



71<sup>ST</sup> ANNUAL REPORT 2017-18

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# Letter from the Executive Director

Dear Shareholders,

The Indian economy seems to be recovering slowly from the two jolts it received in recent times with respect to demonetization and the implementation of a much needed GST (Goods and Services Tax). The increased pace of growth achieved in Q3 2018 re-establishes India as one of the fastest growing economies in the world. Fortunately inflation by and large has remained in check. In January 2018, The World Bank released its 'Global Economic Prospects' report and stated that it expects India's growth rate to hit 7.3% the coming financial year. Despite these expectations and positive outlook, the fact remains that the corporate capital investment cycle, which has remained depressed for at least the last 5 years, has yet to pick up.

The **Transformer** division has managed to retain market share in a flat market with increased competition. Focus on increasing business in the non-tendered segment and improved reach in utilities has enabled us to have one of our best years in terms of production and dispatches. This has resulted in sales turnover increasing by 18%. The export market, one of our focus areas, has proved difficult to penetrate with sporadic success. Our efforts to break in to this market are ongoing. The **Motor** division has achieved significant revenue growth, and has successfully managed the operational and supply-chain transition to comply with the Government's Quality Control Order that permits only the manufacture and sale of energy efficient motors after January 2018. The division received its largest ever order from a PSU (Public Sector Undertaking). Our increased geographical reach has bolstered performance.

The **Projects** business has for the first time successfully bid for, executed, and commissioned a transmission line. We will continue to stay away from risky projects and grow in a cautious manner in this business. Our focus will remain on projects from the private sector. To increase our order input we will also consider select projects in EBOP (Electrical Balance of Plant),

lighting, and GIS (Gas Insulated Substations) segments of the market. The **Drives and Automation** division has achieved a major milestone in delivering their 10,000th drive last year. Our focus area will be on the development of the solution partner network, and to leverage synergies by offering solutions with products developed by our Magnet Technology Machines division. One area of concern remains the recent depreciation of the rupee against the Euro and the USD. The **Magnet Technology Machines (MTM)** division inaugurated a state-of-the-art manufacturing plant to cater to increased demand. While endeavoring to maintain our leadership position for elevator applications in the domestic market we are also working hard to grow exports. Our efforts in exports have yielded results through our overseas partner.

Overall the world economy seems to be improving having had one of its better years in recent times with Europe and the US showing positive signs. Let us hope this upward trend continues. Chinese growth however is expected to slow down due to its problems of excess industrial capacity and debt overhang.

What India needs now is good fiscal stimulus to kick start the Capex cycle. The bad loan problem also needs to be resolved. The government will have to inject a large amount of money into the banking system to resolve the growing number of NPAs. The new Insolvency and Bankruptcy Code is definitely a step in the right direction. However, the process of recovery and restructuring is a long and tedious one. It seems unlikely that anything is going to change dramatically before the next election.



Shome Danani  
Executive Director



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**DIRECTORS**

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

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

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

Mr. Shome N. Danani  
(Executive Director)

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

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

Mr. Ravishanker Prasad  
(Non-Executive Director)

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

Mr. Rajeshwar R. Bajaan  
(Non-Executive Independent Director)

**REGISTERED OFFICE**

Electric Mansion, 6<sup>th</sup> Floor,  
Appasaheb Marathe Marg, Prabhadevi,  
Mumbai 400 025.  
Tel. No. : 022-24306237  
Fax No. : 022-24370624

**WORKS**

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

**AUDITORS**

M/s. Deloitte Haskins & Sells LLP

**SOLICITORS**

M/s. Malvi Ranchoddas & Co.

**BANKERS**

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

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**REGIONAL OFFICES****Northern Regional Office**

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

**Western Regional Offices**

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

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

**Eastern Regional Office**

Siddha Fifth Avenue  
Space No. 3B, 3<sup>rd</sup> floor  
179 Anandapur  
Kolkata 700 107.  
Tel. No. : 033-2443 2382

**Southern Regional Office**

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

**REGISTRAR & SHARE TRANSFER AGENTS****Link Intime India Pvt. Ltd.**

C-101, 247 Park,  
L.B.S. Marg, Vikhroli (West),  
Mumbai 400 083.  
Tel. No. : +91 22 49186270  
Fax No. : +91 22 49186060  
Email id : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website : [www.linkintime.co.in](http://www.linkintime.co.in)

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE SEVENTY FIRST (71<sup>st</sup>) ANNUAL GENERAL MEETING OF THE MEMBERS OF BHARAT BIJLEE LIMITED WILL BE HELD AT 3.00 P.M. ON THURSDAY, JUNE 28, 2018 AT THE "WALCHAND HIRACHAND HALL, INDIAN MERCHANTS' CHAMBER BUILDING, VEER NARIMAN ROAD, CHURCHGATE, MUMBAI 400020, TO TRANSACT THE FOLLOWING BUSINESSES:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements, namely (i) Audited Balance Sheet as at March 31, 2018, (ii) Audited statement of Profit and Loss for the financial year ended on that date (iii) Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the Financial Year 2017-2018.
3. To appoint a Director in place of Mr. Ravishanker Prasad (DIN 06641845), who retires by rotation and, being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution for the ratification of Remuneration payable to the Cost Auditors of the Company for the Financial Year 2018-2019:

"RESOLVED THAT pursuant to the provisions of Sections 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) / re-enactment(s) / amendment(s) thereof, for the time being in force), the remuneration payable to Messrs. P M Nanabhoy & Co., Cost Accountants (Firm Registration No. 000012), appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, amounting to ₹ 98,000/- (Rupees Ninety Eight Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses incurred by them during the course of audit, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof)

or the Company Secretary be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

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

Place: Mumbai  
Date: May 10, 2018

**Registered Office:**

Electric Mansion, 6<sup>th</sup> Floor  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025  
CIN: L31300MH1946PLC005017

**NOTES:**

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

THE 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 (48) HOURS BEFORE THE COMMENCEMENT OF THE AGM.

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

- ii. Corporate Members intending to send their authorised representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the AGM.

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- iii. Member / Proxies / Authorised Representatives are requested to bring to the AGM, the enclosed Attendance Slip sent along with the Annual Report duly completed and signed mentioning therein details of their DP ID and Client ID / Folio Number.
- iv. A Proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on a poll.
- v. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of this Notice. The relevant information of the Directors seeking re-appointment, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Revised Secretarial Standard-2 (SS-2) on General Meetings, is also annexed hereto and forms part of this Notice. Requisite declaration has been received from the Director for seeking re-appointment.
- vi. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- vii. As per the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members are advised to make nomination in respect of their shareholding in the Company. The Nomination Form (SH-13) can be downloaded from the Company's website, [www.bharatbijlee.com](http://www.bharatbijlee.com). Members holding shares in physical form should file their nomination with M/s Link Intime India Private Limited, Company's Registrar and Share Transfer Agents, whilst those Members holding shares in dematerialized mode should file their nomination with their Depository Participant(s).
- viii. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agents.
- ix. 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 Thursday, June 21, 2018 to Thursday, June 28, 2018 (both days inclusive).
- x. Members holding shares in physical form are requested to promptly notify in writing any changes in their address / bank account details / e-mail address / mandates / nominations / power of attorney / contact numbers etc., to Link Intime India Pvt. Ltd., Unit: Bharat Bijlee Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, Tel : +91 22 49186000, Fax : +91 22 49186060.
- xi. Members holding shares in electronic form are requested to intimate immediately any changes pertaining to their address / bank account details / e-mail address / mandates, nominations / power of attorney / contact numbers etc., if any, directly to their Depository Participant(s) with whom they maintain their demat accounts.
- xii. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend(s). The Company or its Registrar and Share Transfer Agent, Link Intime India Private Limited, cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective depository participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend(s) are requested to write to the Company.
- xiii. The payment of Dividend, as recommended by the Board of Directors, if declared at the 71<sup>st</sup> AGM, would commence from July 5, 2018, to those Members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Wednesday, June 20, 2018, and in respect of shares held in electronic form, to the Beneficial Owners of the shares as at the close of business hours on Wednesday, June 20, 2018, as per the details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
- xiv. In accordance with the provisions of Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules thereto, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Accordingly, the Notice of the AGM along with the Annual Report of the Company for

the financial year 2017-2018, Attendance Slip, Proxy Form and Route Map, is being sent by electronic mode to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) unless any Members have requested for a physical copy of the same. For Members who have not registered their e-mail address, a physical copy of the said Annual Report and Notice is being sent through permitted mode.

- xv. To support '**Green Initiative**', the Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form or with the Company, in case shares are held in physical form.
- xvi. The Notice of the 71<sup>st</sup> AGM, Attendance Slip, Proxy Form, Route Map and the Annual Report 2017-18 circulated to the Members of the Company, will also be hosted on the Company's website at [www.bharatbijlee.com](http://www.bharatbijlee.com) and also on the website of the respective Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
- xvii. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through remote e-Voting, the said resolutions will not be decided on a show of hands at the AGM.
- xviii. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), (including any statutory modification(s) / re-enactment(s) / amendment(s) thereof, for the time being in force), the dividend which remains unclaimed / unpaid for a period of seven (7) years from the date of transfer to the unpaid dividend account of the Company, is required to be transferred to the Investor Education and Protection Fund Authority ('IEPF') of the Central Government. Also, according to the IEPF Rules, the Shares in respect of which dividend has not been paid / claimed by the Shareholders for seven (7) consecutive years or more, is required to be transferred to demat IEPF account created by the IEPF Authority.

Further, in compliance with the provisions laid down in IEPF Rules, the Company had sent notices and also advertised in the newspapers seeking action from

Shareholders who have not claimed their dividends for seven (7) consecutive years or more. Accordingly, Company has transferred all corresponding equity shares for the financial year ended March 31, 2010, on which dividend was not encashed / remained unclaimed, to the Demat Account of the IEPF, the due date of which was November 30, 2017 (as per the Notification issued by Ministry of Corporate Affairs, dated October 16, 2017). It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules.

However, the Shareholders are entitled to claim their equity shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in Form IEPF-5 and sending a physical copy of the Form IEPF-5 duly signed by all the joint shareholders, if any, as per the specimen signature recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's RTA. The Rules and Form IEPF-5, as prescribed, for claiming back the shares, are available on the website of the IEPF, i.e., on [www.iepf.gov.in](http://www.iepf.gov.in). It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules.

Members are informed that the unclaimed dividend for the financial year March 31, 2011 shall be transferred to the IEPF established by the Central Government by the last week of July, 2018. Members who have not claimed the dividends declared for the financial year March 31, 2011 were notified to lodge their claim on or before May 30, 2018 with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. The Company has already sent reminders to all such Members at their registered address in this regards.

Further, all the shareholders who had not encashed/ claimed their dividends in the last seven (7) consecutive years from 2010-2011 were notified to claim the same by May 30, 2018. In case valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. In this regard, the Company has individually informed the shareholders concerned and also published notice in the newspapers as per the IEPF Rules. The details of such shareholders and shares due for transfer are uploaded on the "Investors Relations Section" of the website of the Company viz. [www.bharatbijlee.com](http://www.bharatbijlee.com).

The details of the Shareholders whose equity shares had been transferred to the Demat Account of the IEPF is available on the website of the Company, i.e., on [www.bharatbijlee.com](http://www.bharatbijlee.com).

**xix. Voting through electronic means**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time-to-time and Regulation 44 of Securities and Exchange Board of India (Listing Regulations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (Revised w.e.f. October 1, 2017), the Company is pleased to provide to its Members, facility to exercise their right to vote on the resolutions proposed to be considered at the ensuing 71<sup>st</sup> AGM, by electronic means. The Members may cast their votes using "remote e-voting" (e-voting from place other than venue of the Annual General Meeting) facility to exercise their right to vote on all matters listed in this Notice, by electronic means.

For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating remote e-voting to enable all its Members to cast their vote electronically.

**The instructions for e-voting are as under:**

- a. Members holding shares in physical form or in demat form as on Wednesday, June 20, 2018, the cut-off date shall only be eligible for e-voting. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
- b. **The remote e-voting period will commence at 9.00 a.m. on Monday, June 25, 2018 and will end at 5.00 p.m. on Wednesday, June 27, 2018.** During this period the eligible Members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- c. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- d. Click on Shareholders / Members.

- e. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- f. Next enter the Image Verification as displayed and Click on Login.
- g. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- h. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records to log in. <ul style="list-style-type: none"> <li>If the details are not recorded with the depository or company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (e)</li> </ul>

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

- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the EVSN of 'Bharat Bijlee Limited' on which you choose to vote.
- m. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- r. If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- s. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- t. Note for Non-Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

#### **General Instructions:**

- (i) The voting rights of Members shall be in proportion of their shares in the total paid-up equity share capital of the Company as on Wednesday, June 20, 2018, being the cut-off date.
- (ii) The facility for voting through ballot shall also be made available at the AGM and Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their voting right at the AGM.
- (iii) The Members who have casted their votes by remote e-voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote again.
- (iv) Any Person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cutoff date i.e., Wednesday, June 20, 2018, may obtain the login id and password by sending a request to Link Intime India Pvt. Ltd., Unit: Bharat Bijlee Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, Tel: +91 22 49186000, Fax: +91 22 49186060.
- (v) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual

available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- (vi) The letter of appointment of representative(s) of the President of India or the Governor of a State; or the authorization in respect of the Corporations shall be received by the Scrutinizer / Company on or before close of remote e-voting.
- (vii) Mr. Navnitlal L. Bhatia (Membership Number: FCS 1176, CoP Number: 422) or failing him Mr. Bharat Upadhyay (Membership Number: FCS 5436, CoP Number: 4457) or failing him Mr. Bhaskar Upadhyay (Membership Number: FCS 8663, CoP Number: 9625), of Messrs N. L. Bhatia & Associates, Practicing Company Secretaries has been appointed by the Company to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (viii) The Chairman shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of ballot paper for all those Shareholders who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (ix) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in presence of at least two (2) witnesses not in the employment of the Company and shall within a period not exceeding forty eight (48) hours from the conclusion of the meeting make a consolidated Scrutinizer's Report of the total votes cast in favour or against each of the resolutions as set out in this Notice, if any, and submit the same to the Chairman or a person authorized by him in writing, for counter signature.
- (x) The Results shall be declared by the Chairman, or a person authorized by the Chairman. The Results declared along with the Scrutinizer's Report shall be immediately placed on the Company's website viz., [www.bharatbijlee.com](http://www.bharatbijlee.com).

com and on the website of CDSL, viz., [www.evotingindia.com](http://www.evotingindia.com), and will be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The result will also be posted on the notice board of the Company at the registered office.

- (xi) The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be kept open for inspection at the AGM. All documents referred to in this Notice and Statement setting out material facts will be available for inspection by the Members at the Registered Office of the Company between 10.00 a.m. and 12 noon on all working days except Saturdays, Sundays and national holidays, from the date hereof up to the date of the 71<sup>st</sup> AGM.
- (xii) For security reasons and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip, which is annexed to the Proxy Form. Members / Proxies are requested to bring their Attendance Slip complete in all respects and signed at the place provided there at and hand it over at the entrance of the venue.
- (xiii) Members desiring any information relating to the annual accounts of the Company are requested to write to the Company Secretary at the Registered Office address or by sending an email to [investorcare@bharatbijlee.com](mailto:investorcare@bharatbijlee.com), at least 10 days before the AGM, to enable the Company to keep the information ready at the Meeting.
- (xiv) As per the Secretarial Standard-2 (SS-2) on 'General Meetings', a Route Map showing direction to reach the venue of the 71<sup>st</sup> Annual General Meeting is given at the end of this Notice.

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

**ANNEXURE TO THE NOTICE**

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**Explanatory Statement setting out material facts under Section 102 of the Companies Act, 2013****Item No. 4**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with the Companies (Cost Records and Audit) Rules, 2014, (including any amendment(s), modification(s), variation or re-enactment thereof for the time being in force), the Board of Directors of the Company shall appoint an individual who is a cost accountant in practice or a firm of cost accountants in practice, as Cost Auditor, on the recommendations of the Audit Committee. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the Members.

On the recommendation of Audit Committee at its meeting held on Thursday, May 10, 2018, the Board has considered and approved appointment of Messrs P.M. Nanabhoy & Co., Cost Accountants, for the conduct of the Cost Audit of the Company's various products for the financial year 2018-2019, at remuneration as mentioned in the resolution forming part of this Notice.

Accordingly, consent of the Members is sought to the Resolution as set out at Item No. 4 of the Notice as an Ordinary Resolution for approval and ratification.

None of the Directors and / or Key Managerial Personnel of the Company and / or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

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

Place: Mumbai  
Date: May 10, 2018

**Registered Office:**

Electric Mansion, 6<sup>th</sup> Floor  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025  
CIN: L31300MH1946PLC005017

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**BRIEF PROFILE OF DIRECTOR BEING APPOINTED/RE-APPOINTED AT THE FORTHCOMING 71<sup>ST</sup> ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)**

**1. Mr. Ravishanker Prasad:**

Name of the Director	Mr. Ravishanker Prasad
Date of Birth	February 4, 1956
Date of Appointment on the Board	January 22, 2014
Qualification	Mr. Prasad has a Bachelor's Degree in Arts and Law.
Brief profile & nature of his expertise in specific functional areas	Mr. Prasad has vast experience in marketing, finance, administration and insurance business.
Directorship held in other companies	Mr. Prasad is not a Director on the board of any other Company
Membership / Chairmanships of committees across all other companies	Mr. Prasad is not a Member / Chairman of any Committee across all other companies.
Shareholding of Non-Executive Directors in the Company	Mr. Prasad does not hold any shares in the Company.
Relationships between Directors <i>inter-se</i>	Mr. Prasad 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  
 ACS 5777

Place: Mumbai  
 Date: May 10, 2018

**Registered Office:**

Electric Mansion, 6<sup>th</sup> Floor  
 Appasaheb Marathe Marg,  
 Prabhadevi, Mumbai 400 025  
 CIN: L31300MH1946PLC005017

Route Map to the venue of 71<sup>st</sup> Annual General Meeting to be held on Thursday, June 28, 2018.



## REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors are pleased to present their 71<sup>st</sup> Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2018.

### GENERAL OUTLOOK OF INDUSTRY AND ECONOMY:

The previous year has seen a lot of disturbances in the business environment especially after demonetization and GST rollout. As GST related operational issues get sorted over time, we expect a gradual recovery in economic activity. While the demand-supply position still remains unfavorable, we continue to focus on volume growth without substantially compromising the margins. This is important to maintain our market position while we wait for a meaningful revival of capital expenditure cycle.

