

HELD AT ON TIME

MINUTES OF THE 66th ANNUAL GENERAL MEETING OF BHARAT BIJLEE LIMITED HELD ON FRIDAY, 28TH JUNE, 2013 AT 2.30 P.M. AT THE WALCHAND HIRACHAND HALL, INDIAN MERCHANTS' CHAMBER BUILDING, CHURCHGATE, MUMBAI 400 020

Present at the Rostrum:

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	Director
Mr. Sanjiv N. Shah	-do- (Chairman of the Audit Committee)
Mr. Harish C. Mishra	Director
Mr. D.N. Nagarkar	Company Secretary

The Chairman informed the members that the requisite quorum for the meeting was present with 39 members in person.

He thereafter called the meeting to order and before proceeding to the Agenda, he informed all Shareholders present, of the sad demise of Mr. Mukul Harkison Dass, Director, on 14th June, 2013. He thereafter requested members to observe a period of silence as a mark of respect and remembrance. All Shareholders and Board of Directors present stood in silence.

Thereafter the Chairman resumed proceedings by introducing the Board of Directors present at the rostrum to the members.

The Chairman welcomed the members to the 66th Annual General Meeting and informed the members present that the Company has received 13 valid proxies for 21,38,379 shares representing 37.84% of the equity share capital of the Company and 3 company representations for 11,91,492 shares representing 21.08% of the equity share capital of the Company. He further informed that Statutory Registers i.e. Register of Directors, Register of Directors' Shareholding, Register of Proxies and Register of Charges, etc. were kept open for inspection by the members.

With the permission of the members, the Notice convening the meeting and the Directors' Report were taken as read. The Auditors' report to the members was thereafter read at the meeting by the Company Secretary.

The Chairman thereafter highlighted the current year's performance of the Company for the two months ended May 31, 2013.

Orders obtained : Rs. 69.10 crore as against Rs. 81.76 crore during corresponding period of previous year, a decrease of 15.4%.

Net Sales : Rs. 61.20 crore as against Rs. 49.70 crore during corresponding period of previous year, an increase of 23.1%.

Pending orders : Rs. 361.00 crore as against Rs. 392.20 crore as at the end of the corresponding period of period of previous year, a decrease of 8%.

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The Chairman stated that during the course of the debate on the Annual Accounts, the Managing Directors will have an occasion to explain to the members, reasons why the industry to which the Company belongs is undergoing this pressure both in terms of operation and finance. He added further that as far as the financial position of the Company is concerned it is very strong as members must have noticed. He also informed members that the Company has declared a dividend which is a token dividend to recognize that the Management considers this year to be abnormal, an extraordinary year and hopes that over a period of time the Company's financial position will come back to what it was earlier.

ORDINARY BUSINESS :

The Chairman moved the following resolution :

Resolution: "RESOLVED that the audited Balance Sheet as at 31st March, 2013, the Profit & Loss Account for the year ended 31st March, 2013 together with Cash Flow Statement, the Directors' Report and the Auditors' Report thereon be and the same are hereby received and adopted."

The resolution was seconded by Mr. Prakash A. Vijayakar.

The Chairman invited the members to put forth their queries / questions / suggestions on the Annual Report and Accounts circulated to the members. Mr. Prakash A. Vijayakar, Ms. Lekha Shah, Mr. Sharad Kumar Shah, Mr. Nigel Gonsalves, Advocate Joseph Martin and Mr. Adi K. Nalladaru, members, put forth their suggestions, and questions as under :

Suggestions:

- a) To sub-divide the shares into Rs. 2/- per share.
- b) Net increase in cash as indicated in Cash Flow to be used to increase profit of the Company.
- c) To arrange for a Factory visit.
- d) To Improve content of Annual Report by giving proper segment wise break-up.
- e) To introduce EVA in Annual Report.
- f) To invest in Research & Development and innovations.
- g) To give names and details of top ten Shareholders in the Annual Report.

Questions :

- 1) How many shares of the Promoters are in demat form ?
- 2) Who is the present Cost Accountant of the Company and what is his remuneration ?
- 3) Why exceptional items nil this year ?



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- 4) The term Cash and Cash Equivalents may please be explained ?
- 5) Who are the relatives indicated in the Related Parties statement ?
- 6) For what purpose has the Company taken loans from its vendors and how are they related to promoters ?
- 7) Why have trade receivables doubled compared to last year ?
- 8) What is the cost of printing the Annual Report and how many copies were printed ?
- 9) Any loans given to political parties ?
- 10) If Company is financially strong, why has the Company reduced dividend ?
- 11) Why has the Company not disinvested its holdings in Siemens / HDFC when the market rates were high ?
- 12) Why is the Company not buying back its shares ?
- 13) Why Form A is not provided in the Directors' Report as per Section 217(i)(e) ?
- 14) What is the unit price of power and gas consumed ?
- 15) Why Company has not expanded to higher range of 765 kV ?
- 16) What is the rating of step up transformers ?
- 17) What is the % of transformer sale and its profit / loss in the gross sales of the Company ?
- 18) Please explain 150% increase in Corporate Deposits and in which Company/Companies has the Company deposited its funds and at what rate of interest ?
- 19) What do you mean by cost over run in Projects ? Was the project cost underquoted to grab orders or was there a genuine cost over run. Please explain ?
- 20) Explain drop in receivables ?
- 21) Can the Company impose penalties on SEBs for delayed payments ?
- 22) Which are the peak quarters for the Company ?
- 23) What is the % of export to sales ?
- 24) Any VRS plans ?
- 25) How long downturn would continue and what is the future outlook of the Company ?
- 26) Are Gayatri and Danmet part of the Promoter's group ?



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- 27) What is the CAPEX for the 2 plants mentioned in the report ?
- 28) Why Siemens shares were not sold when the Company had announced a buyback at Rs. 850/-. Why was the opportunity not taken ?
- 29) To whom was Royalty paid ?

After all the speakers had completed their address, the Chairman informed the members present that he would request the Managing Directors to provide responses to the technical and operational performance and business strategies related queries.

Thereafter, the Vice Chairmen & Managing Directors replied to the extent disclosure was consistent with the interests of the company and its Shareholders.

The Chairman asked the members present whether they had any more questions or comments. Since there were no further questions / comments forthcoming the resolution was put to vote by a show of hands and was carried nem con.

EQUITY DIVIDEND

The Chairman informed the members that despite a significant loss during the year, the Company had declared a dividend out of the carried forward balance in the Profit & Loss Account which if compared to the market price works out to approximately 6% which in other Companies is around 2 to 3 %. He added that he hoped the current patch of setback is something which is not likely to continue and that in the years to come what the Company has suffered in the last 2 years; lack of orders, cancellations of orders, freezing of capacities will not be repeated when the economy picks up.

Mr. Prakash A. Vijayakar moved the following resolution:

Resolution: "RESOLVED that pursuant to the recommendations of the Directors, dividend @ Rs.2.50/- per share on the equity share capital of the Company for the year ended 31st March, 2013 be and is hereby declared and the same be paid out of the profits for the period to those Shareholders whose names appear on the Company's Register of Members on Monday, June 24th, 2013 in respect of shares held in physical form and in respect of shares held in demat form to those Beneficial owners as at the end of business on Saturday, 22nd June, 2013 as per the list to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and that the Dividend be paid after Friday, 28th June, 2013 only to those shareholders who are entitled to receive payments."

Advocate Joseph Martin seconded the resolution.

The resolution was then put to vote on a show of hands and was carried nem con.



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REAPPOINTMENT OF DIRECTORS

Advocate Joseph Martin proposed the following resolution:

Resolution : "RESOLVED that Mr. Anand J. Danani, who retires by rotation
No. 3 and is eligible for re-appointment be and is hereby re-
appointed as Director of the Company."

Mr. Bharat Bhandari seconded the resolution.

The resolution was then put to vote on a show of hands and was carried nem
con.

Mr. Nikhil J. Danani occupied the Chair for Item No. 5 of the Notice.

Ms. Lekha Shah moved the following resolution :

Resolution : "RESOLVED that Mr. Banshi S. Mehta, who retires by rotation
No. 4 and is eligible for re-appointment be and is hereby re-
appointed as Director of the Company."

Mr. Prakash A. Vijayakar seconded the resolution.

The resolution was then put to vote on a show of hands and was carried
nem con.

Mr. Nikhil J. Danani vacated the Chair and handed it over to Mr. Banshi S.
Mehta who occupied the Chair.

Advocate Joseph Martin moved the following resolution :

Resolution : "RESOLVED that Mr. Jaisingh R. Danani, who retires by
No. 5 rotation and is eligible for re-appointment be and is hereby re-
appointed a Director of the Company."

Mr. Prakash A. Vijayakar seconded the resolution.

The resolution was then put to vote on a show of hands and was carried nem
con.

APPOINTMENT OF STATUTORY AUDITORS

Ms. Lekha Shah moved the following resolution :

Resolution: "RESOLVED that M/s. Dalal & Shah, Chartered Accountants,
No. 6 bearing Firm Registration Number 102021W be and are hereby
appointed as Statutory Auditors of the Company including for
branch audit to hold office till the conclusion of the next Annual
General Meeting.


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FURTHER RESOLVED that the Board of Directors and/or its Audit Committee be and are hereby authorised to fix their remuneration as Statutory Auditors for the above period."

Mr. Prakash A. Vijayakar seconded the resolution.

The resolution was then put to vote on a show of hands and was carried nem con.

APPOINTMENT OF MR. HARISH CHANDRA MISHRA AS DIRECTOR

Ms. Lekha Shah moved the following resolution :

Resolution : "RESOLVED that Mr. Harish Chandra Mishra who was appointed as Additional Director of the Company by the Board of Directors with effect from 19th October 2012 under Section 260 of the Companies Act, 1956 and who holds office as such upto the date of this Annual General Meeting but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing him for the office of Director under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation."

Advocate Joseph Martin seconded the resolution.

The resolution was then put to vote on a show of hands and was carried nem con.

APPOINTMENT AND REMUNERATION OF MR. NIKHIL J. DANANI AS MANAGING DIRECTOR

Advocate Joseph Martin moved the following resolution :

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, the Company hereby approves the reappointment of Mr. Nikhil J. Danani as Managing Director for a period of 3 years with effect from 20th June 2013 on the terms and conditions and remuneration as follows :

Salary : upto Rs. 10,00,000/- (Rupees Ten Lakhs) per month as may be determined by the Board of Directors (which includes any Committee thereof) with such increments from time to time after taking into account the performance of the Company.

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Perquisites and Allowances :

- i) In addition to the salary and commission, Mr. Nikhil J. Danani is also entitled to perquisites and allowances, including furnished accommodation or house rent in lieu thereof, house maintenance allowances, together with utilities there of such as gas, electricity, water and furnishings, repairs, servants salaries, society charges and property tax, etc., medical reimbursement, 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 traveling 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 Managing Director 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 and 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 and commission shall not exceed the overall ceiling prescribed under Section 198 and 309 of the Companies Act, 1956 read with Schedule XIII of the said Act.



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Minimum Remuneration :

Notwithstanding anything to the contrary contained herein above, wherein in any financial year, during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay salary, perquisites and allowances as specified above to the Managing 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 Managing 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 Managing Director, shall not be subject to retirement by rotation during his tenure as Managing Director of the Company."

Mr. Prakash A. Vijayakar to second.

The resolution was then put to vote on a show of hands and was carried nem con.

APPOINTMENT AND REMUNERATION OF MR. NAKUL P. MEHTA AS MANAGING DIRECTOR

Advocate Joseph Martin moved the following resolution:

Resolution : "RESOLVED that pursuant to the provisions of Section 198, No. 9 269, 309, 310, 311 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, the Company hereby approves the reappointment of Mr. Nakul P. Mehta as Managing Director for a period of 3 years with effect from 20th June 2013 on the terms and conditions and remuneration as follows :

Salary : upto Rs. 10,00,000/- (Rupees Ten Lakhs) per month as may be determined by the Board of Directors (which includes any Committee thereof) with such increments from time to time after taking into account the performance of the Company.

Perquisites and Allowances :

- i) In addition to the salary and commission, Mr. Nakul P. Mehta 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 reimbursement, 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.


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- 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.
- iv) Reimbursement of actual entertainment expenses, actual travelling and hotel expenses for the Company's business and/or allowances as per the Company's Rules.

Other perquisites :

Subject to overall ceiling on remuneration mentioned herein below, the Managing Director 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 and 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 and commission shall not exceed the overall ceiling prescribed under Section 198 and 309 of the Companies Act, 1956 read with Schedule XIII of the said Act.

Minimum Remuneration :

Notwithstanding anything to the contrary contained herein above, wherein in any financial year, during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay salary, perquisites and allowances as specified above to

the Managing 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 Managing 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 Managing Director, shall not be subject to retirement by rotation during his tenure as Managing Director of the Company."

Mr. Prakash A. Vijayakar seconded the resolution .



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The resolution was then put to vote on a show of hands and was carried nem con.

Advocate Joseph Martin proposed a vote of thanks to the Chair.

Thereafter the Chairman declared the meeting closed.



CHAIRMAN

PLACE: MUMBAI

DATE:

July 15, 2013

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