



Bharat Bijlee Limited

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

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

NOTICE IS HEREBY GIVEN that pursuant to Section 192A of the Companies Act, 1956 ("Act") and all other applicable provisions of the said "Act" read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 as amended from time to time, and the applicable provisions of the Companies Act, 2013, if any, approval of the shareholders is sought by way of a Special Resolution for the reappointment and payment of remuneration to Mr. Shome N. Danani as "Whole Time Director" designated as "Executive Director" of the Company for a period of three(3) years with effect from January 28th, 2014 up to January 27th, 2017.

Accordingly the Company is desirous of seeking your consent to the aforesaid proposal contained in the Special Resolution and the explanatory statement pertaining to the said resolution setting out all material facts and reasons thereof annexed herewith.

It is proposed to obtain consent of the shareholders to the Special Resolution appended below by means of a postal ballot to facilitate wider participation in the approval process by the Shareholders residing at different locations rather than convening an Extraordinary General Meeting, for which Postal Ballot Form is being sent to you along with the explanatory statement for your consideration. The Company has appointed Mr. N.L. Bhatia of M/s. N.L. Bhatia & Associates, Company Secretaries, 313, Sai Dham C.H.S., Vikrant Circle, Opp. Pancholi Hospital, 90 ft. Road, Ghatkopar (E), Mumbai 400 077, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed and signed in the enclosed self-addressed postage prepaid envelope so as to reach the Scrutinizer at the office of the Company's Share Transfer Agents at Link Intime India Private Limited, (Unit: Bharat Bijlee Limited), C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 076, on or before **March 18th, 2014 upto 1700 hrs.** The postage will be borne and paid for by the Company.

The Scrutinizer will submit his report to the Vice Chairman and Managing Director, Mr. Nikhil J. Danani, as authorized by the Board after completion of the scrutiny of the Postal Ballot Forms and the results of the Postal Ballot will be announced at the Registered Office of the Company at Electric Mansion, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 on **March 21st, 2014 at 1600 hrs.**

The date of declaration of the result of the Postal Ballot shall be the date on which the resolution would be deemed to have been passed if approved by requisite majority.

PROPOSED SPECIAL RESOLUTION:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act and Section 102 of the Companies Act, 2013 and subject to the approval of the Central Government, if any, the company hereby approves the re appointment of Mr. Shome N. Danani, as "Whole Time Director" designated as "Executive Director" of the Company for a period of three (3) years with effect from 28th January, 2014 on the terms and conditions and remuneration as follows:

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. Danani from time to time upto 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, 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 as mentioned in the Companies Act, 1956, 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 Executive Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

The Executive Director shall not be subject to retirement by rotation during his tenure."

By Order of the Board of Directors
For Bharat Bijlee Limited

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

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

Date: 22nd January, 2014

Notes :

1. The Notice is being sent under secured mode of posting to those members whose names appear in the Register of members and in the Record of Depository as on Friday 7th 2014.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 along with Statement required in terms of Schedule XIII Part II, Section II(1)(C) of the Companies Act, 1956 is appended hereto.
3. A Postal Ballot Form along with reply paid self addressed envelope is attached hereto.
4. Please see the instructions for voting by Postal Ballot which has been printed overleaf on the Postal Ballot Form.
5. Each member's voting rights shall be in proportion to his/her share of the paid up equity share capital of the company.

III. Other Information :

(1) Reasons of loss or inadequate profits	Lack of demand in the electrical engineering industry due to delays in project finalization and orders, reduction in industrial capex plans, price erosions, over capacities and the delicate financial health of the state utilities and SEB's have resulted in inadequate profits (anticipated) in the financial year 2013-2014.
(2) Steps taken or proposed to be taken for improvement	Management is taking necessary and adequate steps to improve the profitability of the Company.
(3) Expected increase in productivity and profits in measureable terms	A reasonable improvement is expected in the demand for Company's products, production and profits during the year 2014-2015

IV. Disclosures :

"The necessary disclosure required under provision (iv) of Part II, Section II(1)(C) to Schedule XIII of the Act have already been reported in the Directors Report under the heading 'Corporate Governance' forming part of the Annual Report 2012-2013 of the Company."