We continue to focus on building our order book and customer connect while simultaneously working on enhancing our internal capabilities to capitalize on the next business cycle.

### FINANCIAL PERFORMANCE:

	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Revenue from operations	<b>78,980.95</b>	74,970.35
Other Income	<b>2,116.88</b>	2,673.19
	<b>81,097.83</b>	77,643.54
Profit before Interest & Financial Charges, Depreciation, Exceptional items and Tax	<b>5,449.61</b>	4,387.92
Less: Interest and Financial Charges	<b>1,928.27</b>	1,594.82
Less: Depreciation	<b>931.44</b>	987.42
Profit before Exceptional items and Tax	<b>2,589.90</b>	1,805.68
Add: Exceptional items	<b>4677.92</b>	0.00
Profit before Tax	<b>7,267.82</b>	1,805.68
Less: Provision for Taxation	<b>1,171.06</b>	363.86
Profit after Taxation	<b>6,096.76</b>	1,441.82
Add: Profit Brought Forward	<b>5,341.71</b>	3,800.60
Add: Other Comprehensive Income arising from remeasurement of Defined Benefit Plan (net of tax)	<b>68.80</b>	99.29
<b>Profit Carried Forward</b>	<b>11,507.27</b>	5,341.71

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

### DIVIDEND:

In line with the improved financial performance as compared to previous three (3) financial years, your Directors are pleased to recommend a dividend of ₹ 2.50 (Rupees Two and Paise Fifty) (25%) (Previous year NIL) per equity share of ₹ 10/- (Rupees Ten only) each, for the financial year 2017-2018. The dividend, if approved by the Members at the 71<sup>st</sup> Annual General Meeting will result in the total dividend appropriation of ₹ 170.33 lakhs including dividend distribution tax of ₹ 29.04 lakhs (Previous year NIL).

### OPERATIONS:

The Company had to maintain its operations amidst disruptions caused by GST implementation and mandatory shift to IE2 (High Efficiency) electric motors from earlier IE1 (Standard Efficiency) electric motors. Private spending and investment relating to capital goods did not show any remarkable recovery during the year.

Income from Sales and Services (Net of Excise duty) for the Company increased from ₹ 67,747.33 lakhs in the previous year to ₹ 77,399.06 lakhs, a rise of 14%. With continued focus on deeper market penetration and value engineering, the profit before exceptional items and tax improved from ₹ 1,805.68 lakhs in the previous year to ₹ 2,589.90 lakhs. During the year, an exceptional income before tax of ₹ 4677.92 lakhs accrued to the Company on surrender of a part of its leasehold factory land at Navi Mumbai to Maharashtra Industrial Development Corporation for a public road project.

### FINANCE:

Increase in sales, GST and elongated working capital cycle caused negative cash flows from operations and caused an increase of ₹ 333.45 lakhs in finance cost for the year. The Company managed enough lines of credit to ensure a smooth flow of operations. The free Reserves of the Company as on March 31, 2018 increased by ₹ 6,165.56 lakhs to ₹ 35,978.64 lakhs.

During the year, ₹ 9.67 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. Productivity level continued to be subject to continuous monitoring.

Employee strength as on March 31, 2018 was 1,603 as compared to 1,540 in the previous year.

**SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES:**

The Company has no Subsidiary/Joint Venture/Associate Companies during the Financial year ending March 31, 2018. Accordingly, a statement under the provisions of Section 129(3) of the Companies Act, 2013, containing salient features of the financial statements of the Company's subsidiary(ies) in Form AOC-1 is not enclosed.

**DEPOSITS:**

The Company has not accepted/renewed any fixed deposits from the public or the Members, within the meaning of Section 73 of the Companies Act, 2013, read with Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, during the financial year 2017-2018, and, as such, no amount of principal or interest on deposits from public or the Members, was outstanding as of the Balance Sheet date.

**MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR AND TILL THE DATE OF THIS REPORT:**

Except as disclosed elsewhere in this Board's Report, no material changes and commitments which could affect the Company's financial position have occurred since the close of the financial year, i.e., March 31, 2018 till the date of this Board's Report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

**DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate and commensurate with the size, scale and complexity of its operation. The internal controls are tested for adequacy, efficiency and effectiveness through audits by the in-house internal audit department and the observations, corrective and preventive actions are reviewed by the management and Audit Committee of the Board of Directors.

During the financial year under review, no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such controls.

**INDIAN ACCOUNTING STANDARDS:**

Your Company has adopted Indian Accounting Standards ('Ind AS') with effect from April 1, 2017. Financial Statements for the year ended March 31, 2018 have been prepared in accordance with Ind AS notified under the Companies

(Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, the Companies (Indian Accounting Standards) Rules, 2017 read with Section 133 and other applicable provisions of the Companies Act, 2013. Previous periods figures have been re-stated to confirm to Ind AS, for comparative information.

Note No. 2.24 to the financial statement provides further explanation on the transition to Ind AS.

**GOODS AND SERVICES TAX (GST)**

Goods and Service Tax (GST) came into effect from July 1, 2017 through the implementation of One Hundred and First Amendment of the Constitution of India. The tax replaced existing multiple cascading taxes levied by the Central and State Governments.

Your Company has successfully implemented and migrated to GST followed by the changes across various departments/operations of the Company.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:**

There are no significant and/or material orders passed by the Regulator(s) or Court(s) or Tribunal(s) impacting the going concern status of the Company and its business operations in future.

**PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:**

All contracts/arrangements/transactions entered by the Company during the financial year 2017-2018, with related parties, as defined under Section 188 of the Companies Act, 2013 and the Rules made there under and as per the applicable provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as "the Listing Regulations"), were in the ordinary course of business and on arm's length basis. Further no material related party transactions were entered during the Financial Year under review, by your Company. Accordingly, disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, in Form AOC-2, is not applicable to your Company.

Further, all such contracts/arrangements/transactions were placed before the Audit Committee and Board, for their approval. Prior omnibus approval of the Audit Committee/Board is obtained on an annual basis, which is reviewed and updated on quarterly basis.

Your Company has formulated a policy on Related Party Transactions, which is also available on the website of the Company, [www.bharatbijlee.com](http://www.bharatbijlee.com).

Your Directors draw attention of the Members to Note No. 35.2 of Financial Statements which sets out disclosures on related parties and transactions entered into with them during the financial year under review.

**PARTICULARS OF LOANS, GUARANTEE, INVESTMENTS AND SECURITIES:**

Particulars of loans, guarantees, investments and securities provided during the financial year under review, covered under the provisions of Section 186 of the Companies Act, 2013, have been provided in the Financial Statements which forms part of this Annual Report. (Please refer Note Nos. 5, 8, 10 and 12 to the Financial Statements).

**PARTICULARS OF LOANS/ADVANCES/INVESTMENTS AS REQUIRED UNDER THE LISTING REGULATIONS:**

The details of related party disclosures with respect to loans/advances/investments at the year end and maximum outstanding amount thereof during the year, as required under [Part A of Schedule V of the Listing Regulations have been provided in the notes to the Financial Statements of the Company. (Please refer Note Nos. 5, 8, 10 and 12 to the Financial Statements)].

**DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

**DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:**

The Company has not issued any sweat equity shares during the financial year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

**DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the financial year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

**DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:**

During the financial year under review, there were no instances of non-exercising of voting rights in respect of

shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 and hence no information has been furnished.

**BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ravishanker Prasad (DIN 06641845), Non-Executive Director, being longest in the office, shall retire by rotation at the ensuing 71<sup>st</sup> Annual General Meeting and being eligible, offers himself for re-appointment.

During the period under review, Mr. Shome N. Danani (DIN 00217787) was re-appointed as a Whole-time Director, designated as "Executive Director" of the Company, for a period of three (3) years w.e.f. January 28, 2017, at the 70th Annual General Meeting of Members held on June 30, 2017. His re-appointment and remuneration is in terms of Section 196, 197, 198, 200 and 203 read with Section II Part II, of Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Except as explained hereinabove, there were no changes in Directorship of the Company as well as in Key Managerial Personnel category during the period under review. As on March 31, 2018, your Company has Nine (9) Directors consisting of four (4) Independent Directors, Three (3) Executive Directors and Two (2) Non-Executive Directors, including one (1) Woman Director.

None of the Directors of your Company is disqualified under the provisions of Section 164(2)(a) and (b) of the Companies Act, 2013.

During the period under review, no Non-Executive Director of the Company had any pecuniary relationship or transactions with the Company.

Further, necessary resolutions relating to Directors who are seeking re-appointment, as required under Regulation 36 of the Listing Regulations/SS-2, is disclosed as part of the Notice dated May 10, 2018 of the ensuing 71<sup>st</sup> Annual General Meeting.

As for the requirement under the provisions of Section 203 of the Companies Act, 2013, the Board of Directors noted that Mr. Nikhil J. Danani (DIN: 00056514), Managing Director, Mr. Nakul P. Mehta (DIN: 00056561), Managing Director, Mr. Shome N. Danani (DIN: 00217787), Executive Director, Mr. Durgesh N. Nagarkar, Company Secretary and Mr. Sandeep M. Tilak, Chief Financial Officer, are the Key Managerial Personnel of the Company as on the date of this Board's Report.

**DECLARATIONS BY INDEPENDENT DIRECTORS:**

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations, the Company has received individual declarations from all the Independent Directors, whose names are appended herein below, confirming that they fulfill the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the rules made there under to hold the office of Independent Director of the Company for the financial year ended March 31, 2018.

1. Mr. Prakash V. Mehta;
2. Mr. Sanjiv N. Shah;
3. Mr. Jairaj C. Thacker; &
4. Mr. Rajeshwar R. Bajaj;

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

**NUMBER OF MEETINGS OF THE BOARD:**

A notice of the Board Meeting is circulated well in advance with the Agenda, including detailed explanation to be discussed, to enable the Board to take an informed decision. The Board met five (5) times during the financial year ended March 31, 2018 viz., on May 19, 2017, June 30, 2017, August 24, 2017, November 24, 2017 and January 24, 2018, in accordance with the provisions of the Companies Act, 2013 and rules made there under and Listing Regulations. Detailed information on the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been included in the Corporate Governance Report, which forms part of this Board's Report.

Additionally, during the financial year ended March 31, 2018 a separate meeting of the Independent Directors was convened on January 24, 2018, in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations. However, since half the number of Directors were not present, it was adjourned and held on March 31, 2018.

Post the Independent Directors Meeting, the collective feedback of each of the Independent Director was scaled and measured on defined ratings, thereby covering the performance of Board as a whole, performance of the non-independent directors and performance of the Chairman.

**AUDIT COMMITTEE:**

An Audit Committee as constituted by the Board of Directors of the Company, in accordance with the provisions of

Section 177 of the Companies Act, 2013, comprises Independent Directors, namely:

1. Mr. Sanjiv N. Shah (Chairman) (Din: 00007211);
2. Mr. Prakash V. Mehta (Member) (DIN: 00001366); and
3. Mr. Jairaj C. Thacker (Member) (DIN: 00108552).

All the recommendations made by the Audit Committee during the financial year under review were accepted by the Board. The terms of reference of Audit Committee and other details are included in the Corporate Governance Report.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee ('NRC') as constituted by the Board of Directors of the Company, in accordance with the provisions of Section 178(3) of the Companies Act, 2013, comprises:

1. Mr. Sanjiv N. Shah (Chairman) (Din: 00007211);
2. Mr. Prakash V. Mehta (Member) (DIN: 00001366); and
3. Mr. Jairaj C. Thacker (Member) (DIN: 00108552)

Further the NRC has formulated necessary policy on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director. The details of "Nominations and Remuneration Policy" are explained in the Report on Corporate Governance along with the other details, which forms part of this Board's Report and are also available on the website of the Company, [www.bharatbijlee.com](http://www.bharatbijlee.com).

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholder Relationship Committee ('SRC') as constituted by the Board of Directors of the Company, in accordance with the provisions of Section 178 of the Companies Act, 2013, comprises:

1. Mr. Prakash V. Mehta (Chairman) (Din: 00001366);
2. Mr. Sanjiv N. Shah (Member) (DIN: 00007211);
3. Mr. Nikhil J. Danani (Member) (DIN: 00056514); and
4. Mr. Nakul P. Mehta (Member) (DIN: 00056561)

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

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Corporate Social Responsibility (CSR) Committee comprises of

1. Mr. Nakul P. Mehta (Chairman) (DIN: 00056514);
2. Mr. Shome N. Danani (Member) (DIN: 00217787); and
3. Mr. Jairaj C. Thacker (Member) (DIN: 00108552).

The CSR Policy of your Company as approved by the Board of Directors' is hosted on the Company's website, [www.bharatbijlee.com](http://www.bharatbijlee.com).

The frequency of CSR Committee meetings is decided by the Chairman and Members of the committee, with a minimum frequency of once a year. Over the last financial year under review, the CSR Committee has met once, i.e., on January 24, 2018, wherein all the three (3) Members were present.

The Annual Report on CSR activities as required under Section 134 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, including a brief outline of the Company's CSR Policy, total amount to be spent under CSR Policy for the financial year 2017-2018, amount unspent and the reason for the unspent amount, is set out at Annexure I, forming part of this Board's Report.

#### **EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out evaluation of its own performance, its Committees and individual Directors. The evaluation process has been explained in the Report on Corporate Governance, which forms part of this Board's Report.

Also, the Independent Directors, at their meeting held on March 31, 2018 reviewed the performance of the Board, its Chairman and Non-Executive Directors of the Company.

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

Risk Management is an enterprise wide function that aims at assessing threats to business sustainability and mitigating those threats. The Board of Directors along with the senior management of the Company, having deep industry experience has developed and approved Risk Management Policy framework and Guidelines, wherein all material risks faced by the Company are identified and assessed. Moreover in the said Risk Management Policy the Board has defined a structured approach to manage uncertainty, cultivating the same in their decision making pertaining to all business divisions and corporate functions. For each of the risks identified, corresponding controls are assessed and policies and procedures are put in place for monitoring, mitigating and reporting on periodic basis.

#### **VIGIL MECHANISM POLICY:**

Pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, a "Vigil Mechanism Policy" for Directors and employees of the Company is in place, to report their genuine concern of

any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct etc. During the financial year under review, no employee has been denied access to the Chairman of the Audit Committee. Also, Whistle blower complaints, if any and their redressal are discussed at the meeting of Audit Committee of the Board. During the financial year under review, no such complaints were received.

The details of "Vigil Mechanism Policy" are available on the website of the Company (<http://www.bharatbijlee.com>).

#### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

Your Company has zero tolerance policy in case of sexual harassment at workplace and is committed to provide a healthy environment to each and every employee of the Company. The Company has in place 'Policy for Prevention and Redressal of Sexual Harassment' in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (hereinafter referred as "the said Act") and Rules made there under. As per the provisions of Section 4 of the said Act, the Board of Directors has constituted the Internal Complaints Committee ('ICC') at the Registered Office, Works and at all the Regional Offices of the Company to deal with the complaints received by the Company pertaining to gender discrimination and sexual harassment at workplace.

The ICC has been constituted covering the offices at Mumbai/Navi Mumbai, consisting of the following Members:

Sr. No.	Name of Officer	Designation	Position in Committee
1.	Ms. Aarti Madhankar	General Manager, Human Resources	Presiding Officer
2.	Mr. Durgesh N. Nagarkar	Company Secretary & Senior General Manager	Member
3.	Mr. Nitin R. Rathod	General Manager, Employee Relations	Member
4.	Ms. Anjali Ranade	Senior Manager, Design	Member
5.	Ms. Renu Rao	General Manager, Business Solutions (Information Technology)	Member

Also, each branch of the Company, has its own ICC consisting of officers from Serial no. 1, 3 and 4, as mentioned herein above, along with two more members employed at the branches, one of them consisting of a woman employed in those respective branches.

During the financial year under review, your Company appointed a reputed agency to design the awareness programme in line with the said Act. With the help of this agency, HR Division conducted various sessions in

batches for sensitizing our employees with the provision of the said Act.

Further, as per the provisions of Section 21 & 22 of the said Act, the Report on the details of the number of cases filed under Sexual Harassment and their disposal for the financial year under review, is as under:

Sr. No.	No. of cases pending as on the beginning of the financial year under review	No. of complaints filed during the financial year under review	No. of cases pending as on the end on the financial year under review
1.	Nil	Nil	Nil

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and the Directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the Profit and Loss of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts of the Company have been prepared on a going concern basis;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules,

2016 ('IEPF Rules'), (including any statutory modification(s)/ re-enactment(s)/amendment(s) thereof, for the time being in force), the dividend which remains unclaimed/unpaid for a period of seven (7) years from the date of transfer to the unpaid dividend account of the Company, is required to be transferred to the Investor Education and Protection Fund Authority ('IEPF') established by the Central Government. Also, according to the IEPF Rules, the shares in respect of which dividend has not been paid/claimed by the Shareholders for seven (7) consecutive years or more, shall also be transferred to demat account created by the IEPF Authority.

Further, in compliance with the provisions laid down in IEPF Rules, the Company had sent notices and also advertised in the newspapers seeking action from Shareholders who have not claimed their dividends for seven (7) consecutive years or more. Accordingly, for the financial year ended March 31, 2010, the Company has transferred all corresponding equity shares on which dividend remained unclaimed for a period of seven (7) years, to the Demat Account of the IEPF, the due date of which was November 30, 2017 (as per the Notification issued by Ministry of Corporate Affairs, dated October 16, 2017). It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules.

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

Members who have not claimed the dividends declared for the financial year March 31, 2011 were notified to lodge their claim on or before May 30, 2018, with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. The Company has already sent reminders to all such Members at their registered address in this regards.

Further, all the shareholders who have not claimed their dividends in the last seven (7) consecutive years from 2011 were notified to claim the same by May 30, 2018. In case valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. In this regard, the Company has individually informed the shareholders concerned and also published notice in the newspapers as per the IEPF Rules. It may please be noted that no

claim shall lie against the Company once such share(s)/dividend transferred to IEPF demat account, pursuant to the said Rules.

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

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

#### **PARTICULARS OF EMPLOYEES AND REMUNERATION:**

Information as required under the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s)/amendment(s)/re-enactment thereof, for the time being in force), is set out in **Annexure II** hereto, which forms part of this Board's Report.

#### **CORPORATE GOVERNANCE:**

As stipulated under the provisions of Regulation 34(3) read with Schedule V (C) of the Listing Regulations, a separate Report on Corporate Governance enclosed as **Annexure V**, forms integral part of this Board's Report. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. The requisite Compliance Certificate as required under Part E of Schedule V of the Listing Regulations, issued by Messrs N. L. Bhatia and Associates, Practicing Company Secretaries, Mumbai, Secretarial Auditors of the Company, pertaining to the compliance of conditions of Corporate Governance, is annexed.

#### **MANAGEMENT DISCUSSION AND ANALYSIS (MDA) REPORT:**

Pursuant to Regulation 34(3) read with Schedule V (B) of the Listing Regulations, a separate report on Management Discussion and Analysis ('MDA') forms part of this Annual Report.

#### **STATUTORY AUDITOR AND THEIR REPORT:**

In compliance with the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s)/re-enactment(s)/amendment(s) thereof, for the time being in force), Messrs Deloitte Haskins & Sells, LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018) were appointed as Statutory Auditors at the 70<sup>th</sup> Annual General Meeting of the Company held on June 30, 2017, to hold office for a term of five (5) consecutive years from the conclusion of the 70<sup>th</sup> Annual General Meeting until the conclusion of the

75<sup>th</sup> Annual General Meeting, subject to the ratification at the Annual General Meeting in each of the subsequent years during the aforementioned term of their appointment.

However, with the Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs ('MCA'), the first proviso to section 139(1) of the Companies Act, 2013 pertaining to the requirement of annual ratification of appointment of Auditors by Members is omitted.

Accordingly, as per the Companies (Amendment) Act, 2017, ratification of the appointment of Statutory Auditors during their period of appointment will not be considered.

#### **OBSERVATIONS OF STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018:**

The Auditor's report given by Messrs Deloitte Haskins & Sells, LLP, Statutory Auditors, on the Financial Statements of the Company, for the year ended March 31, 2018, forms part of the Annual Report. There has been no qualification, reservation or adverse remark or any Disclaimer in their Report.

#### **REPORTING OF FRAUDS:**

There have been no frauds reported by the Auditors, under sub section (12) of Section 143 of the Companies Act, 2013 (including amendments), during the financial year under review, to the Audit Committee or the Board of Directors and hence, as such there is nothing to report by the Board under Section 134 (3)(ca) of the Companies Act, 2013.

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

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

#### **SECRETARIAL AUDITORS AND THEIR REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed Messrs N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (Firm Registration No.: P1996MH055800), as its Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2017-2018.

The Report on Secretarial Audit for the financial year 2017-2018, in Form MR-3, as **Annexure VI**, forms integral part of this Board's Report. There has been no qualification, reservation or adverse remark or any Disclaimer in their Report.

In terms of Section 204 of the Companies Act, 2013, on the recommendation of the Audit Committee, the Board

of Directors appointed Messrs N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai, (Firm Registration No.: P1996MH055800), as the Secretarial Auditors of the Company for the financial year 2018-2019. The Company has received their consent for the said appointment.

**COST AUDITORS AND THEIR REPORT:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 (including any amendment(s), modification(s), variation or re-enactment thereof for the time being in force), and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated May 10, 2018, have appointed Messrs P. M. Nanabhoy & Co., Cost Accountants (Firm Registration No.: 000012), as the Cost Auditors of the Company, for the financial year 2018-2019, to audit the cost records of Electric Motors, Power Transformers, Drives and Magnet Technology Machines. A resolution for ratification of the payment to be made for such appointment is included in the Notice of the ensuing 71<sup>st</sup> Annual General Meeting.

A Certificate from Messrs P. M. Nanabhoy & Co., has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and the Rules framed there under.

For the financial year ending March 31, 2017, the due date of filing the Cost Audit Report submitted by Messrs. P. M. Nanabhoy & Co., Cost Accountants, Mumbai, was September 23, 2017 and the same was filed with the MCA on September 22, 2017.

**EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, the Extract of the Annual Return for the financial year ended March 31, 2018 made under

the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is attached as **Annexure III**, which forms part of this Board's Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in **Annexure IV** which forms part of this Board's Report.

**ACKNOWLEDGEMENT:**

Employee relations throughout the Company were harmonious. The Board wishes to place on record its appreciation to all employees in the Company, for their sustained efforts and immense contributions to the good levels of performance and growth that your Company has achieved during the financial year under review.

Your Directors also place on record their sincere thanks and appreciation for the continuing support and assistance received from the financial institutions, banks, Government as well as non-government authorities, customers, vendors, stock exchange and members during the financial year under review.

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

**Prakash V. Mehta**  
DIN 00001366  
Chairman

Place: Mumbai  
Date: May 10, 2018

**ANNEXURE I**
**ANNUAL REPORT ON CSR ACTIVITIES**
**1. A brief outline of the CSR policy adopted by the Company, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs:**

The Company has formulated a Corporate Social Responsibility (CSR) Policy stated in the link mentioned below pursuant to Section 135 of the Companies Act, 2013 and Notification dated February 27<sup>th</sup>, 2014, issued by the Ministry of Corporate Affairs under the said Section.

The framework of our CSR policy rests on principles of:

- Empowerment;
- Environment; &
- Employee Participation.

The following are the areas of emphasis for CSR activities under the CSR policy:

- a. The activities carried out under this CSR policy will be in the areas of health, education, livelihood/income generation and environment.
- b. These activities will be carried out in partnership with registered NGOs and Trusts who are already working in the respective fields.
- c. Monthly reports will be provided to the CSR committee and also annual consolidated report.
- d. Surplus arising out of the CSR Projects/programmes/activities, if any, shall not form part of business profits.

Web-link to the CSR Policy: <http://www.bharatbijlee.com/media/1200/csr-policy.pdf>

**2. The composition of the CSR Committee:**

The CSR Committee comprises of the following members:

- a. Mr. Nakul P. Mehta (Chairman);
- b. Mr. Shome N. Danani (Member);
- c. Mr. Jairaj C. Thacker (Member).

**3. Average Net Profit/(Loss) of the Company for last three financial years:**

The Company has incurred average net loss of ₹ 1,742.42 lakhs for the last three (3) financial years.

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

The Company is not required to spend any amount in view of average net loss during the last three financial years.

**5. Details of CSR spent during the financial year:**

- a. Total amount to be spent for the financial year: NIL
- b. Amount unspent if any: N.A.
- c. Manner in which the amount spent during the financial year under review, is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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**6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:**

The Chairman of the CSR Committee, at its meeting held on January 24, 2018, brought to the notice of the Members that the Company has incurred an average net loss of ₹ 1,742.42 for the last three (3) financial years.

Accordingly in absence of average Net Profits for the three (3) immediately preceding financial years, the provision pertaining to spending 2% of average net profits on CSR activities is not applicable to the Company for the financial year 2017-2018 and hence it was recommended by the CSR Committee not to incur any expenditure on the CSR activity in the financial year 2017-2018.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company:**

The CSR Committee hereby confirms that the implementation and monitoring of CSR policy has been carried out with all reasonable care and diligence and the same is in compliance with the CSR objectives and the policy of the company. However as explained in Item no. 6 above, no amount was spent on CSR activities in view of average net loss of the last three financial years.

**NIKHIL J. DANANI**

DIN: 00056514

Vice Chairman and Managing Director

**NAKUL P. MEHTA**

DIN: 00056561

Vice Chairman and Managing Director

(Chairman of CSR Committee)

Date : May 10, 2018

Place : Mumbai

**ANNEXURE II**
**1. Disclosure in Board's Report as per the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended)**

Sr. No.	Disclosure Requirement	Disclosure Details		
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	<b>Name of the Directors</b>	<b>Category</b>	<b>Ratio</b>
		Mr. Nikhil J. Danani	Vice Chairman & Managing Director	24.89
		Mr. Nakul P. Mehta	Vice Chairman & Managing Director	24.89
		Mr. Shome N. Danani	Executive Director	18.18
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Name of the Directors</b>	<b>Category</b>	<b>% increase in remuneration</b>
		Mr. Nikhil J. Danani	Vice Chairman & Managing Director	–
		Mr. Nakul P. Mehta	Vice Chairman & Managing Director	–
		Mr. Shome N. Danani	Executive Director	–
		Mr. Durgesh N. Nagarkar	Company Secretary	6.47%
		Mr. Sandeep M. Tilak	Chief Financial Officer	5.75%
3.	The percentage increase in the median remuneration of employees in the financial year	<p>The median remuneration of the employees of the Company in the financial year 2017-2018 is ₹ 4,81,066/-</p> <p>The median remuneration of the employees for the year under review increased by 1.28% compared to previous financial year.</p>		
4.	The number of permanent employees on the rolls of Company	There were 905 permanent employees of Bharat Bijlee Limited as on March 31, 2018.		
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>For the employees other than managerial personnel who were in employment the whole of FY 2016-2017 and FY 2017-2018, the average increase is 6.23%.</p> <p>Average increase for managerial personnel is 6.02%.</p>		
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes		

**2. Statement Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014 (as amended)**

Name of employee	Designation of employee/Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of such employee	Last employment held by such employee before joining the Company	% of equity shares held by the employee in the Company	Remuneration (Amount in ₹)
Nikhil J. Danani	Vice Chairman & Managing Director	B.E. (Mech.) M.B.A. (Rutgers University, USA)	02.05.1975	69	I.B.M. New Jersey; Research Assistant 6 months	6.01	1,20,00,000/-
Nakul P. Mehta	Vice Chairman & Managing Director	B.Sc. B.S. Mech. Engg.; M. S. Engg., Mechanical	30.04.1984	60	NIL	3.31	1,20,00,000/-

Mr. Nikhil J. Danani and Mr. Shome N. Danani are related to each other.

**ANNEXURE III**
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

<b>CIN</b>	:	L31300MH1946PLC005017
<b>Registration Date</b>	:	June 22, 1946
<b>Name of the Company</b>	:	Bharat Bijlee Limited
<b>Category/Sub – Category of the Company</b>	:	Public Company Limited by Shares
<b>Address of the Registered office and contact details</b>	:	Electric Mansion, 6 <sup>th</sup> Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 Telephone No.: +91 22 2430 6237 Fax No.: +91 22 2437 0624 Website: www.bharatbijlee.com Email id: bblcorporate@bharatbijlee.com
<b>Whether listed company</b>	:	Yes
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any:</b>	:	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, Tel.: +91 22 49186000, Fax.: +91 22 49186060

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Electric Motors	27900	34%
2.	Transformers	27900	58%

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

Sr. No.	Name and address of the Company	CIN/GLN	Holding/subsidiary/ associate	% of shares held	Applicable section
1.	Not Applicable				

**IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity):**
**i. Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	721325	–	721325	12.77	708302	–	708302	12.53	(0.24)
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	1191492	–	1191492	21.08	1192492	–	1192492	21.10	0.02
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(1):</b>	<b>1912817</b>	<b>–</b>	<b>1912817</b>	<b>33.85</b>	<b>1900794</b>	<b>–</b>	<b>1900794</b>	<b>33.63</b>	<b>(0.22)</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(2):</b>	–	–	–	–	–	–	–	–	–
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>1912817</b>	<b>–</b>	<b>1912817</b>	<b>33.85</b>	<b>1900794</b>	<b>–</b>	<b>1900794</b>	<b>33.63</b>	<b>(0.22)</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/UTI	47328	–	47328	0.84	210928	–	210928	3.73	2.89
b) Venture Capital Funds	–	–	–	–	–	–	–	–	–
c) Alternate Investment Funds	–	–	–	–	–	–	–	–	–
d) Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
e) Foreign Portfolio Investor	64000	800	64800	1.15	26414	–	26414	0.47	(0.68)
f) FI/Banks	132919	560	133479	2.36	109971	560	110531	1.96	(0.40)
g) Insurance Companies	698709	–	698709	12.36	698709	–	698709	12.36	–
h) Provident Funds/Pension Funds	–	–	–	–	–	–	–	–	–
i) Any Other (specify)	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1):</b>	<b>942956</b>	<b>1360</b>	<b>944316</b>	<b>16.71</b>	<b>1046022</b>	<b>560</b>	<b>1046582</b>	<b>18.52</b>	<b>1.81</b>
<b>(2) Central Government/State Government(s)/President of India</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>17487</b>	<b>–</b>	<b>17487</b>	<b>0.31</b>	<b>0.31</b>
<b>Sub-total (B)(2):</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>17487</b>	<b>–</b>	<b>17487</b>	<b>0.31</b>	<b>0.31</b>
<b>(3) Non-Institutions</b>									
a) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1853142	87594	1940736	34.34	1743067	77909	1820976	32.22	(2.12)
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	174393	–	174393	3.09	69640	–	69640	1.23	(1.86)
b) NBFCs registered with RBI	–	–	–	–	–	–	–	–	–
c) Employee Trusts	–	–	–	–	–	–	–	–	–
d) Overseas Depositories (holding DRs) (balancing figure)	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any other (Specify)									
Trusts	1100	–	1100	0.02	100	–	100	0.00	(0.02)
Hindu Undivided Family	104866	–	104866	1.86	133184	–	133184	2.36	0.50
Non-Resident Indians (Non-Repat)	57050	–	57050	1.01	57127	–	57127	1.01	–
Non-Resident Indians (Repat)	75948	–	75948	1.34	39411	–	39411	0.70	(0.64)
Clearing Member	64822	–	64822	1.15	25070	–	25070	0.44	(0.71)
Bodies Corporate	374452	1060	375512	6.64	540129	1060	541189	9.58	2.94
<b>Sub-total (B)(3):</b>	<b>2705773</b>	<b>88654</b>	<b>2794427</b>	<b>49.45</b>	<b>2607728</b>	<b>78969</b>	<b>2686697</b>	<b>47.54</b>	<b>(1.91)</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>	<b>3648729</b>	<b>90014</b>	<b>3738743</b>	<b>66.15</b>	<b>3671237</b>	<b>79529</b>	<b>3750766</b>	<b>66.37</b>	<b>0.22</b>
<b>Total (A)+(B)</b>	<b>5561546</b>	<b>90014</b>	<b>5651560</b>	<b>100.00</b>	<b>5572031</b>	<b>79529</b>	<b>5651560</b>	<b>100.00</b>	<b>–</b>
<b>(C) Non-Promoter – Non-Public</b>									
1) Custodian/DR Holder	–	–	–	–	–	–	–	–	–
2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	–	–	–	–	–	–	–	–	–
<b>Grand Total (A+B+C)</b>	<b>5561546</b>	<b>90014</b>	<b>5651560</b>	<b>100.00</b>	<b>5572031</b>	<b>79529</b>	<b>5651560</b>	<b>100.00</b>	<b>–</b>

**ii. Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Mr. Nikhil J. Danani	323404	5.72	Nil	339519	6.01	Nil	0.29
2.	Mr. Nakul P. Mehta	186830	3.31	Nil	186830	3.31	Nil	–
	<b>Total</b>	<b>510234</b>	<b>9.03</b>	<b>Nil</b>	<b>526349</b>	<b>9.32</b>	<b>Nil</b>	<b>0.29</b>

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

Sr. No.		Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	<b>Mr. Nikhil J. Danani</b>						
	At the beginning of the year	01.04.2017	323404	5.72	–	323404	5.72
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	04.08.2017	16115	0.29	Inter-se Transfer	339519	6.01
	At the end of the year	31.03.2018	339519	6.01	–	339519	6.01

Sr. No.		Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
<b>2.</b>	<b>Mr. Nakul P. Mehta</b>						
	At the beginning of the year	01.04.2017	186830	3.31	–	186830	3.31
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	No Change	No Change	–	–	–
	At the end of the year	31.03.2018	186830	3.31	–	186830	3.31

**iv. Shareholding Pattern of Top Ten Shareholders as on March 31, 2018 (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year 2018			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
<b>1.</b>	<b>Life Insurance Corporation of India</b>						
	At the beginning of the year	01.04.2017	449911	7.96	–	449911	7.96
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	No Change	No Change	–	–	–
	At the end of the year	31.03.2018	449911	7.96	–	449911	7.96
<b>2.</b>	<b>Danmet Chemicals Pvt. Limited</b>						
	At the beginning of the year	01.04.2017	459777	8.14	–	459777	8.14
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	No Change	No Change	–	–	–
	At the end of the year	31.03.2018	459777	8.14	–	459777	8.14
<b>3.</b>	<b>Gayatri Education Medical and Research Foundation Pvt Ltd</b>						
	At the beginning of the year	01.04.2017	450165	7.97	–	450165	7.97
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No Change	No Change	–	–	–
	At the end of the year	31.03.2018	450165	7.97	–	450165	7.97
<b>4.</b>	<b>Nasivan Investments Private Limited</b>						
	At the beginning of the year	01.04.2017	281550	4.98	–	281550	4.98
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	08.11.2017	1000	0.02	Transfer	282550	5.00
	At the end of the year	31.03.2018	282550	5.00	–	282550	5.00

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year 2018			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
5.	<b>Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund</b>						
	At the beginning of the year	01.04.2017	47078	0.83	–	47078	0.83
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	22.12.2017	28841	0.51	Transfer	75919	1.34
		29.12.2017	30000	0.54	Transfer	105919	1.88
		05.01.2018	5000	0.08	Transfer	110919	1.96
		12.01.2018	33331	0.59	Transfer	144250	2.55
		19.01.2018	38000	0.67	Transfer	182250	3.22
		02.02.2018	600	0.02	Transfer	182850	3.24
		09.02.2018	18500	0.32	Transfer	201350	3.56
		16.02.2018	3000	0.06	Transfer	204350	3.62
		02.03.2018	4200	0.07	Transfer	208550	3.69
		09.03.2018	2128	0.04	Transfer	210678	3.73
	At the end of the year	31.03.2018	210678	3.73	–	210678	3.73
6.	<b>General Insurance Corporation of India</b>						
	At the beginning of the year	01.04.2017	172770	3.06	–	172770	3.06
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No Change	No Change	–	–	–
	At the end of the year	31.03.2017	172770	3.06	–	172770	3.06
7.	<b>Housing Development Finance Corporation Limited</b>						
	At the beginning of the year	01.04.2017	122480	2.17	–	122480	2.17
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	30.06.2017	(140)	0.01	Transfer	122340	2.16
		07.07.2017	(23683)	0.31	Transfer	98657	1.75
	At the end of the year	31.03.2018	98657	1.75	–	98657	1.75
8.	<b>National Insurance Company Ltd</b>						
	At the beginning of the year	01.04.2017	76028	1.35	–	76028	1.35
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	No change	No change	–	–	–
	At the end of the year	31.03.2018	76028	1.35	–	76028	1.35
9.	<b>Runner Marketing Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2017	–	–	–	–	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	23.06.2017	10000	0.18	Transfer	10000	0.18
		30.06.2017	15000	0.26	Transfer	25000	0.44
		09.02.2018	30000	0.53	Transfer	55000	0.97
	At the end of the year	31.03.2018	55000	0.97	–	55000	0.97

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year 2018			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
10.	<b>Vibgyor Investors and Developers Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2017	55000	0.97	–	55000	0.97
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		No change	No change	–	–	–
	At the end of the year	31.03.2018	55000	0.97	–	55000	0.97

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

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	<b>Mr. Nikhil J. Danani</b>						
	At the beginning of the year	01.04.2017	323404	5.72	–	323404	5.72
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	04.08.2017	16115	0.29	Inter-se Transfer	339519	6.01
	At the end of the year	31.03.2018	339519	6.01	–	339519	6.01
2.	<b>Mr. Nakul P. Mehta</b>						
	At the beginning of the year	01.04.2017	186830	3.31	–	186830	3.31
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	No change	–	–
	At the end of the year	31.03.2018	186830	3.31	–	186830	3.31
3.	<b>Shome N. Danani</b>						
	At the beginning of the year	01.04.2017	2898	0.05	–	2898	0.05
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	No change	–	–
	At the end of the year	31.03.2018	2898	0.05	–	2898	0.05
4.	<b>Prakash V. Mehta</b>						
	At the beginning of the year	01.04.2017	325	0.01	–	325	0.01
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	No change	–	–
	At the end of the year	31.03.2018	325	0.01	–	325	0.01

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year			Reasons for Increase/Decrease	Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
<b>5.</b>	<b>Sanjiv N. Shah</b>						
	At the beginning of the year	01.04.2017	4560	0.08	–	4560	0.08
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	No change	–	–
	At the end of the year	31.03.2018	4560	0.08	–	4560	0.08
<b>6.</b>	<b>Jairaj C. Thacker</b>						
	At the beginning of the year	01.04.2017	Nil	Nil	–	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	No change	–	–
	At the end of the year	31.03.2018	Nil	Nil	–	Nil	Nil
<b>7.</b>	<b>Ravishanker Prasad</b>						
	At the beginning of the year	01.04.2017	Nil	Nil	–	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	No change	–	–
	At the end of the year	31.03.2018	Nil	Nil	–	Nil	Nil
<b>8.</b>	<b>Mahnaz A. Curmally</b>						
	At the beginning of the year	01.04.2017	Nil	Nil	–	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	No change	–	–
	At the end of the year	31.03.2018	Nil	Nil	–	Nil	Nil
<b>9.</b>	<b>Rajeshwar R. Bajaj</b>						
	At the beginning of the year	01.04.2017	Nil	Nil	–	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	No change	–	–
	At the end of the year	31.03.2018	Nil	Nil	–	Nil	Nil
<b>10.</b>	<b>Durgesh N. Nagarkar</b>						
	At the beginning of the year	01.04.2017	Nil	Nil	–	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	No change	–	–
	At the end of the year	31.03.2018	Nil	Nil	–	Nil	Nil
<b>11.</b>	<b>Sandeep M. Tilak</b>						
	At the beginning of the year	01.04.2017	Nil	Nil	–	Nil	Nil
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	No change	–	–
	At the end of the year	31.03.2018	Nil	Nil	–	Nil	Nil

**II. INDEBTEDNESS:**

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

(₹ in lakhs)

Particulars	Secured Loans (excluding deposits)	Unsecured Loans	Deposits
Indebtedness at the beginning of the financial year			
i) Principal Amount	2,878.04	14,879.35	17,757.39
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	–	50.39	50.39
<b>Total (i+ii+iii)</b>	<b>2,878.04</b>	<b>14,929.74</b>	<b>17,807.78</b>
Change in Indebtedness during the financial year			
• Addition	8,599.68	82,072.39	90,672.07
• Reduction	8,003.06	78,929.74	86,932.80
<b>Net Change</b>	<b>596.62</b>	<b>3,142.65</b>	<b>3,739.27</b>
Indebtedness at the end of the financial year			
i) Principal Amount	3,467.56	17,997.00	21,464.56
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	7.10	75.39	82.49
<b>Total (i+ii+iii)</b>	<b>3,474.66</b>	<b>18,072.39</b>	<b>21,547.05</b>

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Nikhil J. Danani (Managing Director)	Mr. Nakul P. Mehta (Managing Director)	Mr. Shome N. Danani (Executive Director)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	60,00,000	39,00,000	1,59,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	60,00,000	60,00,000	48,75,000	1,68,75,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission	–	–	–	–
	– as % of profit	–	–	–	–
	– others, specify	–	–	–	–
5	Others, please specify	–	–	–	–
	<b>Total (A)</b>	<b>1,20,00,000</b>	<b>1,20,00,000</b>	<b>87,75,000</b>	<b>3,27,75,000</b>
	Ceiling as per the Act	1,20,00,000	1,20,00,000	1,20,00,000	3,60,00,000

**B. Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Prakash V. Mehta	Mr. Sanjiv N. Shah	Mr. Jairaj C. Thacker	Mr. Rajeshwar R. Bajaj	
<b>1.</b>	<b>Independent Directors</b>					
	Fee for attending board/committee meetings	4,15,000	2,20,000	3,35,000	1,75,000	11,45,000
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	<b>Total (1)</b>	<b>4,15,000</b>	<b>2,20,000</b>	<b>3,35,000</b>	<b>1,75,000</b>	<b>11,45,000</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>	<b>Mr. Ravishanker Prasad</b>	<b>Ms. Mahnaz A. Curmally</b>			
	Fee for attending board/committee meetings	1,75,000	1,40,000	–	–	3,15,000
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	<b>Total (2)</b>	<b>1,75,000</b>	<b>1,40,000</b>	<b>–</b>	<b>–</b>	<b>3,15,000</b>
	<b>Total (B) = (1+2)</b>					<b>14,60,000</b>
	<b>Total Managerial Remuneration</b>					<b>3,42,35,000</b>
	Overall Ceiling as per the Act	–	–	–	–	–

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,54,764	59,68,535	95,23,299
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,43,974	14,723	1,58,697
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission	–	–	–
	– as % of profit	–	–	–
	– others, specify	–	–	–
5.	Others, please specify	–	–	–
	<b>Total</b>	<b>36,98,738</b>	<b>59,83,258</b>	<b>96,81,996</b>

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

There were no penalties, punishments, compounding of offences for the financial year ended March 31, 2018.

**ANNEXURE IV**

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

**(A) Conservation of energy:**

<b>Steps taken or impact on conservation of energy</b>	<ol style="list-style-type: none"> <li>1. Installed energy efficient scroll chiller 39TR for VPD in place of reciprocating chiller in T-1 VPD plant, resulted in Saving of Energy by 42,180 KWH / Annum.</li> <li>2. Installed 215 nos. of LED lamps of 18w, 60w and 100w in place of 28w T5 tube light, 150w MHL and 250w MHL in shop floor and office area. Resulted in saving by 40,881 KWH / Annum.</li> <li>3. Maintaining power factor of 0.99 to unity, resulted in saving ₹ 34.12 Lakhs/annum.</li> <li>4. Installed Induction bearing Heater in place of Bearing pressing hydraulic press resulted in saving of 17 KWH per day.</li> <li>5. Installed 3 No paint booth (Dry type) in place of paint booth (water type).</li> <li>6. Installed 4 No Demag make cranes in place of 6 No's jib crane in P2 assembly line. Resulted in saving of 6 KWH per day.</li> <li>7. Installed more energy efficient lights in place of less energy efficient /conventional lights resulted in saving of ₹ 0.7 Lakhs/Annum details are as below: <ol style="list-style-type: none"> <li>(a) Installed 13 No LED lights 80W in place of 150W Metal halide (6No'S) and 96W Asian lights fitting (15No's)</li> <li>(b) Installed LED light in motor stores office in place of conventional light fittings</li> <li>(c) Installed LED 36W (07 No) in street lighting in place of Asian 96W light</li> <li>(d) Installed LED 80W (03 No) in canteen in place of 40W light fitting (14No).</li> </ol> </li> </ol>
<b>Steps taken by the Company for utilizing alternate sources of energy</b>	—
<b>Capital investment on energy conservation equipment</b>	<ul style="list-style-type: none"> <li>• ₹ 7.5 Lakhs. For installing 39TR chilling plant for VPD.</li> <li>• Bearing Induction Machine: ₹ 4.00Lakhs.</li> <li>• Paint booth (Dry type) 3No: ₹ 7.40 Lakhs.</li> <li>• An investment of ₹ 1.18 Lakhs was made on energy conservation equipment by motor department.</li> </ul>

**(B) Technology absorption:**

<b>Efforts made towards technology absorption</b>	<ol style="list-style-type: none"> <li>1. For fine vacuum application in transformer tank, mobile roots &amp; rotary vacuum pump unit installed to improve quality &amp; reduce cycle time.</li> <li>2. Existing conventional paint gun replaced with Electrostatic paint gun.</li> <li>3. Existing wet type paint booth replaced with Dry type paint booth.</li> <li>4. 100kg Dynamic balancing computerized machine (ABRO make) installed.</li> <li>5. Replacement of LED light fitting in place of Conventional light fittings.</li> </ol>
<b>Benefits derived like product improvement, cost reduction, product development or import substitution</b>	<ol style="list-style-type: none"> <li>1. Quality improvement.</li> <li>2. Production lead time Reduced.</li> <li>3. EOHS requirement are met.</li> <li>4. Reduction in Hazardous waste.</li> <li>5. Reduction in maintenance cost from LED light fitting replacement. (80W LED Warranty of 5 years) and improvement illumination level on shop floor.</li> </ol>

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
<b>Details of technology imported</b>	–
<b>Year of import</b>	–
<b>Whether the technology has been fully absorbed</b>	–
<b>If not fully absorbed, areas where absorption has not taken place, and the reasons thereof</b>	–
<b>Expenditure incurred on Research and Development</b>	₹ 7.0 Lakhs for purchase of EPDM Server & associated Software for data storage & analysis.

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

	<b>1st April, 2017 to 31st March, 2018 (Current F.Y.)</b>	1st April, 2016 to 31st March, 2017
	<b>Amount (₹ in lakhs)</b>	Amount (₹ in lakhs)
Actual Foreign Exchange earnings	<b>947.15</b>	715.53
Actual Foreign Exchange outgo	<b>2,965.72</b>	2,244.84

**ANNEXURE V**

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

Your Company since its inception is committed to maintain its value systems developed over the years of Corporate fairness, transparency, accountability, disclosures, ethical practices and creating long term value for its stake holders based on the assumption that value based governance is a dynamic concept evolving over time and constantly adapting itself to the development of the Company and its stake holders.

The Company is in compliance with all the requirements to the Corporate Governance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations).

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

The Board consists of nine (9) Directors, out of which four (4) are Independent, two (2) are Non-Executive, including one woman Director and three (3) are Executive Directors, which is in conformity with the requirement of Regulation 17 of the Listing Regulations. The Chairman is an Independent Director. He is not a promoter nor related to promoters or to persons occupying management positions at Board level or at one level below the Board. The Non-Executive Directors account for 66.67% of the Board's strength against the minimum requirement of 50%. Independent Directors constitute 44.44% of the total strength of the Board as against one third (33.33%) required when the Chairman is a Non-Executive Director. The Non-Executive Directors and Independent Directors are all eminent professionals with experience in overall management, finance and law and have a wide range of skills and experience. The day to day operations of the Company are overseen by three Executive Directors, Mr. Nikhil J. Danani, Mr. Nakul P. Mehta (both Managing Directors), and Mr. Shome N. Danani (Whole-time Director, designated as Executive Director).

Except two Managing Directors and one Whole-time Director, two Non-Executive Non-Independent Directors are liable to retire by rotation. In the ensuing 71<sup>st</sup> Annual General Meeting to be held on Thursday, June 28, 2018, Mr. Ravishanker Prasad (DIN 06641845), a Non-Executive and Non-Independent Director, liable to retire by rotation and being eligible, will be re-appointed.

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

**b. Board Meetings:**

In the Financial Year 2017-2018, five (5) Board of Directors' meetings were held on the following dates:

1. May 19, 2017,
2. June 30, 2017,
3. August 24, 2017,
4. November 24, 2017, and
5. January 24, 2018

**c. The composition of the Board, Directorships/Membership of Committee of other Companies as on March 31, 2018, no. of meetings held and attended during the financial year are as under:**

Sr. No.	Name of the Director	Category of Directorship	No. of Board Mtgs. attended	Attendance at last AGM held on 30 June 2017	No. of Directorships of other Companies	Membership of Committees of other Companies		Sitting Fees for Board/ Committee meetings ₹	No. of Equity Shares held as on March 31, 2018
						As Member	As Chairman		
1.	Mr. Prakash V. Mehta – Chairman (DIN 00001366)	Independent Non-Executive	5/5	YES	5*	7* @	4	4,15,000	325
2.	Mr. Nikhil J. Danani – Managing Director (DIN 00056514)	Executive Promoter	5/5	YES	—*	—	—	—	3,39,519
3.	Mr. Nakul P. Mehta – Managing Director (DIN 00056561)	Executive Promoter	5/5	YES	—*	—	—	—	1,86,830
4.	Mr. Shome N. Danani (DIN 00217787)	Executive	5/5	YES	—*	—	—	—	2,898
5.	Mr. Sanjiv N. Shah (DIN 00007211)	Independent Non-Executive	3/5	YES	2*	—	—	2,20,000	4,560
6.	Mr. Jairaj C. Thacker (DIN 00108552)	Independent Non-Executive	4/5	YES	—*	—	—	3,35,000	
7.	Mr. Ravishanker Prasad # (DIN 06641845)	Non-Executive	5/5	YES	—	—	—	1,75,000	
8.	Ms. Mahnaz A. Curmally (DIN 06907271)	Non-Executive	4/5	YES	—	—	—	1,40,000	
9.	Mr. Rajeshwar Raj Bajaj (DIN 00419623)	Independent Non-Executive	4/5	YES	2*	2	—	1,75,000	
							<b>Total</b>	<b>14,60,000</b>	

@ Includes membership in Nomination & Remuneration Committee in 4 Companies.

\* Excludes Directorship/Chairmanship in Pvt. Ltd. Companies.

# Representative of LIC of India, an equity owner.

**d. Appointment/Re-appointment of Directors:**

Pursuant to the provisions of Section 152 read with Section 149(13) of the Companies Act, 2013 and Regulation 36(3) of the Listing Regulations, Mr. Ravishanker Prasad (DIN 06641845), Non-Executive Director, being longest in the office, is liable to retire by rotation. Mr. Prasad has offered himself for re-appointment and resolution for his re-appointment, is incorporated in the Notice of the ensuing 71<sup>st</sup> Annual General Meeting.

During the financial year, Mr. Shome N. Danani (DIN 00217787) was re-appointed as Whole-time Director, designated as “Executive Director”, for a period of three (3) years w.e.f. January 28, 2017, at the 70<sup>th</sup> Annual General Meeting, by the Members of the Company. Mr. Danani’s re-appointment and remuneration is in terms of Section 196, 197, 198, 200 and 203 read with Section II Part II, of Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

**e. Code of Conduct:**

The Company has adopted a Code of Conduct for its Board Members and Senior Management and has posted the Code on the website of the Company in terms of Regulation 17 (5) of the Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Managing Director has affirmed 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.

**f. Board Independence:**

Based on the confirmation/disclosures received from the Directors, 4 Non-Executive Directors are independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

There are no material pecuniary relationships or transactions between the Independent Directors and the Company, except for sitting fees drawn by them for attending the Meetings of the Board and Committees thereof.

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

The Independent Directors are familiarized, with the Company, their duties, roles and responsibilities, the nature of the industry, the business model of the Company, in line with the "Familiarisation programme of Independent Directors", the details of which can be viewed at <http://www.bharatbijlee.com>.

Also, familiarization programme details for the financial year 2017-2018 has been hosted on <http://www.bharatbijlee.com>.

**h. Board Evaluation:**

During the financial year under review, the Board of Directors/Independent Directors/Nomination and Remuneration Committee (as applicable) has carried out an annual evaluation of its own performance, performance of all individual Directors including Independent Directors, the performance of its Committees and the evaluation of Chairman of the Board, in terms of provisions of the Companies Act, 2013 and Regulation 25(3) and (4) of the Listing Regulations.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

**3. Audit Committee:**

The Audit committee comprised of

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

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

Mr. D. N. Nagarkar, Company Secretary acts as the Secretary of the Committee.

The Managing Directors, 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 are also invited to attend the meetings.

**a. Meetings & Attendance:**

The Audit Committee had four (4) meetings during the Financial year 2017-18 and were held on the following dates:

1. May 19, 2017;
2. August 24, 2017;
3. November 24, 2017; and
4. January 24, 2018.

Mr. Prakash V. Mehta, attended all four (4) meetings, Mr. Jairaj C. Thacker attended three (3) and Mr. Sanjiv N. Shah attended two (2) meetings.

**b. The terms of reference of the Audit Committee are in line with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.**

**The terms of reference of audit committee are briefly described as follows:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (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 (NRC):

Remuneration committee comprised of

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

The Nomination and Remuneration Committee Meeting was held on January 24, 2018.

Mr. Prakash V. Mehta and Mr. Jairaj C. Thacker attended the meeting.

#### a. The terms of reference and role of the Nomination & Remuneration Committee are under as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations):

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- v. Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.

#### b. Remuneration of Executive Directors:

The total remuneration payable to the Managing Directors/Executive Director for the financial year 2017-2018 is as under:

	Salary (in ₹)	Perquisites (in ₹)	Commission Payable for the FY 2017-2018	Total (in ₹)
Mr. Nikhil J. Danani	60,00,000	60,00,000	—	1,20,00,000
Mr. Nakul P. Mehta	60,00,000	60,00,000	—	1,20,00,000
Mr. Shome N. Danani	39,00,000	48,75,000	—	87,75,000

The Managing Directors were paid a fixed amount of remuneration, under Section II part II of Schedule V of the Companies Act, 2013 in absence of inadequate profits and Executive Director is paid fixed amount of remuneration approved and recommended by Nomination and Remuneration Committee and Board of Directors and subsequently by Shareholders of the Company at the 70<sup>th</sup> Annual General Meeting held on June 30, 2017. Also they were not paid any performance linked incentives for the financial year 2017-2018.

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company and as per the present criteria, only sitting fees is paid to the Non-Executive Directors for attending the Meetings.

**c. Performance Evaluation criteria for Independent Directors:**

Pursuant to Section 149 of the Companies Act, 2013 read with Schedule IV, annual performance evaluation of Independent Directors was carried out by the entire Board of Directors excluding the Directors being evaluated. Evaluation form(s) was circulated to the respective Directors with a request to send the completed forms addressed to the Chairman of the Board of Directors.

The Board thereafter reviewed the evaluation of each Independent Director and expressed that the performance of each Independent Director was good and that the established process of evaluation was also satisfactory.

**d. Nomination & Remuneration Policy:**

The Company has a Nomination and Remuneration Policy and the same has been displayed on the website of the Company i.e. [www.bharatbijlee.com](http://www.bharatbijlee.com)

**Objective**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The objective of this policy is to lay down a framework in relation to the nomination and remuneration of Directors, KMP, Senior management personnel and other employees. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- 1.3. Formulation of criteria for evaluation of Independent Director and the Board.
- 1.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.8. To develop a succession plan for the Board and to regularly review the plan.
- 1.9. To assist the Board in fulfilling responsibilities.
- 1.10 To Implement and monitor policies and processes regarding principles of corporate governance.

**Constitution of Committee**

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration Committee (NRC) consisting of three or more Non-Executive Directors out of which not less than one-half are Independent Directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the Company (whether Executive or Non-Executive) may be appointed as a member of the NRC but shall not chair such Committee. The meetings of the Committee shall be held at such regular intervals as may be required. The Company Secretary of the Company shall act as Secretary of the Committee.

**Applicability**

- a) Directors (Executive and Non-Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel

**Definitions**

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company.

"Key Managerial Personnel" means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer/Vice-President: Finance;
- iii. Company Secretary; and
- iv. Such other officer as may be prescribed.

"Senior Management" means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Managing/Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**Policy for Appointment and Removal of Director, KMP and Senior Management****1. Appointment Criteria and Qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**2. Term/Tenure**

- a) Managing Director/Whole-time Director:

The Board shall appoint or re-appoint any person as its Chairman (Executive/Non-Executive), Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals as may be decided by them.

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**Policy for Remuneration to Directors/KMP/Senior Management Personnel**

1. Remuneration to Managing/Whole-time/Executive/Managing Director, KMP and Senior Management Personnel:

The Remuneration/Compensation/Commission etc. to be paid to Director/Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. Fixed pay:

The Whole-time Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including employer's contribution to PF, pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board/the person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

3. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

4. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limit prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

5. Increments to the existing remuneration structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

6. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurances shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

7. Remuneration to Non-Executive/Independent Director:

The Non-Executive Independent Director may receive remuneration/compensation/commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**Duties in Relation to Nomination Matters**

The duties of the Committee in relation to nomination matters include:

1. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
2. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
3. Identifying and recommending Directors who are to be put forward for retirement by rotation;
4. Determining the appropriate size, diversity and composition of the Board;
5. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
6. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
7. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
8. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
9. Recommend any necessary changes to the Board; and
10. Considering any other matters, as may be requested by the Board.

**Duties In Relation To Remuneration Matters**

The duties of the Committee in relation to remuneration matters include:

Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

Delegating any of its powers to one or more of its members or the Secretary of the Committee.

Considering any other matters as may be requested by the Board.

**Minutes of Committee Meetings:**

Proceedings of all NRC meetings must be minuted and signed by the Chairman of the Committee at the subsequent meetings. Minutes of the NRC meetings will be tabled at the subsequent Board and Committee meetings.

**Review and Amendment:**

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

**5. Stakeholders Relationship Committee:**

The Stakeholders' Relationship Committee comprised of

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

Mr. D. N. Nagarkar, Company Secretary, acts as the Secretary of the Committee. The Committee has met once, on 24<sup>th</sup> January, 2018, wherein all members except Mr. Sanjiv N. Shah, were present. The total number of grievances received and resolved by the Committee to the satisfaction of the shareholders was 4, all related to non-receipt of Annual Report. There were no requests for share transfer/transmission/deletions of names etc. pending as on 31<sup>st</sup> March, 2018 and all such requests were processed and delivered within prescribed time of lodgment with the Company.

Mr. D. N. Nagarkar, Company Secretary has been designated as the Compliance Officer of the Company as per the requirement of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**a. Terms of Reference:**

The Committee looks into redressing grievances of Shareholders pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of dividend, 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:**

The Corporate Social Responsibility (CSR) Committee was constituted with the following three (3) members:

1. Mr. Nakul P. Mehta — Chairman, Managing Director
2. Mr. Shome N. Danani — Executive Director
3. Mr. Jairaj C. Thacker — Independent Director

Mr. D. N. Nagarkar, Company Secretary, acts as the Secretary of the Committee. The Committee has met once, on January 24, 2018, wherein all the members were present.

The Chairman of the CSR Committee, at its meeting held on January 24, 2018, stated that the Company had incurred a average net loss of ₹ 1742.42 lakhs for the last three (3) financial years. Accordingly, in absence of average net profits for the three (3) immediately preceding financial years, the provision pertaining to spending 2% of average net profits on CSR activities is not applicable to the Company for the financial year 2017-2018 and hence it was recommended by the CSR Committee not to incur any expenditure on the recognized CSR activity in the financial year 2017-2018.

**a. Terms of Reference:**

- i. Formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII and the prescribed Rules under Sections 135 of the Companies Act, 2013.
- ii. Recommend the amount of expenditure to be incurred on the activities referred to in point a. above.
- iii. Monitor the CSR Policy of the Company from time to time.
- iv. Ensure disclosure of the CSR Policy in the Board Report and on the website of the Company.
- v. Ensure activities as included in CSR Policy are undertaken and are monitored regularly.
- vi. Ensure the CSR spend is made in terms of Section 135 (5), i.e. at least 2% of the average net profits of the Company made during the 3 annually preceding financial years.

**7. Separate Meeting of Independent Directors:**

During the financial year under review, in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations, a separate meeting of Independent Directors was convened, on January 24, 2018. However, since half the number of Directors was not present, it was adjourned and held on March 31, 2018 which was in turn attended by Mr. Rajeshwar R. Bajaj (Chairman), Mr. Prakash V. Mehta, Mr. Sanjiv N. Shah and Mr. Jairaj C. Thacker, without the attendance of Non-Independent Directors and members of management, *inter alia* to:

1. Review the performance of Non-Independent Directors and the Board as a whole;
2. Review the performance of the Chairperson of the Company taking into account the views of the Executive Director and the Non-Executive Director;
3. Assess the quality, quantity and functions of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**8. Annual General Meetings:**

The last three Annual General Meetings were held as under:

Financial Year	Date, Time & Venue	No. of Special Resolutions passed	Special Resolutions passed
2016-2017	30-06-2017 at 3.00 p.m. at Walchand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020	1	Following Special Resolution was passed. 1) Re-appointment and to fix the Remuneration of Mr. Shome N. Danani as a "Whole-time Director" designated as "Executive Director" for a period of 3 years from January, 28, 2017 to January 27, 2020.
2015-2016	20-09-2016 at 3.00 p.m. at Walchand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020	2	Following 2 Special Resolutions were passed. 1) Re-appointment and to fix the Remuneration of Mr. Nikhil J. Danani as Managing Director for a period of 3 years from June, 20, 2016 to June 19, 2019. 2) Re-appointment and to fix the Remuneration of Mr. Nakul P. Mehta as Managing Director for a period of 3 years from June, 20, 2016 to June 19, 2019.
2014-2015	22-09-2015 at 3.00 p.m. at Walchand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020	–	No Special Resolution was passed

**9. Postal Ballot:**

During the financial year under review, no special resolution was passed through Postal Ballot.

**10. Vigil Mechanism/Whistle Blower Policy:**

The Company has in place a Vigil Mechanism/Whistle Blower Policy, in terms of provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, which was approved by the Board of Directors on November 11, 2014. The Company's personnel have direct access to the Chairman of the Audit Committee to report concerns about unethical behavior (actual or suspected), frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee. Adequate safeguards are being provided against victimization of whistle blowers availing of such mechanism. It is hosted on the website of the Company, i.e., <http://www.bharatbijlee.com>.

**11. Disclosure Relating to Demat Suspense Account/Unclaimed Suspense Account:**

The requisite disclosures under Schedule V of the Listing Regulations, 2015, in respect of the unclaimed shares, pursuant to Regulation 39 read with Schedule VI of the Listing Regulations, 2015, are provided herein under:

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the Financial Year 2017-2018	88	11180
Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during the Financial Year 2017-2018	1	400
Transferred to IEPF Demat Account during the year 2017-18	75	9350
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2017-2018	12	1430

The voting rights in respect of the above 1,430 equity shares are frozen until the rightful owner claims the equity shares. All corporate benefits on such shares in the nature of Bonus Shares, split of shares, Rights etc., shall be credited to 'Unclaimed Suspense Account', as applicable for a period of 7 years and thereafter be transferred in line with the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with Section 124(5) and Section 124(6) of the Companies Act, 2013.

**12. Disclosures:**

- i. At the Board Meeting, the Directors disclose the names of the Companies/Parties in which they are interested, and accordingly the Register of Contracts under Section 184, 188 & 189 of the Companies Act, 2013 is tabled and signed. Related party transactions as per Note No. 35.2 appearing in Financial Statements of the financial year are approved by the Audit Committee and recommended to the Board of Directors for their approval. During the financial year there were no transactions of material nature with the Directors or the Management or relatives that had potential conflict with the interests of the Company. The Policy on Related party Transactions is hosted on the website of the Company, i.e. <http://www.bharatbijlee.com>
- ii. Quarterly Disclosures – Results and notes thereon.
- iii. Risk Management activities are driven by a stated risk management policy and a process that is overseen by a Risk Management co-ordinator. The status of risk management is reviewed with the Board members periodically.
- iv. There were no instances of non-compliance on any matter related to the Capital Markets, nor were any penalties or strictures imposed on the Company by SEBI or any Stock Exchanges or any statutory authority for non-compliance on any matter related to the Capital Markets during the last 3 years.
- v. No member of the Senior Management has a potential conflict with the interest of the Company at large relating to any material financial and commercial transaction.
- vi. The Company affirms that no employee has been denied access to the Audit Committee.
- vii. The Company has complied with all mandatory requirements as stipulated in Schedule V (C) of the Listing Regulations. The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the Listing Regulations, have been made in this Corporate Governance report. All the details required under clauses (b) to (i) (except clause (h), since not applicable) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of the Company at <http://www.bharatbijlee.com>
- viii. Compliance  
The Company has complied with the mandatory requirements as required under Listing Regulations.  
Compliance Report on Non-Mandatory requirements as stipulated in Part E of Schedule II of the Listing Regulations.
  - a. The Board – The Chairman of the Company is a Non-Executive Director. The Company has adequate facilities at its registered office to maintain an office for the Chairman but presently no such entitlement is explicitly given.
  - b. Shareholder Rights – The quarterly and year to date financial statements are disseminated through Stock Exchanges, published in newspaper and also uploaded on Company's website.
  - c. Modified opinion(s) in audit report – The Statutory Auditors of the Company have issued an unqualified Audit Report on the financial statements of the Company for the financial year ended March 31, 2018.
  - d. Separate posts of Chairman and CEO – The Company has maintained separate posts of a Non-Executive Independent Chairman and Managing Director.
  - e. Reporting of Internal Auditor – The Internal auditor reports directly to the CFO and is present in most Audit Committee Meetings. He has direct access to the Audit Committee.
- ix. The shares held by the promoters have not been pledged with any Banks, Financial Institutions or with any third party.

**13. Communication to Shareholders:**

- i. Quarterly/half yearly/annual results and information relating to convening of Board meetings/Annual General Meetings are published in Free Press Journal and Navshakti and are also notified to the Stock Exchanges. Half yearly report is not sent to each shareholder in view of its publication in newspapers.. All such financial results are also posted on Company's website [www.bharatbijlee.com](http://www.bharatbijlee.com). The Stock Exchanges are also informed of all materially significant events which have taken place during the financial year under review. No official releases of any disclosures have been made during the financial year which does not form part of this report.
- ii. The Company has made no presentation to any Institutional Investors/Analysts During the financial year.
- iii. Management Discussion and Analysis is covered as part of this Annual Report.
- iv. Further, Company has in place the (Prohibition of Insider Trading) Regulations, 2015 which came into force from May 15, 2015. Accordingly the Directors have approved and adopted the 'Code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders' in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Code"). Mr. Durgesh N. Nagarkar, Company Secretary and Senior General Manager, Legal, is the Compliance officer for the purpose of this Code.
- v. The Company has its own website, [www.bharatbijlee.com](http://www.bharatbijlee.com).

**14. General Shareholders Information:**
**i. Annual General Meeting:**

**Day** : Thursday

**Date** : June 28, 2018

**Time** : 3.00 p.m.

**Venue**: Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchants' Chamber, Churchgate, Mumbai 400 020

**ii. Financial Year:**

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

**iii. Dates of Book Closure:**

Thursday June 21, 2018 to Thursday June 28, 2018 (both days inclusive).

**iv. Dividend Payment Date:** From Thursday July 5, 2018

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

Bombay Stock Exchange Limited (BSE)

503960

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

Tel. Nos. : +91 22-2272 1233/34 Fax Nos. : +91 22-2272 1919

E-mail : [is@bseindia.com](mailto:is@bseindia.com) • Website : [www.bseindia.com](http://www.bseindia.com)

National Stock Exchange (NSE)

BBL

National Stock Exchange of India Limited (NSE) Exchange Plaza,  
Plot No. C/1, G. Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

Tel. Nos. : +91 22-2659 8100-114 Fax Nos. : +91 22-2659 8120

E-mail : [nseiscmm@nse.co.in](mailto:nseiscmm@nse.co.in) • Website : [www.nseindia.com](http://www.nseindia.com)

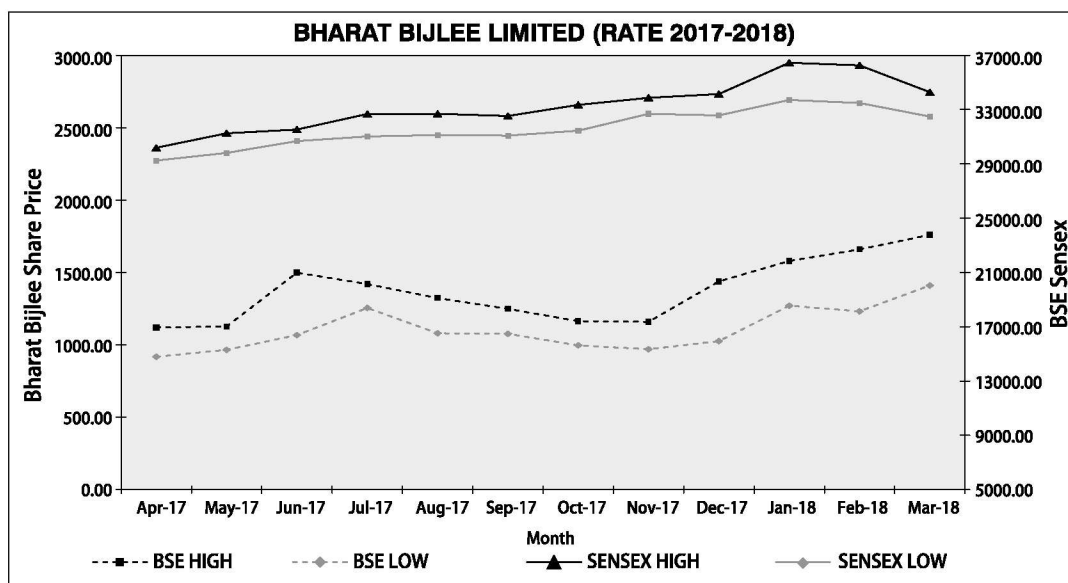
The listing fees for the financial year 2018-19 have been paid to both BSE & NSE.

Demat international security Identification No. is:

INE 464A01028 NSDL & CDSL

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

Month	BSE	BSE	NSE	NSE
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2017	1120.00	918.00	1112.40	916.00
May, 2017	1126.65	965.00	1128.90	981.35
June, 2017	1498.70	1066.65	1500.00	1055.55
July, 2017	1419.40	1254.00	1419.90	1250.00
August, 2017	1323.25	1080.00	1330.50	1080.50
September, 2017	1248.00	1076.00	1249.00	1076.05
October, 2017	1164.00	996.00	1165.00	992.25
November, 2017	1159.00	969.60	1161.00	964.10
December, 2017	1437.25	1025.00	1438.00	1048.00
January, 2018	1579.00	1270.00	1577.20	1265.00
February, 2018	1659.00	1231.05	1659.90	1205.00
March, 2018	1760.00	1410.00	1749.00	1406.30


**vii. Registrar and Transfer Agents:**

Link Intime India Pvt. Ltd  
 C-101, 1<sup>st</sup> Floor, 247 Park,  
 Lal Bahadur Shastri Marg, Vikhroli (West),  
 Mumbai 400 083, India.  
 Telephone: +91 22 49186270 Fax: +91 22 49186060  
 E-mail id : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) • Website : [www.linkintime.co.in](http://www.linkintime.co.in)

**viii. Share Transfer System:**

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

**ix. Distribution of Shareholding as on 31-03-2018:**

Sr. No.	No. of Equity Shares held	No. of shareholders	No. of shares	% of shareholders	% of shareholding
1.	1-500	18805	10,78,132	96.19	19.08
2.	501-1,000	383	2,85,320	1.96	5.05
3.	1,001-2,000	182	2,64,117	0.94	4.67
4.	2,001-3,000	56	1,40,217	0.29	2.48
5.	3,001-4,000	28	1,00,302	0.14	1.78
6.	4,001-5,000	24	1,12,641	0.12	1.99
7.	5,001-10,000	31	2,22,122	0.16	3.93
8.	10,001- above	39	34,48,709	0.20	61.02
	<b>Total</b>	<b>19548</b>	<b>56,51,560</b>	<b>100.00</b>	<b>100.00</b>

**Shareholding Pattern as on 31-03-2018**

Sr. No.	Category	No. of shares	% to total shareholding
1.	Promoters & Promoter Group	19,00,794	33.63
2.	Financial Institutions/Banks	8,09,240	14.32
3.	Mutual Funds/UTI	2,10,928	3.73
4.	Foreign Portfolio/FII	26,414	0.47
5.	NRIs/OCBs	96,538	1.71
6.	Corporate Bodies	5,41,189	9.58
7.	Indian Public	20,66,457	36.56
	<b>Total</b>	<b>56,51,560</b>	<b>100.00</b>

**x. Dematerialization of shares and liquidity:**

Your Company's shares are traded compulsorily in electronic form and the Company has established connectivity with both the depositories. i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31<sup>st</sup> March, 2018, 98.59% 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. Commodity price risk or foreign exchange risk and hedging activities:**

To control and minimize foreign exchange risk, the Company has formulated "Foreign Exchange Management Policy", according to which each eligible foreign transaction is individually hedged without resorting to natural hedges across transactions, i.e., netting off of inflows and outflows and hedging the net flows will not be resorted to.

**xiii. Plant Location:**

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

**xiv. Address for correspondence:**

The Corporate Secretarial Department is located at the Company's Registered Office situated at Electric Mansion, 6<sup>th</sup> Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Telephone No. 24306237, Fax No. 24370624.

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

- |   |  |
|---|--|
| 1. Link Intime India Pvt. Ltd.<br>C-101, 1 <sup>st</sup> Floor, 247 Park,<br>Lal Bahadur Shastri Marg,<br>Vikhroli (West), Mumbai 400 083.<br>Tel : +91 22 49186270<br>Fax : +91 22 49186060  | 2. Bharat Bijlee Limited.<br>Electric Mansion, 6 <sup>th</sup> Floor,<br>Appasaheb Marathe Marg,,<br>Prabhadevi, Mumbai 400 025.<br>Tel : 022 24306237<br>Fax : 022 24370624 |
| 3. As per the requirement of the Company has created a dedicated email ID (investorcare@bharatbijlee.com) exclusively for the purpose of registering complaints of Investors and this is prominently displayed on the Company's website: www.bharatbijlee.com |  |

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

**Prakash V. Mehta**

DIN 00001366

Chairman

Place : Mumbai

Date : May 10, 2018

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## **CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY**

As required under Schedule V (D) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Members of the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the financial year ended March 31, 2018.

**For Bharat Bijlee Limited**

**Nikhil J. Danani**

DIN 00056514

Vice Chairman & Managing Director

Place : Mumbai

Date : May 10, 2018

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

**To the Members of Bharat Bijlee Limited**

We have examined all the relevant records of **Bharat Bijlee Limited** ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period from April 1, 2017 to March 31, 2018. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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**Auditors' Certificate regarding compliance of conditions of Corporate Governance (contd)**

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

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

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

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

Place : Mumbai  
Date : April 30, 2018

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**MD CFO CERTIFICATION 2017-2018**

The Board of Directors  
**Bharat Bijlee Limited**

Dear Sirs,

We, the Vice Chairman & Managing Director, Mr. Nikhil J. Danani and the Vice President Finance & Corporate Strategy, Mr. Sandeep M. Tilak, hereby certify in terms of Regulation 17 (8) read with Part B of Schedule II of LODR, 2015:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material act or contain statements that might be misleading.
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

**Sandeep M. Tilak**  
Vice President  
Finance & Corporate Strategy

Date : May 10, 2018  
Place : Mumbai

**ANNEXURE VI**

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**SECRETARIAL AUDIT REPORT  
FORM NO. MR-3****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Bharat Bijlee Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharat Bijlee Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulation made there under to the extent applicable;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:  
**Not applicable to the Company during the Financial Year**
  - f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2013;
  - g) The Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993:  
**Not applicable to the Company during the Financial Year**
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:  
**Not applicable to the Company during the Financial Year**
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:  
**Not applicable to the Company during the Financial Year**
6. Other applicable Laws:
  - (1) Factories Act, 1948 and Rules made thereunder
  - (2) Industrial Employment (Standing Orders) Act, 1946 & Rules 1957
  - (3) Payment of Bonus Act, 1965 & Rules, 1965

- (4) Maternity Benefit Act, 1961 & Rules
- (5) Employees Compensation Act, 1923 & Rules.
- (6) Minimum Wages Act, 1948, M.W(C) Rules, 1950
- (7) Child Labour (P&R) Act, 1986 & Rules.
- (8) Air (Prevention and Control of Pollution) Act, 1981
- (9) Water(Prevention and Control of Pollution) Act, 1974
- (10) The Noise (Regulation and Control) Rules, 2000
- (11) The Environment (Protection) Act, 1986
- (12) Payment of Wages Act, 1936
- (13) Employees State Insurance Act, 1948
- (14) Employees PF & Miscellaneous Provisions Act, 1952
- (15) Contract Labour (Regulation & Abolition) Act, 1970
- (16) Payment of Gratuity Act, 1972
- (17) Industrial Disputes Act, 1947
- (18) Indian Contract Act, 1872
- (19) The States Shops and Establishment Acts
- (20) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (21) Tax Laws

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**All the decisions were passed unanimously in the Board Meetings and with requisite majority in the General Meetings.**

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date: April 30, 2018  
Place: Mumbai

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

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The past year has been peculiar in many ways. A lot of macro changes such as the post-demonetization business revival, GST rollout and its discontinuous effects on the interconnected business supply chain along with industry specific changes such as the Government's prohibition of manufacture and sale of electric motors other than those meeting minimum efficiency standards, abolishing of the IE1 standard for Industrial Motors, capital expenditure by newly formed Telangana and Andhra Pradesh States have impacted both the Power Systems and Industrial Systems segments of your Company in this particular year. It is important to take cognizance of these specific events since a broader systemic recovery in the underlying business environment still needs to be ascertained.

The Power Systems business saw good order inflow in FY 18 although the order booking has not sustained at those levels as we begin the current year. We expect that things will improve during the year and we will continue to be at peak levels of manufacturing activity for the coming year. However, margin pressures continue to drag profitability and this is likely to be a feature for a few more years to come.

The Industrial Systems segment has seen quite a few significant events in the past year. Slow post-demonetization revival ran in rough GST weather. Most customers reduced inventory prior to GST leading to supply chain disturbances. The Government push for higher energy efficiency was mandated through a Quality Control Order that came into effect on January 1, 2018. This further exacerbated the supply chain issues as a lot of customers advanced their purchases of IE1 motors. On a positive note though, with IE2 now being the default standard, the unorganized sector has been adversely impacted and that has improved business conditions for reputed brands like Bharat Bijlee. Your Company also won an order worth ₹ 39.17 Cr for high energy efficiency motors from EESL. We expect this to boost business volumes in the coming year but more importantly positions your Company in a league of the most reputed brands in the country. We have also commissioned a new, state-of-the-art facility for Magnet Technology Machines and look forward to good business growth in that segment over the years to come.

**SEGMENT ANALYSIS**

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

**Power Systems:**

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

We have continuously worked towards reducing dependence on State and Central utilities for the Transformer business and have largely succeeded in quickly diversifying our customer base. We will continue to work towards this goal over time. We have also selectively taken Projects that have a well-defined scope and reasonable certainty of completion and profitability.

**Industrial Systems:**

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

The Motors business depends on the overall health of the economy. To that extent we have seen pockets of outperformance during the year but nothing that shows sustainable, all round growth as reflected in the macroeconomic data and forecasts. However, due to certain large orders such as EESL and the shift to the IE2 standard, we have been able to offset the sluggish economic conditions. The Drives business is also making inroads into new customers and markets and we expect a reasonable growth in its portfolio over the next couple of years. MTM has been adversely affected due to the slowdown in the real estate segment but our efforts continue to focus on select customers and markets where we continue to attract good demand and reasonably good margins. We expect the overall business environment to remain stable during the coming year.

**INTERNAL CONTROLS, AUDITS, RISK MANAGEMENT & IT**

The internal controls of your Company are continuously monitored for adequacy and effectiveness. Most controls have now been automated giving us higher confidence in their effectiveness.

The SAP ERP system ensures that there is reasonable assurance about the financial and accounting records and controls. System driven controls also ensure ease of monitoring and consistency of operations and compliances.

Internal controls in all business operations are regularly reviewed and tested both by the Company's Internal Audit team and the Statutory Auditors. The Management and Audit Committee are also informed if there are any significant audit observations.

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

**RISKS AND CONCERNS**

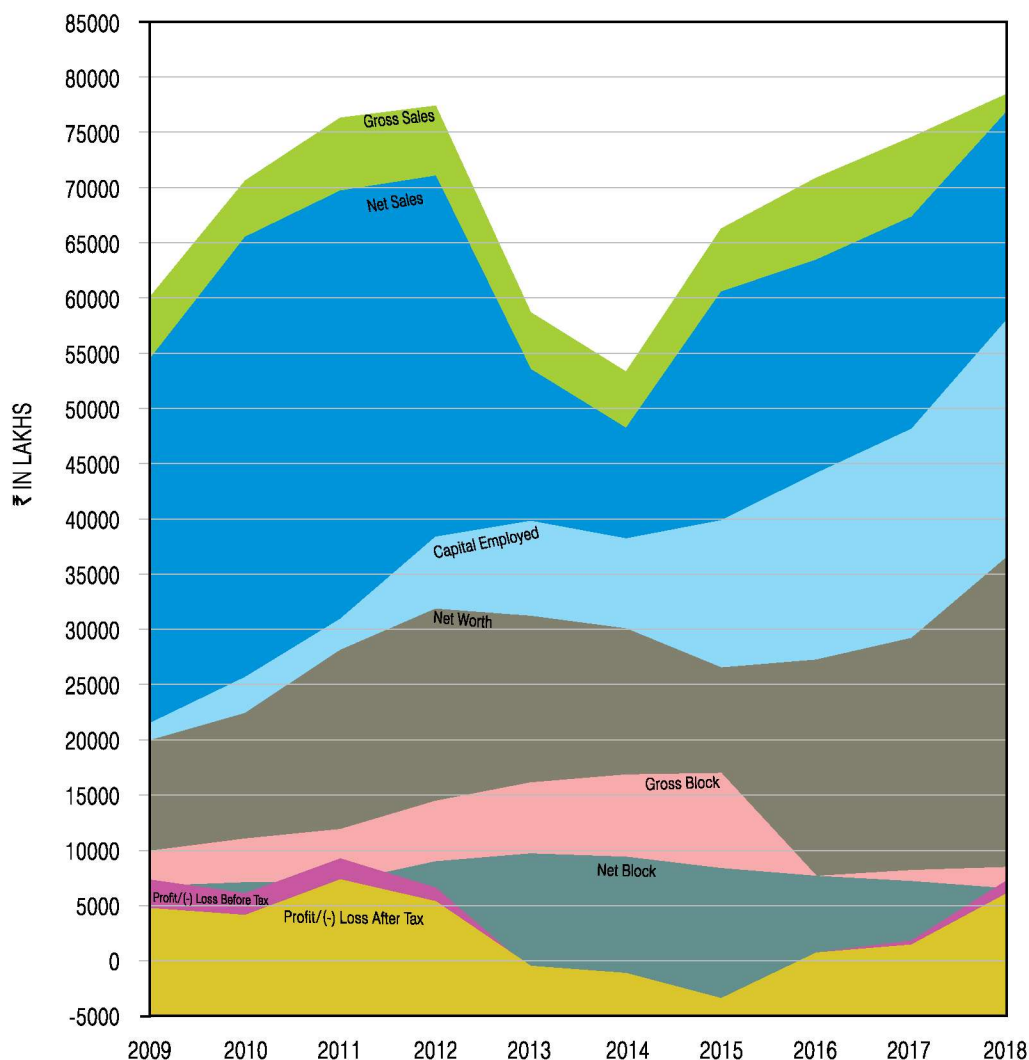
Recovery of the overall business environment and capital expenditure cycle remains a key risk.

**FUTURE OUTLOOK**

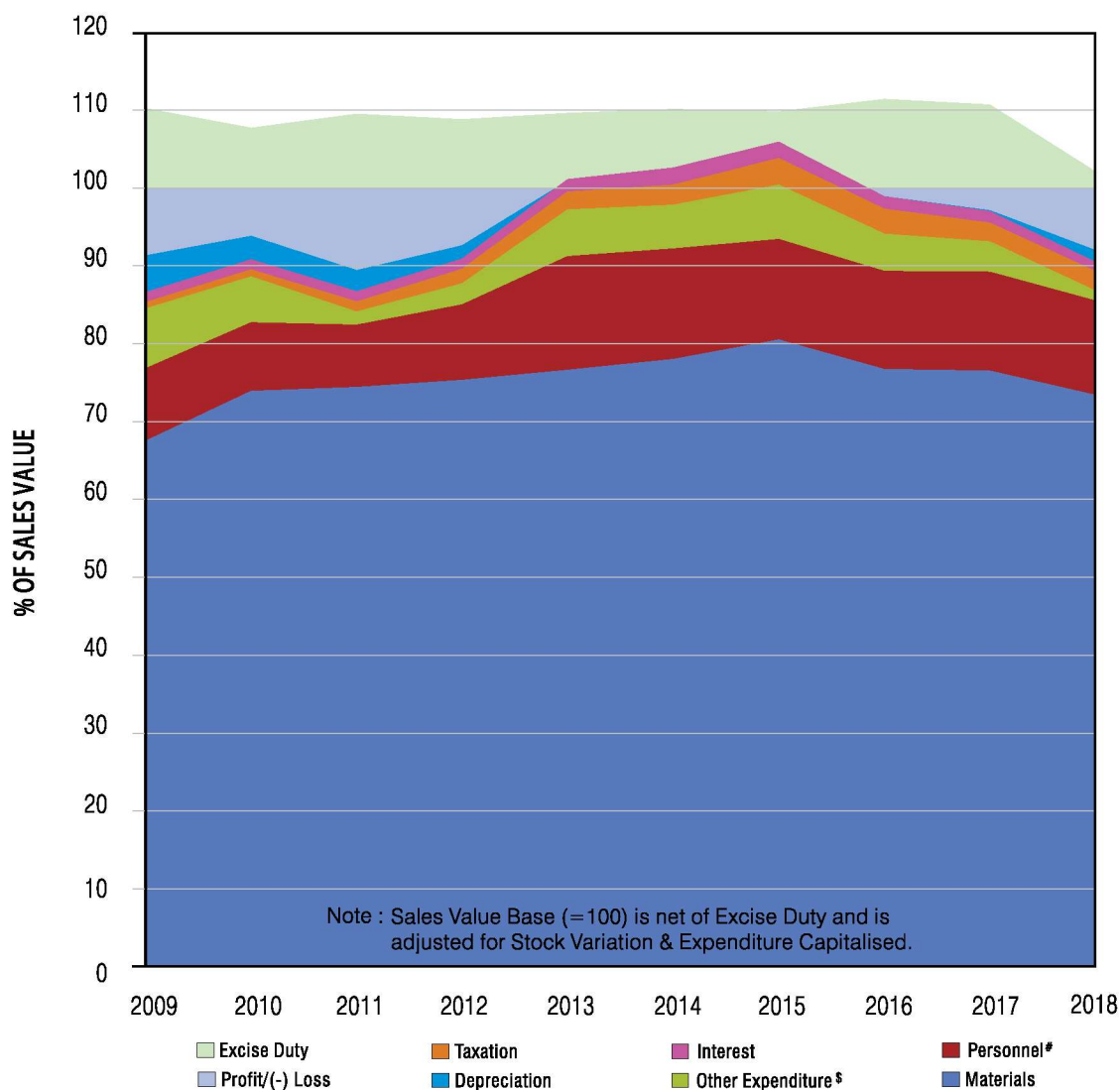
We hope that business conditions have stabilized at current levels. With key reform initiatives having been implemented, we expect a stable revival over the coming years.

**For Bharat Bijlee Limited**

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

**BUSINESS TRENDS**


Particulars	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross Sales	60077	70609	76299	77385	58683	53306	66262	70883	74557	78456
Net Sales	54470	65514	69704	71051	53534	48205	60562	63453	67334	76874
Cptl. Empld.	21507	25668	30951	38375	39807	38224	39875	44127	48136	58008
Net Worth	19950	22424	28135	31860	31208	30078	26535	27254	30378	36544
Gross Block	9941	11043	11913	14465	16127	16845	16986	17258	8184	8466
Net Block	6752	7094	7124	8989	9688	9400	8370	7672	7197	6547
Profit/(-) Loss Before Tax	7342	6096	9233	6603	(819)	(1342)	(3443)	735	1806	7268
Profit/(-) Loss After Tax	4753	4122	7353	5367	(478)	(1130)	(3405)	719	1442	6097

**COST TRENDS**


	(In %)									
Particulars	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Excise Duty	10.2	7.7	9.5	8.8	9.6	10.1	9.8	11.4	10.7	2.1
Profit/(Loss)	8.7	6.2	10.6	7.4	(0.9)	(2.2)	(5.9)	1.1	2.9	8.0
Taxation	4.7	3.0	2.7	1.7	(0.6)	(0.4)	(0.1)	—	0.1	1.5
Depreciation	1.3	1.3	1.3	1.3	2.0	2.2	2.1	1.6	1.5	1.2
Interest	0.8	0.9	1.3	1.9	2.3	2.6	3.4	3.2	2.4	2.5
Other Exp. \$	7.7	6.5	1.7	2.7	6.0	5.6	7.0	4.8	3.9	1.3
Personnel #	9.3	8.2	8.0	9.7	12.6	14.2	12.9	12.6	12.7	12.0
Materials	67.5	73.9	74.4	75.3	78.6	78.0	80.5	76.7	76.6	73.4

\$ Other Expenditure is adjusted for Other Income and Exceptional Income.

# Personnel cost is adjusted for Expenditure on VRS written off and Provision for Gratuity.

**TEN YEARS FINANCIAL DATA**

(₹ in lakhs)										
Period ended	March 2018	March 2017	March 2016	March 2015	March 2014	March 2013	March 2012	March 2011	March 2010	March 2009
<b>SALES &amp; EARNINGS</b>										
Sales	78455.85	74557.09	70882.85	66262.36	53305.60	58682.72	77384.76	76299.48	70608.64	60077.08
Profit/(Loss) Before Taxes	7267.82	1805.68	735.37	(3443.14)	(1342.12)	(819.33)	6602.51	9232.85	6095.96	7341.95
Profit/(Loss) After Taxes Net of Adjustments	6096.76	1441.82	719.19	(3404.95)	(1197.92)	(489.50)	5367.23	7352.53	4122.35	4752.79
Dividends	141.29	—	—	—	—	141.29	1412.89	1412.89	1412.89	1412.89
Earnings Per Share (₹)	107.88	25.51	12.73	(60.25)	(19.98)	(8.61)	94.97	130.10	72.94	84.10
Equity Dividend Rate (₹ Per Share)	2.50	—	—	—	—	2.50	25.00	25.00	25.00	25.00
Net Worth Per Share (₹)	646.61	537.52	510.25	469.52	532.21	552.20	563.74	497.82	396.78	352.99
Debt Equity Ratios+	—	—	—	0.01:1	0.04:1	0.05:1	0.04:1	0.07:1	0.08:1	0.06:1
+ Debt = Loan Funds less cash credit & Short-Term Loans from Banks; Equity = Shareholders' Funds										

**INDEPENDENT AUDITORS' REPORT**

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**To The Members of Bharat Bijlee Limited****Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Bharat Bijlee Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Other Matters**

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated May 19, 2017 and May 12, 2016 respectively expressed an unmodified opinion on those financial statements, and have

been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the Ind AS financial statements is not modified in respect of this matter.

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

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of

such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Mumbai,  
May 10, 2018

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

## **Annexure “A” to the Independent Auditors’ Report**

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

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

We have audited the internal financial controls over financial reporting of Bharat Bijlee Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Sunder V. Iyer**  
Partner  
Mumbai,  
May 10, 2018  
(Membership No. 048393)

### Annexure "B" to the Independent Auditors' Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders / parties. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals excluding inventories lying with third parties. In respect of inventories lying with third parties, these have substantially been confirmed by them. No material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans to parties covered under Section 185 of the Companies Act. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have

been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess, Goods and Services Tax and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (c) Details of dues of Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)	Amount Unpaid (₹ in Lakhs)
Custom Act	Duty of Customs	Supreme Court	1996-1999	240.83	180.83
Central Excise Act	Duty of Excise and Service Tax	Supreme Court	1986-1995	142.79	142.79
Central Excise Act	Duty of Excise and Service Tax	High Court	1998-2004 and 2007-2011	72.51	72.51
Central Excise Act	Duty of Excise and Service Tax	Central Excise and Service Tax Appellate Tribunal	2011-2015	21.78	21.78
Local Sales Tax	Local Sales Tax (including Value Added Tax, Works Contract Tax, etc)	Commissioner-Appeals	2009-2012	129.98	129.98
Local Sales Tax	Works Contract Tax	High Court	2002-2004	54.24	45.49

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and the Company does not have any loans or borrowings from any financial institution or government, nor has it issued any debentures.

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Mumbai,  
May 10, 2018

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

**BALANCE SHEET AS AT 31ST MARCH, 2018**

	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS:</b>				
<b>NON-CURRENT ASSETS:</b>				
a) Property, Plant and Equipment	3	<b>6486.71</b>	7111.02	7595.29
b) Capital Work-in-Progress		<b>737.21</b>	56.26	62.80
c) Intangible assets	4	<b>60.35</b>	85.76	76.61
		<b>7284.27</b>	7253.04	7734.70
d) Financial Assets				
(i) Investments	5 (i)	<b>33000.58</b>	35153.85	29508.85
(ii) Loans	5 (ii)	<b>5.64</b>	4850.81	9347.24
(iii) Other financial assets	5 (iii)	<b>3563.97</b>	3231.28	4142.97
e) Non-Current Tax Assets (Net)	6	<b>66.94</b>	2.84	727.30
f) Deferred tax assets (Net)	7	<b>1867.41</b>	1572.16	1717.30
g) Other non-current assets	8	<b>2311.25</b>	2909.98	2016.19
		<b>48100.06</b>	54973.96	55194.55
<b>CURRENT ASSETS:</b>				
a) Inventories	9	<b>11102.22</b>	12318.71	10607.25
b) Financial Assets				
(i) Investments	10 (i)	<b>1737.02</b>	—	522.78
(ii) Trade receivables	10 (ii)	<b>29594.05</b>	22354.98	22332.62
(iii) Cash and cash equivalents	10 (iii)	<b>474.73</b>	1436.14	267.15
(iv) Bank balances other than (iii) above	10 (iv)	<b>510.80</b>	526.11	535.63
(v) Loans	10 (v)	<b>17435.52</b>	9880.84	4482.40
(vi) Other financial assets	10 (vi)	<b>639.40</b>	2122.39	66.65
c) Current Tax Assets (Net)	11	<b>58.05</b>	51.75	35.21
d) Other current assets	12	<b>1711.59</b>	543.18	843.07
		<b>63263.38</b>	49234.10	39692.76
<b>Total Assets</b>		<b>111363.44</b>	104208.06	94887.31
<b>EQUITY AND LIABILITIES:</b>				
<b>EQUITY:</b>				
a) Equity Share Capital	13	<b>565.16</b>	565.16	565.16
b) Other Equity	14	<b>68577.89</b>	64565.60	57379.49
		<b>69143.05</b>	65130.76	57944.65
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Provisions	15	<b>114.70</b>	132.78	227.13
		<b>114.70</b>	132.78	227.13
<b>CURRENT LIABILITIES:</b>				
a) Financial Liabilities				
(i) Borrowings	16 (i)	<b>21464.56</b>	17757.39	16872.38
(ii) Trade payables	16 (ii)	<b>15384.31</b>	15551.95	15082.26
(iii) Other financial liabilities	16 (iii)	<b>303.38</b>	250.92	236.33
b) Other current liabilities	17	<b>3680.44</b>	4355.80	3453.37
c) Provisions	18	<b>1149.03</b>	999.56	1067.82
d) Current Tax Liabilities (Net)	19	<b>123.97</b>	28.90	3.37
		<b>42105.69</b>	38944.52	36715.53
<b>Total Equity and Liabilities</b>		<b>111363.44</b>	104208.06	94887.31

General Information 1  
Significant Accounting Policies 2  
The Notes are an integral part of these financial statements

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

Sunder V. Iyer  
Partner  
Membership No. 048393

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

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

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

Shome N. Danani Executive Director

Prakash V. Mehta Director

Mumbai, 10th May, 2018

Mumbai, 10th May, 2018

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

	Note	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>REVENUE:</b>			
Revenue from Operations	20	<b>78980.95</b>	74970.35
Other Income	21	<b>2116.88</b>	2673.19
<b>TOTAL REVENUE</b>		<b>81097.83</b>	77643.54
<b>EXPENSES:</b>			
Cost of materials consumed	22	<b>55102.72</b>	50102.34
Purchases of stock in trade	23	<b>737.30</b>	1425.02
Changes in inventories	24	<b>766.23</b>	(1439.86)
Excise Duty	25	<b>1581.89</b>	7223.02
Employee benefits	26	<b>9164.88</b>	8721.89
Finance costs	27	<b>1928.27</b>	1594.82
Depreciation and amortisation expense	3 & 4	<b>931.44</b>	987.42
Other expenses	28	<b>8295.20</b>	7223.21
<b>TOTAL EXPENSES</b>		<b>78507.93</b>	75837.86
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>2589.90</b>	1805.68
<b>EXCEPTIONAL ITEM (Refer Note 39)</b>		<b>4677.92</b>	—
<b>PROFIT BEFORE TAX</b>		<b>7267.82</b>	1805.68
<b>TAX EXPENSE</b>			
Current Tax	42(a)	<b>1502.73</b>	271.26
Deferred Tax Charge/(Credit)	42(a)	<b>(331.67)</b>	92.60
		<b>1171.06</b>	363.86
<b>PROFIT AFTER TAX</b>		<b>6096.76</b>	1441.82
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan (net of tax)		<b>68.80</b>	99.29
Fair Value of Equity Instruments through Other Comprehensive Income		<b>(2153.27)</b>	5645.00
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>(2084.47)</b>	5744.29
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>4012.29</b>	7186.11
<b>Basic and diluted Earning/(loss) per share (in ₹)</b>			
[nominal value ₹ 10 per share]	37	<b>107.88</b>	25.51

The Notes are an integral part of these financial statements

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

Sunder V. Iyer  
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D. N. Nagarkar  
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Nakul P. Mehta

} Vice Chairmen &  
Managing Directors

Shome N. Danani Executive Director

Prakash V. Mehta Director

Mumbai, 10th May, 2018

Mumbai, 10th May, 2018

## NOTES TO THE FINANCIAL STATEMENTS

### STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018

#### (A) EQUITY SHARE CAPITAL

Balance as at 1st April, 2016	565.16
Changes in equity share capital	—
Balance as at 31st March, 2017	565.16
Changes in equity share capital	—
<b>Balance as at 31st March, 2018</b>	<b>565.16</b>

#### (B) OTHER EQUITY

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Retained Earnings	General Reserve	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2016 (a)	3800.60	24471.37	29107.52	57379.49
Profit for the year (b)	1441.82	—	—	1441.82
Other comprehensive income (c)	99.29	—	5645.00	5744.29
Total Comprehensive Income for the year (d) = (b) + (c)	1541.11	—	5645.00	7186.11
Balance as at 31st March, 2017 (e) = (a) + (d)	5341.71	24471.37	34752.52	64565.60
Profit for the year (f)	6096.76	—	—	6,096.76
Other comprehensive income (g)	68.80	—	(2153.27)	(2084.47)
<b>Total Comprehensive Income for the year (h) = (f) + (g)</b>	<b>6165.56</b>	<b>—</b>	<b>(2153.27)</b>	<b>4012.29</b>
<b>Balance as at 31st March, 2018 (i) = (e) + (h)</b>	<b>11507.27</b>	<b>24471.37</b>	<b>32599.25</b>	<b>68577.89</b>

The Notes are an integral part of these financial statements

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

Sunder V. Iyer  
Partner  
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D. N. Nagarkar  
Company Secretary & Senior General Manager : Legal

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

Mumbai, 10th May, 2018

Nikhil J. Danani

Nakul P. Mehta

} Vice Chairmen &  
Managing Directors

Shome N. Danani

Prakash V. Mehta

Executive Director

Director

Mumbai, 10th May, 2018

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Taxation	7267.82	1805.68
Adjustments for:		
Depreciation and amortisation	931.44	987.42
Loss/(Profit) on sale of Fixed Assets (net)	(4667.70)	4.78
Profit on sale of current investments	(38.84)	(16.66)
Finance Cost	1928.27	1594.82
Interest Income	(1669.77)	(1746.68)
Dividend Income	(247.21)	(808.02)
Unrealised exchange (gain)/loss (net)	2.41	2.55
	<b>(3761.40)</b>	<b>18.21</b>
Operating Profit/(Loss) Before Working Capital changes	<b>3506.42</b>	<b>1823.89</b>
Changes in Working Capital:		
Increase/(Decrease) in trade payable	(365.47)	422.21
Increase/(Decrease) in provisions	236.62	(10.79)
Increase/(Decrease) in other current liabilities	(644.19)	919.23
(Increase)/Decrease in trade receivables	(7237.65)	(24.35)
(Increase)/Decrease in inventories	1216.49	(1711.46)
(Increase)/Decrease in loans	(3.48)	2.99
(Increase)/Decrease in current financial and other assets	(1166.55)	318.25
(Increase)/Decrease in non-current financial and other assets	616.59	(876.42)
	<b>(7347.64)</b>	<b>(960.34)</b>
Cash generated from Operations	<b>(3841.22)</b>	<b>863.55</b>
Direct Taxes (paid)/Refund	<b>(1478.06)</b>	<b>462.19</b>
Net Cash inflow/(outflow) from Operating Activities <b>(A)</b>	<b>(5319.28)</b>	<b>1325.74</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(785.63)	(470.91)
Proceeds from Sale of Fixed Assets	4679.49	1.43
Proceeds from Sale/(Purchase) of Current Investments (net)	(1698.18)	539.44
Inter Corporate Deposits given	(12583.19)	(5383.42)
Inter Corporate Deposits redeemed	9877.17	4478.42
(Increase)/Decrease in other bank balance (net)	13.77	4.31
Fixed Deposit with Banks placed	(127.23)	—
Interest received	2932.73	572.77
Dividend received	247.21	808.02
Net Cash inflow/(outflow) from Investing Activities <b>(B)</b>	<b>2556.14</b>	<b>550.06</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Short Term Loans from Banks (net)	3707.17	885.01
Interest paid	(1896.17)	(1581.21)
Unclaimed/Dividend including Dividend Distribution Tax paid	(9.27)	(10.61)
Net Cash inflow/(outflow) from Financing Activities <b>(C)</b>	<b>1801.73</b>	<b>(706.81)</b>
<b>(A+B+C)</b>	<b>(961.41)</b>	<b>1168.99</b>
Net Increase/(Decrease) in Cash and Cash equivalents	<b>(961.41)</b>	<b>1168.99</b>
Cash and Cash equivalents at the beginning of the year	<b>1436.14</b>	<b>267.15</b>
Cash and Cash equivalents at the end of the year [Refer Note No. 10 (iii)]	<b>474.73</b>	<b>1436.14</b>

The Notes are an integral part of these financial statements

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

Sunder V. Iyer  
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} Vice Chairmen &  
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Shome N. Danani

Executive Director

Prakash V. Mehta

Director

Mumbai, 10th May, 2018

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## NOTES TO THE FINANCIAL STATEMENTS

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### Notes

#### 1. GENERAL INFORMATION:

Bharat Bijlee Limited is one of the leaders in the electrical engineering industry in India. A multi-product, multi-divisional organisation, its main products are transformers, electric motors, magnet technology machines and drives and automation systems. The Company also undertakes turnkey projects (switchyards). The Company has a well established all-India marketing network that ensures responsive pre and after sales service.

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

#### 2. SIGNIFICANT ACCOUNTING POLICIES:

##### 2.01 Statement of Compliance:

These financial statements of the Company comprising of Balance Sheet, Statement of Profit and Loss, Statement of changes in Equity and Cash Flow Statement together with the notes have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as amended by the Companies (Indian Accounting Standards) Rules, 2016, the Companies (Indian Accounting Standards) Rules, 2017 and other relevant provisions of the Companies Act, 2013.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Refer note 2.24 for the details of the first time adoption exemptions availed by the Company.

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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

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

The financial statements are presented in Indian currency (INR) which is the Company's functional and presentation currency. All values are rounded off to the nearest lakhs.

The financial statements were approved for issue by the Board of Directors on 10th May, 2018.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current-non current classification of assets and liabilities.

##### 2.03 Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Revenue is inclusive of Excise Duty (up to the applicable date), reduced for customer discounts, rebates granted, other similar allowances, sales taxes (up to the applicable date), Goods and Services Tax (GST) and duties collected on behalf of third parties.

a) Revenue from sale of goods is recognised when the following conditions are satisfied.

- i) the Company has transferred the significant risks and rewards of ownership of the goods to the buyer which generally coincides when the goods are despatched in accordance with the terms of sale;
- ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii) the amount of revenue can be measured reliably;
- iv) it is probable that the economic benefits associated with the transaction will flow to the Company;
- v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS**

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**Notes (Contd.)**

- 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) Service income is recognised, net of service tax (up to the applicable date)/Goods and Services Tax (GST), when the related services are provided.

**2.04 Other Income:**

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

**2.05 Property, Plant and Equipment:**

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

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

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

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013. Depreciation is provided on pro-rata basis on the straight line method over the useful life of assets. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end and adjusted prospectively.

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

Spares in the nature of capital spares/insurance spares are added to the cost of the assets. The total cost of such spares is depreciated over a period not exceeding the useful life of the asset to which they relate.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per IGAAP as the deemed cost of the property, plant and equipment.

**2.06 Intangible Assets:**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

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

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as at 1st April, 2016 measured as per IGAAP as the deemed cost of intangible assets.

**2.07 Impairment of Assets:**

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 2.08 Financial instruments:

##### 1. Initial recognition and measurement:

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

##### 2. Financial Assets:

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

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

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

##### b) Subsequent Measurement:

##### (i) Debt instruments:

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

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

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

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

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

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

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

##### (ii) Equity instruments:

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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**Notes (Contd.)****c) Impairment of Financial Assets:**

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

**d) Derecognition of Financial Assets:**

A financial asset is primarily derecognised when:

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

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

**3. Financial Liabilities and Equity Instruments****Classification as debt or equity**

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

**Equity Instruments**

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

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

**Financial Liabilities**

Classification and subsequent measurement.

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

**Derecognition**

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

**Offsetting of Financial Instruments**

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

**Derivative Financial Instruments**

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

**NOTES TO THE FINANCIAL STATEMENTS**

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**Notes (Contd.)****2.09 Inventories:**

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of raw materials and components, packing materials, stores, spare parts other than specific spares for machinery and traded finished goods are determined on the basis of weighted average method.

Cost of Materials in transit and materials in bonded warehouse are determined at cost-to-date.

Cost of Work-in-progress and manufactured finished goods comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

**2.10 Foreign Currencies:**

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

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

**2.11 Employee Benefits:****Retirement Benefit Costs and Termination Benefits:****Defined Contribution Plans**

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

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

**Defined Benefit Plans**

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

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

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

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

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

**Short-term and Other Long-Term Employee Benefits**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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**Notes (Contd.)****2.12 Borrowing Costs:**

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

**2.13 Taxation:**

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

**Current Tax**

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

**Deferred Tax**

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

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

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

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

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

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

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

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

**2.14 Leases:**

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

**Operating Leases**

The Company's operating lease arrangements are for premises and vehicles.

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

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

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

**Provisions :** Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured using the cash flows estimated to settle the present obligation at the Balance sheet date.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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**Notes (Contd.)****2.16 Segment Reporting:**

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

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

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

**2.17 Cash and Cash Equivalents:**

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

**2.18 Statement of Cash Flows:**

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

**2.19 Dividend to Equity Shareholders:**

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

**2.20 Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**2.21 Government Grants:**

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

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

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

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

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

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

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**Notes (Contd.)****(ii) Allowance for Doubtful Debts/Advances**

When determining the lifetime expected credit losses for trade receivables, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. Refer Note 10 (ii).

**(iii) Deferred Tax Assets**

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

**(iv) Employee Benefit Obligations**

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

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

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

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

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

**(vi) Allowance for Inventories**

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

**2.23 Recent Accounting Pronouncements****Application of new and revised Ind ASs**

All the Indian Accounting Standards ("Ind AS") issued and notified by the Ministry of Corporate Affairs are effective and considered for the significant accounting policies to the extent relevant and applicable for the Company.

The Company has not applied the following new and revised Indian Accounting Standards ("Ind AS") that have been issued and notified by the Ministry of Corporate Affairs in March 2018 but are not yet effective. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The Company is evaluating the impact of these pronouncements on the financial statements.

**Ind AS 115 – Revenue from Contracts with Customers**

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April, 2018.

The Company is in the process of making an assessment of the impact of Ind AS 115 upon initial application.

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration**

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1st April, 2018.

**NOTES TO THE FINANCIAL STATEMENTS**

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**Notes (Contd.)****2.24 First time Adoption of Ind AS:**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The Company has prepared opening Balance Sheet as per Ind AS as of 1st April, 2016 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The optional exemption and mandatory exceptions availed by the Company under Ind AS 101 are as follows:

**A. Optional Exemption:****Deemed cost for property, plant and equipment and intangible assets**

The Company has elected to continue with the carrying value determined in accordance with Previous GAAP for all of its property, plant and equipment and intangible assets recognised as of 1st April, 2016 (transition date) and use that carrying value as deemed cost of such assets as of transition date.

**B. Mandatory Exceptions:****Use of Estimate**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that are required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### (i) Reconciliation of Equity:

Particulars	Notes	As at 31st March, 2017	As at 1st April, 2016
<b>Equity as per Previous GAAP</b>		<b>29215.06</b>	<b>27254.29</b>
Provision for Expected Credit Loss on trade receivables	(a)	(4.52)	(60.26)
Gain on Fair Valuation of Equity investments	(b)	34752.52	29107.52
Gain on Fair Valuation of Mutual Fund investments	(c)	—	112.43
Income tax adjustments on the above adjustments	(d)	1.55	20.85
Recognition of Deferred Tax Assets on cumulative losses	(e)	1166.15	1509.82
<b>Equity as per Ind AS</b>		<b>65130.76</b>	<b>57944.65</b>

#### (ii) Reconciliation of Total Comprehensive Income:

Particulars	Notes	For the year ended 31st March, 2017
<b>Profit as per Previous GAAP</b>		<b>1960.77</b>
Reversal of Provision for Expected Credit Loss	(a)	55.74
Actuarial (gain)/loss on employee defined benefit plans recognised in Other Comprehensive Income (net of taxes)	(f)	(151.84)
Reversal of Deferred Tax Assets on utilisation of carried forward losses	(e)	(343.67)
Reversal of gain on remeasurement of Mutual Fund investments	(c)	(112.43)
Income tax adjustments on the above adjustments	(d)	33.25
<b>Net profit after tax as per Ind AS</b>		<b>1441.82</b>
Other Comprehensive Income (net of taxes)	(b) and (f)	5744.29
<b>Total Comprehensive income as per Ind AS</b>		<b>7186.11</b>

#### (iii) Notes to the Reconciliation to Previous GAAP:

- The provision is made against trade receivables based on "Expected Credit Loss" model as per Ind AS 109. Under Previous GAAP the provision was made when the receivable turned doubtful based on the assessment on case to case basis.
- Under Previous GAAP, long term investments in Equity Instruments were measured at cost less diminution in value which is other than temporary. Under Ind AS, the same are measured at fair value through Other Comprehensive Income. Consequently, the differences, as at the transition date and as at the end of year 2016-17, between carrying value as per Previous GAAP and fair value, are reflected in total equity and Other Comprehensive Income respectively.
- Under Previous GAAP, investments in Fixed Maturity Plans and Other Mutual Funds were measured at cost less diminution in value which is other than temporary. Under Ind AS, the same are measured at fair value through Profit and Loss. Consequently, the differences, as at the transition date and as at the end of year 2016-17, between carrying value as per Previous GAAP and fair value, are reflected in total equity and Profit and Loss respectively.
- Income Tax adjustments includes deferred tax impact on account of difference between Previous GAAP and Ind AS.
- Under Previous GAAP, in the absence of virtual certainty of having future profits, the Company had recognised deferred tax asset on unabsorbed depreciation and tax losses incurred only to the extent of the deferred tax liabilities. As per Ind AS, Deferred tax asset can be recognised if it is probable that the current losses will be recovered against future profits, accordingly the deferred tax asset has been recognised on such unabsorbed depreciation and tax losses.
- Under Previous GAAP, actuarial gains and losses on employees defined benefit obligations were recognised as part of Employee benefits in Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in Other Comprehensive Income.

#### (iv) Other material reclassification adjustments made in the Balance Sheet and Statement of Profit and Loss

- Under Previous GAAP, Minimum Alternate Tax (MAT) entitlements were classified under other non-current assets. Under Ind AS, it is classified as unused tax credits under deferred tax.
- Under Previous GAAP, revenue from sale of goods was presented net of excise duty whereas under Ind AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.
- Under Previous GAAP, cash discount paid and outward freight recoveries were recorded under other expenses and Freight and forwarding charges respectively. Under Ind AS, cash discount paid and outward freight recoveries are reflected, as adjustments, in revenue.
- Under Previous GAAP, the Company had created provision for doubtful debts on trade receivables on the basis of incurred loss. Under Ind AS, loss allowance on trade receivables has been determined on the basis of "Expected Credit Loss" model as per Ind AS 109.

#### (v) Reconciliation of cash flows for the year ended 31st March, 2017

The transition from Previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 3. Property, Plant and Equipment:

	Leasehold Land	Buildings Incl. Roads (Refer Note 2)	Plant and Machinery	Furniture and Fittings	Office Equipments	Motor Vehicles	Total
<b>Deemed Cost:</b>							
As at 01-04-2016 (Refer Note 1)	5.42	2743.72	4498.75	138.55	75.52	133.33	7595.29
Additions	—	9.75	374.28	10.40	44.00	—	438.43
Deductions	—	—	4.01	0.04	2.16	—	6.21
<b>As at 31-03-2017</b>	<b>5.42</b>	<b>2753.47</b>	<b>4869.02</b>	<b>148.91</b>	<b>117.36</b>	<b>133.33</b>	<b>8027.51</b>
Additions	—	—	200.27	4.93	27.18	10.65	243.03
Deductions	0.61	—	10.26	0.52	0.54	—	11.93
<b>As at 31-03-2018</b>	<b>4.81</b>	<b>2753.47</b>	<b>5059.03</b>	<b>153.32</b>	<b>144.00</b>	<b>143.98</b>	<b>8258.61</b>
<b>Accumulated depreciation:</b>							
As at 01-04-2016 (Refer Note 1)	—	—	—	—	—	—	—
Depreciation charge for the year	0.12	110.08	716.38	37.48	35.67	16.76	916.49
<b>As at 31-03-2017</b>	<b>0.12</b>	<b>110.08</b>	<b>716.38</b>	<b>37.48</b>	<b>35.67</b>	<b>16.76</b>	<b>916.49</b>
Depreciation charge for the year	0.12	104.86	671.56	26.61	35.46	16.93	855.54
Deductions	—	—	—	—	0.13	—	0.13
<b>As at 31-03-2018</b>	<b>0.24</b>	<b>214.94</b>	<b>1387.94</b>	<b>64.09</b>	<b>71.00</b>	<b>33.69</b>	<b>1771.90</b>
<b>Net book value</b>							
As at 01-04-2016	5.42	2743.72	4498.75	138.55	75.52	133.33	7595.29
As at 31-03-2017	5.30	2643.39	4152.64	111.43	81.69	116.57	7111.02
<b>As at 31-03-2018</b>	<b>4.57</b>	<b>2538.53</b>	<b>3671.09</b>	<b>89.23</b>	<b>73.00</b>	<b>110.29</b>	<b>6486.71</b>

#### Notes:

- The Company has elected to measure all its Property, Plant and Equipment at Previous GAAP carrying amount as at 31st March, 2016 as its deemed cost for Gross Block on the date of transition to Ind AS i.e. 1st April, 2016.
- Buildings includes ₹ 16,350 (Previous Year – ₹ 16,350) being the value of 326 shares (Previous Year – 326 shares) in Co-operative Societies for owned premises.

#### 4. Intangible Assets:

	Application Software
<b>Cost:</b>	
As at 01-04-2016 (Refer Note below)	76.61
Additions	80.08
Deductions	—
<b>As at 31-03-2017</b>	<b>156.69</b>
Additions	50.49
Deductions	—
<b>As at 31-03-2018</b>	<b>207.18</b>
<b>Accumulated depreciation:</b>	
As at 01-04-2016 (Refer Note below)	—
Depreciation charge for the year	70.93
<b>As at 31-03-2017</b>	<b>70.93</b>
Depreciation charge for the year	75.90
Deductions	—
<b>As at 31-03-2018</b>	<b>146.83</b>
<b>Net book value</b>	
As at 01-04-2016	76.61
As at 31-03-2017	85.76
<b>As at 31-03-2018</b>	<b>60.35</b>

#### Note:

The Company has elected to measure all its Intangible Assets at Previous GAAP carrying amount as at 31st March, 2016 as its deemed cost for Gross Block on the date of transition to Ind AS i.e. 1st April, 2016.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### NON-CURRENT ASSETS

##### 5. Financial Assets:

###### i) Investments:

	Nominal Value (in ₹)	Quantity	As at 31st March, 2018	Quantity	As at 31st March, 2017	Quantity	As at 1st April, 2016
<b>Non-current</b>							
<b>Quoted equity instruments</b> (All fully paid up)							
Investments carried at fair value through other comprehensive income (FVTOCI)							
Siemens India Ltd.	2	2138160	22943.52	2138160	26893.77	2138160	23491.96
HDFC Ltd.	2	514900	9393.84	514900	7735.86	514900	5692.48
ICICI Bank Ltd.	2	87015	242.25	79105	219.20	79105	187.12
Hindustan Oil Exploration Co. Ltd.	10	333333	368.00	333333	261.33	333333	105.17
HDFC Bank Ltd.	2	2500	47.29	2500	36.06	2500	26.78
Bank of India	10	5400	5.58	5400	7.53	5400	5.24
<b>Total aggregate quoted investments (at Fair Value)</b>		<b>A</b>	<b>33000.48</b>	<b>A</b>	<b>35153.75</b>	<b>A</b>	<b>29508.75</b>
<b>Aggregate Market Value of quoted investments</b>			<b>33000.48</b>		<b>35153.75</b>		<b>29508.75</b>
<b>Unquoted equity instruments</b> (All fully paid up)							
Saraswat Co-operative Bank Ltd	10	1000	0.10	1000	0.10	1000	0.10
<b>Total aggregate unquoted investments</b>		<b>B</b>	<b>0.10</b>	<b>B</b>	<b>0.10</b>	<b>B</b>	<b>0.10</b>
<b>Total non-current investments</b>		<b>(A+B)</b>	<b>33000.58</b>	<b>(A+B)</b>	<b>35153.85</b>	<b>(A+B)</b>	<b>29508.85</b>

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ii) Loans:</b>			
<b>Unsecured, considered good</b>			
Employee Loans	5.64	3.89	6.57
Corporate Deposit	—	4846.92	9340.67
	<u>5.64</u>	<u>4850.81</u>	<u>9347.24</u>

<b>iii) Other financial assets:</b>			
<b>Unsecured, considered good</b>			
Security Deposits	267.17	279.00	280.36
(including National Savings Certificates of the face value of ₹ 0.36 lakhs matured but not encashed, deposited with Government Departments and Semi Government – Previous Year ₹ 0.36 lakhs)			
Other Loans and Advances			
Employee Advances	7.30	8.18	8.40
Deposits with Banks with maturity period more than 12 months *	2627.23	2500.00	2500.00
Interest accrued on Deposits	662.27	444.10	1344.29
Other Receivables	—	—	9.92
	<u>3563.97</u>	<u>3231.28</u>	<u>4142.97</u>

\* Includes ₹ 127.23 lakhs kept as Fixed Deposits  
against Bank Guarantees

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

Advance payments of tax (net of provision)	66.94	2.84	727.30
	<u>66.94</u>	<u>2.84</u>	<u>727.30</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>7. Deferred Tax Assets (Net):</b>			
Deferred Tax (Liability)			
Property, Plant and Equipment	(918.28)	(952.15)	(1001.08)
Deferred Tax Asset			
Provision for doubtful debts and advances	243.37	270.28	292.14
Other Temporary Differences	256.04	268.65	265.27
Carry Forward tax losses	289.59	1580.93	1974.34
MAT Credit	1996.69	404.45	186.63
	<b>2785.69</b>	<b>2524.31</b>	<b>2718.38</b>
	<b>1867.41</b>	<b>1572.16</b>	<b>1717.30</b>

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

(Refer Note No. 42 for deferred tax movement and related disclosures)

### 8. Other Non-Current Assets:

Capital Advances (Unsecured)	31.59	26.44	20.57
Other Loans and Advances			
Advances to Vendors	11.87	18.99	18.99
Balances with Statutory/Government Authorities	2151.14	2785.51	1891.93
Prepaid Expenses	16.29	16.71	22.51
Other Deposits	62.49	62.33	62.19
Prepaid Gratuity (Refer Note No. 33)	37.87	—	—
	<b>2311.25</b>	<b>2909.98</b>	<b>2016.19</b>

### CURRENT ASSETS:

#### 9. Inventories:

Raw Materials and Components	2958.28	2719.36	2413.28
(In transit ₹ 2.03 lakhs – Previous Year ₹ 0.79 lakhs)			
Work-in-Progress	5073.07	4132.98	2540.66
Finished Goods	2703.05	4917.64	5089.64
Stock in Trade	266.35	458.19	482.64
Stores, Spare Parts and Fuel	20.12	26.24	26.18
Consumable Tools	20.37	23.97	14.01
Packing Materials	60.98	40.33	40.84
	<b>11102.22</b>	<b>12318.71</b>	<b>10607.25</b>

#### Notes:

- The cost of inventories recognised as an expense during the year was ₹ 56855.42 lakhs (for the year ended 31st March, 2017: ₹ 50378.69 lakhs).
- The cost of inventories recognised as an expense includes ₹ 281.40 lakhs (during 2016-2017: ₹ 185.75 lakhs) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ 19.84 lakhs (during 2016-2017: ₹ 25.37 lakhs) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales prices in certain markets.
- The mode of valuation of inventories has been stated in Note 2.09 on Accounting policy for inventories.
- Inventories are hypothecated against loans repayable on demand from banks. Refer Note 16 (i) on Borrowings.

**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.)**
**10. Financial Assets**
**i) Investments**

Investments	Number of Units	As at 31st March, 2018	Number of Units	As at 31st March, 2017	Number of Units	As at 1st April, 2016
<b>Current</b>						
<b>Unquoted Mutual Funds</b>						
Investments carried at fair value through profit and loss (FVTPL)						
ICICI Prudential Money Market Fund – Growth	346040	828.84	–	–	–	–
UTI Money Market – IP – Growth	46831	908.18	–	–	–	–
ICICI Prudential – FMP series 68 - 369 days Plan K Regular Plan Cumulative	–	–	–	–	4103418	522.78
<b>Total aggregate unquoted investments</b>		<b>1737.02</b>		<b>–</b>		<b>522.78</b>
<b>Aggregate market value of unquoted investments</b>		<b>1737.02</b>		<b>–</b>		<b>522.78</b>

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ii) Trade receivables:</b>			
<b>Secured, considered good</b>	<b>76.28</b>	54.85	64.62
<b>Unsecured:</b>			
considered good	29517.77	22300.13	22268.00
considered doubtful	696.45	780.98	844.15
	<b>30214.22</b>	23081.11	23112.15
Less: Allowance for doubtful debts	696.45	780.98	844.15
	<b>29517.77</b>	22300.13	22268.00
	<b>29594.05</b>	22354.98	22332.62
<b>iii) Cash and cash equivalents:</b>			
Bank balances			
In Cash Credit Accounts	175.62	1218.51	49.25
In Current Accounts	81.40	100.36	58.89
Cheques on hand	62.00	62.79	76.48
Cash on hand	3.38	3.63	5.41
Remittances in transit	152.33	50.85	77.12
	<b>474.73</b>	1436.14	267.15
<b>iv) Bank balances other than (iii) above:</b>			
Earmarked balances with banks			
In Current Accounts (Refer Note below)	35.88	46.70	62.52
In Fixed Deposits	4.92	9.41	3.11
Other			
Deposits with Banks with original maturity period more than 3 months but less than 12 months	470.00	470.00	470.00
	<b>510.80</b>	526.11	535.63
	<b>985.53</b>	1962.25	802.78

**Note:**

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

**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.)**

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>10. Financial Assets (Contd.):</b>			
<b>v) Loans:</b>			
<b>Unsecured, considered good</b>			
Employee Loans	5.40	3.67	3.98
Corporate Deposit	17430.12	9877.17	4478.42
	<u>17435.52</u>	<u>9880.84</u>	<u>4482.40</u>
<b>vi) Other Financial Assets:</b>			
<b>Unsecured, considered good</b>			
Employee Advances	15.52	12.45	16.84
Interest accrued on Deposits	614.25	2095.38	21.28
Derivative Asset	0.09	—	—
Other Receivables	9.54	14.56	28.53
	<u>639.40</u>	<u>2122.39</u>	<u>66.65</u>
<b>11. Current Tax Assets (Net):</b>			
Advance payments of tax (net of provision)	58.05	51.75	35.21
	<u>58.05</u>	<u>51.75</u>	<u>35.21</u>
<b>12. Other Current Assets:</b>			
Advances to Vendors	63.65	129.68	66.98
Balances with Statutory/Government Authorities	1351.10	103.13	518.09
Prepaid Expenses	249.47	269.22	226.59
Others	16.81	12.24	8.30
Export Incentive	13.52	—	0.13
Gross Amounts Due from Customers of Construction Contracts (Refer Note No. 32)	0.02	28.91	22.98
Prepaid Gratuity (Refer Note No. 33)	17.02	—	—
	<u>1711.59</u>	<u>543.18</u>	<u>843.07</u>

**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.)**

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>13. Equity Share Capital:</b>				
<b>Authorised:</b>				
2,00,000 (Previous Year – 2,00,000)	12% Non-Convertible Redeemable Cumulative Preference Shares of ₹ 100 each	200.00	200.00	200.00
80,00,000 (Previous Year – 80,00,000)	Equity Shares of ₹ 10 each	800.00	800.00	800.00
		<b>1000.00</b>	<b>1000.00</b>	<b>1000.00</b>
<b>Issued and Subscribed and fully paid-up shares</b>				
56,51,560 (Previous Year – 56,51,560)	Equity Shares of ₹ 10 each	565.16	565.16	565.16
		<b>565.16</b>	<b>565.16</b>	<b>565.16</b>
<b>(a) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>				
	<b>No. of Shares (% of holding)</b>	<b>No. of Shares (% of holding)</b>	<b>No. of Shares (% of holding)</b>	
1. Life Insurance Corporation of India	449911 (7.96)	449911 (7.96)	449911 (7.96)	
2. Danmet Chemicals Pvt. Ltd.	459777 (8.14)	459777 (8.14)	459777 (8.14)	
3. Gayatri Education Medical & Research Foundation Pvt. Ltd.	450165 (7.97)	450165 (7.97)	450165 (7.97)	
4. Nikhil J. Danani	339519 (6.01)	323404 (5.72)	323404 (5.72)	
<b>(b) