at Item Nos. 6 to 9 of this Notice for the approval of the Members. None of the said Directors are related to each other.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions at Item Nos. 6 to 9 of this Notice.

Item No. 10

The members had accorded their consent by way of a Special Resolution, through postal ballot for the appointment and payment of remuneration, including minimum remuneration of Mr. Shome N. Danani as Executive Director for a period of 3 years with effect from January 28, 2014 in terms of the Companies Act, 1956. The Remuneration approved by members is reproduced hereunder:

Salary:

Rs. 2, 25,000 (Rupees Two Lakhs Twenty Five Thousand) per month with authority to the Board of Directors (which includes any Committee thereof) to grant increments to Mr. Shome N. Danani from time to time up to Rs. 5,00,000 (Rupees Five Lakhs) per month.

Perquisite and Allowances:

i. In addition to the salary and commission Mr. Shome N. Danani is also entitled to perquisites and allowances, including furnished accommodation or house rent in lieu thereof, house maintenance allowances, together with utilities thereof such as gas, electricity, water and furnishings, repairs, servants salaries, society charges and property tax, etc. medical and personal accident insurance, leave travel concessions for self and family, club fees, hospitalization expenses for self and family and such other allowances and perquisites as the Board or its Committee may in its absolute discretion determine from time to time.

ii. Company's contribution to Provident fund and Superannuation Fund or any Annuity Fund to the extent these are either singly or together, not taxable under the Income-Tax Act, hospitalization expenses for self and family, gratuity as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of the ceiling for remuneration specified above.

iii. Cars for use on Company's business and telephones (Fixed and Mobile) and other communication facilities at residence will not be considered as perquisites.

iv. Leave with full pay or encashment thereof as per the Rules of the Company.

v. Reimbursement of actual entertainment expenses, actual travelling and hotel expenses for the Company's business and / or allowances as per the Company's rules.

vi. **Other perquisites:**

Subject to overall ceiling on remuneration mentioned herein below, the Executive Director, Mr Shome N Danani, may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any committee thereof) may from time to time decide.

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

Commission :

Such remuneration by way of commission in addition to the salary, perquisites and allowances payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors (which includes any committee thereof) in its absolute discretion deem fit, for each Corporate Financial Year, provided that the total remuneration including salary, perquisites, allowances and commission shall not exceed the overall ceiling prescribed under Section 198, 309 and any other applicable provisions, if any, of the Companies Act, 1956 or any amendments thereto.

Minimum Remuneration:

Notwithstanding anything to the contrary contained herein above, wherein in any financial year, during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company subject to the approval of the Central Government, will pay salary, perquisites and allowances as specified above to the Executive Director as minimum remuneration to him subject to the provisions contained in Schedule XIII, Part II, Section II(1)(C) of the Companies Act, 1956.

The Companies Act, 1956 has since been replaced by the Companies Act, 2013 and therefore the above proposed resolution seeks to modify the earlier resolution in order to align with the new provisions contained in the Companies Act, 2013. The salary, perquisites, allowances, other perquisites and commission detailed above, including the statement accompanying the special resolution and the terms of Mr. Danani's appointment remain unchanged as approved by the members, the minimum remuneration shall however be paid in accordance with the Companies Act, 2013, Schedule V, Part II, Section II (A).

The Nomination and Remuneration Committee of the Board and the Board of Directors recommend passing of the special resolution as set out at Item no. 10.

Mr. Shome Danani, himself, his relatives including Mr. Nikhil J Danani and Mr. Anand J Danani are interested in this resolution. No other Director, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in respect of the said resolution.

Item No. 11

In terms of the provisions of Section 293(1)(d) of the Companies Act, 1956, the Members of the Company at the 63th Annual General Meeting held on June 25, 2010 had granted its approval by way of an ordinary resolution

to the Board of Directors of the Company to borrow, from time to time, such sums of money as they may deem necessary for the purpose of the business of the Company, provided that the amount outstanding consequent to such monies borrowed by the Board of Directors on behalf of the Company does not exceed Rs. 400 crore at any point of time.

In light of the provisions of Section 180(1)(c) of the Companies Act, 2013 having come into force with effect from April 1, 2014 requiring approval of the Members by means of a special resolution, the Company now seeks to obtain fresh approval from its Members by means of a special resolution.

Accordingly, the Board of Directors recommends passing of special resolution as set out in the resolution at Item No. 11

Save and except for the equity shares of the Company held by them, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 12

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board 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 recommendation of Audit Committee at its meeting held on May 28, 2014, 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 manufacturing units at a remuneration as mentioned in the resolution for this Item of the Notice.

The resolution at Item No. 12 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

The Board of Directors recommend passing of the resolution.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 12.

By Order of the Board

Durgesh N Nagarkar
Company Secretary & Senior General Manager
Legal

Place : Mumbai
Date : July 25, 2014

BRIEF PROFILE OF DIRECTORS BEING APPOINTED/ RE-APPOINTED AS SET OUT IN THIS NOTICE, IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENTS RELATING TO CORPORATE GOVERNANCE

Mr. Anand J. Danani:

Mr. Anand J. Danani holds a degree in Commerce from the Mumbai University and a Masters Degree in Business Administration from U.S.A. He has experience in the Banking and Finance industry and in Business Management and Marketing. He has been a Director on Board of the Company since March 23, 1995. Mr. Danani holds 92,920 shares equity shares representing 1.64% of the Issued and Subscribed Equity Share Capital of the Company.

Mr. Danani is related to Mr. Nikhil J. Danani, Vice Chairman and Managing Director and Mr. Shome N. Danani, Executive Director.

Mr. Danani is not a Director on the Board of any other Company.

Mrs. Mahnaz A. Curmally:

Mrs. Mahnaz A. Curmally has obtained an English Literature Honors degree from Lady Shri Ram College, Delhi University and thereafter acquired a M.A. Degree in Sociology from Bombay University. She started her career with J Walter Thompson (JWT) as a copywriter and reached the position of President, South Asia and retired from Ogilvy PR as Chairman South Asia in December 2003.

Post her departure from Ogilvy Mrs. Curmally continued to work as part time PR consultant with pharmaceutical,

consumer, finance, engineering and NGO organizations and also taught communication and PR courses in three leading communication management institutes in Mumbai.

Mrs. Mahnaz Curmally, with over 40 years of work experience is considered one of the pioneers of corporate and marketing communications in India. She has through the course of her working life gathered considerable understanding of industries such as infrastructure (power, realty and health); pharmaceutical (MNC and local); FMCG (food, personal care, cosmetics, apparel, household goods); and Travel and Tourism.

Currently Mrs. Mahnaz Curmally is employed as Senior Advisor in one of the largest independent global communications firm, headquartered in Chicago, USA.

Mrs. Curmally does not hold any shares in the Company and is not related to any of the Directors or Key Managerial Personnel or their relatives in the Company. She is not a Director on the Board of any other Company.

Mr. Ravishanker Prasad

Mr. Ravishanker Prasad is the Executive Director (Marketing / CLIA) of Life Insurance Corporation of India. Mr. Prasad has a Bachelor's Degree in Arts and Law. He has vast experience in marketing, finance, administration and insurance business. Mr. Prasad is not a Director on the board of any other Company.

Mr. Prasad does not hold any shares in the Company and is not related to any of the Directors or Key Managerial Personnel or their relatives in the Company.

Mr. Prakash V. Mehta

Mr. Prakash V. Mehta obtained a Bachelors Degree in Law from the University of Bombay in 1963, thereafter qualified as a Solicitor in 1966 and since then has been practicing as a Solicitor. He is a partner of M/s. Malvi Ranchoddas & Co., a renowned firm of Solicitors. He has considerable experience in the field of Law and is also an expert in Corporate Law, Acquisitions, Joint Ventures and Foreign Collaborations. He has been a Director on the Board of the company since August 7, 1990

He is on the Board of the following Companies :

1. Advani Hotels & Resorts (I) Ltd.
2. Hikal Ltd.
3. India Safety Vaults Ltd.
4. Mukand Engineers Ltd.
5. Mukand Ltd.
6. PCS Technology Ltd.
7. W.H. Brady & Co. Ltd.
8. JBF Industries Ltd.
9. Rajasvi Properties Holdings Pvt. Ltd.
10. Tulsidas Khimji Pvt. Ltd.
11. Iris Investments Pvt. Ltd.
12. Credal Advisory Services Pvt. Ltd.
13. Camphor & Allied Products Ltd.
14. Lexserve India Pvt. Ltd.
15. Lotus Shopping Centre Pvt. Ltd.
16. Pegasus Assets Reconstruction Pvt. Ltd.
17. G-Corp Lotus Mall Pvt. Ltd.

Mr. Mehta holds 325 equity shares of the Company representing 0.0058% of the Issued and Subscribed Equity share Capital of the Company.

Mr. Mehta is not related to any of the Directors or Key Managerial Personnel or their relatives in the Company.

Mr. Sanjiv N. Shah

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

He is on the Board of the following Companies:

1. Nimesh Shah Investments Pvt. Ltd.
2. SNS Consulting Pvt. Ltd.
3. Chowgule Steamships Ltd.
4. Angre Port Pvt. Ltd.

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

Mr. Shah is not related to any of the Directors or Key Managerial Personnel or their relatives in the Company.

Mr. Jairaj C. Thacker

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

1. Golden Chemicals Pvt. Ltd.
2. Max Edusol Pvt. Ltd.
3. Nirant Investments and Trading Co. Pvt. Ltd.
4. Shiva Buildcon Pvt. Ltd.

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

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

Mr. Thacker is not related to any of the Directors or Key Managerial Personnel or their relatives in the Company.

Mr. Rajeshwar R. Bajaaj

Mr. Bajaaj was the Chairman of the Board of Directors and Managing Director of Otis Elevators India. He also held the position of Vice President, South and Southeast Asia based in Singapore wherein the Otis country heads from India, Singapore, Thailand, Malaysia, Indonesia, Philippines and Vietnam reported to him. He has nearly four decades of experience in the elevator industry.

Thereafter, for a period of three years, he joined Special Olympics Inc. as Managing Director, Asia Pacific, a non-profit organization created by the Joseph P. Kennedy Jr. Foundation, Washington for the benefit of people with Intellectual Disabilities.

He was also a Director on Board of APW President Systems for a period of two years and also served as the President of Bombay Gymkhana Limited for a period of two years.

He is on the Board of the following Companies:

1. Glaxo Smithkline Pharmaceuticals Ltd.
2. HDFC Asset Management Company
3. Lerch Bates Pvt. Ltd. (Chairman)

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

Mr. Bajaaj is not related to any of the Directors or Key Managerial Personnel or their relatives in the Company.

By Order of the Board

Durgesh N Nagarkar
Company Secretary & Senior General Manager
Legal

Place : Mumbai
Date : July 25, 2014

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

Place : Mumbai
Dated: 25th July, 2014

Bharat Bijlee

Bharat Bijlee Limited

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

CIN: L31300MH1946PLC005017, Phone: 022 – 24306237, Fax: 022 - 2437 0624

Website: www.bharatbijlee.com, E-mail: bblcorporate@bharatbijlee.com

BALLOT FORM

(To be returned to the Scrutinizer appointed by the Company)

1. Name(s) of the Member(s) [including joint-holder(s) if any] :
2. Registered Address of the sole/first named Member :
3. Registered Folio No./ DP ID/ Client ID* :
   (*applicable only to Members holding shares in demat form)
4. Number of equity share(s) held :
5. I/We hereby exercise my/ our vote in respect of the following resolution(s) to be passed at the 67th Annual General Meeting of the Members of the Company, to be held on Thursday, September 11, 2014 at 3.00 p.m. at 'Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate Mumbai 400 020 in respect of the bussinesses as stated in the Notice dated July 25, 2014 by conveying my/ our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the box against the respective matters:

Sr. No.	Description of the businesses as set out in the Notice dated July 25, 2014	No. of Equity Shares held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Adoption of the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and auditors thereon.			
2.	Re-appointment of Mr. Anand J. Danani (holding DIN 00056534) as a Director, who is liable to retire by rotation and, being eligible, offers himself for re-appointment.			
3.	Appointment of Messrs Dalal & Shah, Chartered Accountants, having Registration No. 102021W as the Auditors of the Company for a period of 3 consecutive years.			
4.	Appointment of Ms. Mahnaz A Curmally (holding DIN 06907271), as a Director liable to retire by rotation.			
5.	Appointment of Mr. Ravishanker Prasad (holding DIN 06641845), as a Director liable to retire by rotation			
6.	Appointment of Mr. Prakash V. Mehta (holding DIN 00001366), as an Independent Director for a consecutive period of 5 years.			
7.	Appointment of Mr. Sanjiv N. Shah (holding DIN 00007211), as an Independent Director for a consecutive period of 5 years.			
8.	Appointment of Mr. Jairaj C. Thacker (holding DIN 00108552), as an Independent Director for a consecutive period of 5 years.			
9.	Appointment of Mr. Rajeshwar R. Bajaaj (holding DIN 00419623), as an Independent Director for a consecutive period of 5 years.			
10.	Payment of remuneration to Mr. Shome N. Danani, Executive Director in terms of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014			
11.	Power to the Board of Directors of the Company to borrow monies for the purposes of the business of the Company up to an amount not exceeding Rs. 650 crores.			
12.	Ratification of Cost Auditors remuneration to be paid to Messrs P M Nanabhoy & Co.			

Place:

Date:

#E-mail address: _____

Signature of the Member

To be provided by the Member(s) holding equity shares in physical form.

Note: Please read the instructions given overleaf and in the Notes of the Notice dated July 25, 2014, carefully before exercising your vote.

Bharat Bijlee

Instructions for filling Ballot Form:

(i) A Member desiring to exercise vote by Ballot may complete this Ballot Form and send it to the Scrutinizer in the attached self-addressed pre-paid postage Business Reply Envelope. Postage charges will be borne and paid by the Company. However, envelopes containing Ballot Form(s), if deposited in person or sent by courier or registered/ speed post at the expense of the Member will also be accepted.

(ii) This Form should be completed and signed by the Member (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Member and in his/ her absence, by the next named Member.

(iii) Duly completed Ballot Form should reach the Scrutinizer on or before the close of working hours ie. 5:00 PM on Friday, September 05, 2014. All Ballot Forms received after this date will be strictly treated as if the ballot from such Member(s) has not been received.

(iv) There will be only one Ballot Form for every folio irrespective of the number of joint holder(s). Ballot cannot be exercised by a proxy.

(v) In case of shares held by companies, trusts, societies etc., the duly completed Ballot Form should be accompanied by a relevant Board Resolution/ Authority Letter duly certified/ attested by authorised signatory(ies).

(vi) Members are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed pre-paid postage Business Reply Envelope, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer and the Company would not be liable to acknowledge or act on the same.

(vii) A Member need not use all the votes or cast all the votes in the same way. The voting rights of the Members shall be in proportion to their shares in the total paid-up equity share capital of the Company as on Friday, August 29, 2014.

(viii) Incomplete, unsigned or incorrect Ballot Forms will be rejected. The Scrutinizer's decision on the validity of a Ballot will be final and binding on the concerned Member and the Company.

(ix) The Company is also offering e-Voting facility as an alternate, for all its Members to enable them to cast their votes electronically instead of using the Ballot Form. The detailed procedure for e-voting has been enumerated in the Notes to the Notice dated July 25, 2014 convening the 67th Annual General Meeting of the Members of the Company. Please go through the instructions thoroughly before exercising the e-voting facility.

Bharat Bijlee

Bharat Bijlee Limited

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FORM NO. MGT - 11
PROXY FORM

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

Name of the Member(s):

Registered Address :

E-mail ID

Folio No./ Client ID:

DP ID:

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

1. Name: _____ E-mail Id: _____
   Address: _____
   _____ Signature: _____
   or failing him
2. Name: _____ E-mail Id: _____
   Address: _____
   _____ Signature: _____
   or failing him
3. Name: _____ E-mail Id: _____
   Address: _____
   _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 67th Annual General Meeting of the Company, to be held on Thursday, September, 11, 2014 at 3.00 p.m. at 'Walchand Hirachand Hall', Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai – 400 020 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

1. Adoption of the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and auditors thereon.
2. Re-appointment of Mr. Anand J. Danani (holding DIN 00056534) as a Director, who is liable to retire by rotation and, being eligible, offers himself for re-appointment.
3. Appointment of Messrs Dalal & Shah, Chartered Accountants, having Registration No. 102021W as the Auditors of the Company for a period of 3 consecutive years.
4. Appointment of Ms. Mahnaz A Curmally (holding DIN 06907271), as a Director liable to retire by rotation.
5. Appointment of Mr. Ravishanker Prasad (holding DIN 06641845), as a Director liable to retire by rotation
6. Appointment of Mr. Prakash V. Mehta (holding DIN 00001366), as an Independent Director for a consecutive period of 5 years.
7. Appointment of Mr. Sanjiv N. Shah (holding DIN 00007211), as an Independent Director for a consecutive period of 5 years.
8. Appointment of Mr. Jairaj C. Thacker (holding DIN 00108552), as an Independent Director for a consecutive period of 5 years.
9. Appointment of Mr. Rajeshwar R. Bajaaj (holding DIN 00419623), as an Independent Director for a consecutive period of 5 years.
10. Payment of remuneration to Mr. Shome N. Danani, Executive Director in terms of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
11. Power to the Board of Directors of the Company to borrrow monies for the purposes of the business of the Company up to an amount not exceeding Rs. 650 crores.
12. Ratification of Cost Auditors remuneration to be paid to Messrs P M Nanabhoy & Co.

Affix Revenue Stamp

Signed: this _____ day of _____ 2014

Signature of Member(s): _____

Signature of the Proxy holder(s): _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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ATTENDANCE SLIP

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

I hereby record my presence at the 67th ANNUAL GENERAL MEETING of the Company held at 'Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate Mumbai 400 020, on Thursday, 11th September, 2014 at 3:00 PM

Folio No…….....……DP ID No…….....…..……..…..……. CLIENT ID No……..…....…..……..……

Name of Member/ Proxy : …….…….....……

No. of Shares held .....…….....…….....…….

Signature .....…….....