By Order of the Board of Directors
For Bharat Bijlee Limited

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

Place : Mumbai
Dated : 22nd January, 2014

Annexure I

REMUNERATION PROPOSED AND APPROVED BY NOMINATION AND REMUNERATION COMMITTEE TO EXECUTIVE DIRECTOR DURING FINANCIAL YEARS 2013-2014 (PART), 2014-2015, 2015-2016 & 2016-2017 (PART)

Details	Mr. Shome N. Danani			
	(Rs. in lakhs) For the period 28 th January, 2013 upto 31 st March, 2014 (A)	Per Annum (Rs. in lakhs) For the period 1 st April, 2014 upto 31 st March, 2015 (B)	Per Annum (Rs. in lakhs) For the period 1 st April, 2015 upto 31 st March, 2016 (C)	(Rs. in lakhs) For the period 1 st April, 2016 upto 27 th January, 2017 (D)
Salary	4.66	27.00	27.00	22.34
Perquisites & Allowances	5.83	33.75	33.75	27.92
Total	10.49	60.75	60.75	50.26
Grand Total (A) + (B) + (C) + (D)	182.25			

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO THE AFORESAID SPECIAL RESOLUTION. :

The five (5) year term of the Executive Director, Mr. Shome N. Danani, expires on 27th January, 2014 and the Board of Directors at their meeting held on January 22nd, 2014, after due deliberations, have reappointed Mr. Shome N. Danani as the "Whole Time Director" designated as "Executive Director" of the Company for a further period of three (3) years w e f 28th January, 2014.

Mr. Shome N Danani holds a Bachelors Degree in Industrial and Operations Engineering from the University of Michigan (USA) and a Masters Degree in Business Administration from INSEAD, he has over a decade of experience in the electrical industry in which your company operates. He is a Director on the Board of M/s Danmet Chemicals Pvt Ltd. He holds 2898 equity shares in your company representing 0.0513 % of the issued, subscribed and paid up Equity Share Capital of the Company.

Mr. Shome N. Danani along with the 2 (two) other Managing Directors has jointly overseen the management of this Company for many years and have steered it into a healthy financial position. However, from the financial year 2012-2013, the Indian Electrical Industry has registered a negative growth and this sharp decline can be attributed to delays in new projects/order finalization and execution, delicate financial health of state utilities and SEB's, overall economic slowdown, lack of investments in the Industrial Sector and other engineering projects. The demand for the Company's products "Transformer and Electric Motors" and for its Project business has nose-dived due to cut throat competition, over capacities, tight liquidity conditions, high inflation, price erosion and stock piling of manufactured equipment which are not lifted by buyers resulting in inadequate profits for the Company. Unless a revival is seen in our served markets this trend is likely to continue for some time.

The Company is contemplating various initiatives to bring back business profitability for which the guidance and involvement of the Executive Director along with the Managing Directors is extremely essential. The setback is temporary and it is hoped that the fortunes of the Company will revive and it will be back in profits. The Board of Directors recommend the reappointment of Mr. Shome Danani as they are of the opinion that with his strong academic qualifications, experience and expertise he can add great value to the company's present and future growth strategies.

In view of the anticipated inadequacy of profits for the current financial year 2013-2014, approval of the Shareholders is also sought to pay the proposed existing remuneration to the Executive Director for a period of three (3) years of his appointment, which remuneration, has been approved by the Nomination and Remuneration Committee of the Company at its meeting held on January 22nd 2014.

Taking into account that passing of resolution by Postal Ballot is to be deemed as passing of resolution at a General Meeting, the Board of Directors recommend adoption of the Resolution as set out in the Notice dated 22nd January, 2014.

None of the other Directors except Mr. Shome N. Danani to the extent of the above resolution and Mr. Nikhil J. Danani and Mr. Anand J. Danani as relatives of Mr. Shome N. Danani are interested or concerned in the said resolution.

Copies of the Resolutions passed by the Board of Directors and the Nomination and Remuneration Committee at their respective meetings held on January 22nd, 2014 in this regard are open for inspection at the Registered Office of your Company on any working day from Monday to Friday between 10.00 am to 1.00 pm.

The Resolution set out in the accompanying notice together with the explanatory statement should be treated as an abstract of the terms and conditions of the reappointment and payment of remuneration to the Executive Director under Section 302 of the Companies Act, 1956 and the same is circulated to the members accordingly.

By Order of the Board of Directors
For Bharat Bijlee Limited

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

Place : Mumbai
Dated : 22nd January, 2014

Statement containing the information required to be furnished pursuant to paragraph I(C) (iv) of Section II in Part II of Schedule XIII to the Companies Act, 1956 as amended is given hereunder.

I. General Information :

(1) Nature of Industry	Electrical Engineering, manufacturing and sale of Transformers, Motors, Drives, Elevator Systems and Execution of Turnkey Projects			
(2) Date or expected date of commencement of commercial production	The Company was incorporated on June 22 nd 1946 and business commenced on or around the year 1947.			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.			
(4) Financial performance based on given indicators	Rs. in lakhs			
		Year ending 31.03.2011	Year ending 31.03.2012	Year ending 31.03.2013
	Sales Turnover (gross)	76299	77385	58683
	Capital employed	30951	38375	39707
	Net worth	28135	31860	31373
	Profit before Tax	9233	6603	(819)
	Profit after Tax	7353	5367	(487)
	Dividends	1412.89	1412.89	141.29
(5) Export performance and net foreign exchange collaborations	Rs. in lakhs			
		Year ending 31.03.2011	Year ending 31.03.2012	Year ending 31.03.2013
	Foreign Exchange Earning	1625.76	7195.49	2314.55
	Less Foreign Exchange Outgo	2922.31	3037.89	2693.19
	Net Position	(1296.55)	4157.60	(378.64)
(6) Foreign investments or collaborators, if any	There is no direct foreign investment in the Company. The Company has entered into Foreign Collaboration agreements with M/s Permanent Magnets S. A., Spain, for manufacture and sale of Gearless Permanent Magnet Synchronous Motors and with M/s Karl E Brinkmann, GmbH, Germany for KEB Combivert (Drives).			

II. Information about **Mr. Shome N. Danani, Executive Director**

(1) Background details	Mr. Shome N. Danani, B.S. (Industrial and Operational Engineering, U.S.A.) and M.B.A. (INSEAD, France) has 14 years of experience in the electrical engineering industry and is Executive Director since 2009, overseeing the Project Division, Corporate Strategy and Corporate Communications.						
(2) Past remuneration	Remuneration comprises of monthly salary, perquisites, retirement benefits and commission, the details of which are: Rs. in lakhs <table> <tr> <td>Y.E. 31.03.2011</td><td>131.44</td></tr> <tr> <td>Y.E. 31.03.2012</td><td>84.10</td></tr> <tr> <td>Y.E. 31.03.2013</td><td>60.75</td></tr> </table>	Y.E. 31.03.2011	131.44	Y.E. 31.03.2012	84.10	Y.E. 31.03.2013	60.75
Y.E. 31.03.2011	131.44						
Y.E. 31.03.2012	84.10						
Y.E. 31.03.2013	60.75						
(3) Recognition or Awards	-						
(4) Job Profile and his suitability	Mr. Shome N. Danani, is the Executive Director since 2009 and has vast experience of 14 years in the Electrical Engineering Industry and has successfully managed the Divisions of Project, Corporate Strategy and Corporate Communications.						
(5) Remuneration proposed by Nomination & Remuneration Committee	As per Annexure I						
(6) Comparative remuneration profile with respect to industry size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is in tune with the current remuneration packages of managerial personnel of Companies belonging to similar industries. Further, it is commensurate with the qualification and experience and in accordance with the highly competitive business scenario requiring recognition and reward for performance and achievement towards meeting objectives of the Company.						
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Only to the extent of his entitlement of his remuneration and is related to Mr. Nikhil J. Danani and Mr. Anand J Danani						



Bharat Bijlee Limited

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

POSTAL BALLOT FORM

(Kindly refer to the instructions overleaf before filling the form)

- (1) Name(s) of Shareholder(s) :
including Joint-Holders, if any
- (2) Registered Address of the Sole/
First Named Shareholder :
- (3) Registered Folio No./DP ID No./
Client ID No.* :
(*Applicable to investors holding
shares in demat form)
- (4) No. of Equity Shares Held :
- (5) I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through postal ballot for the business stated in the Notice dated 22nd January, 2014 of the Company by sending my/our assent or dissent to the said resolution by placing tick (✓) mark at the appropriate box below :

Item No.	Brief Description	No. of Equity Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Special Resolution for the reappointment and payment of remuneration to Mr. Shome N. Danani, Executive Director for a period of 3 (Three) years from January 28 th , 2014 to January 27 th , 2017			

Place:

Date:

Signature of the Shareholder
(as per specimen registered with the Company)

INSTRUCTIONS:

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Company in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot, if sent by any other mode at the expense of the registered Shareholder or if deposited in person with the Company, will also be accepted.
2. Voting Rights: Shareholders shall have one vote per equity share.
3. The self-addressed envelope bears the name of the Scrutinizer appointed by the Board of Directors of the Company.
4. This form should be completed and signed by the Shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his/her absence, by the next named shareholder.
5. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
6. Duly completed and signed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours (1700 hrs) on **Tuesday, 18th March, 2014**. All Postal Ballot Forms received after this date will be strictly treated as if reply from such Shareholder has not been received.
7. A Shareholder may request for a duplicate Postal ballot form, if so required. However, the duly filled in duplicate Postal Ballot form should reach the Scrutinizer not later than the date specified at Item 6 above.
8. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholder on the cut-off date, i.e. **Friday, 7th February, 2014**.
9. In case of shares held by companies, trusts, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of the appropriate Resolution.
10. In case of the Postal Ballot signed by the holder of power of attorney, reference to the power of attorney registration with the Company should be mentioned in the postal ballot form. In case a Postal Ballot form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorization to vote on the postal ballot should accompany the Postal Ballot form.
11. Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage pre-paid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.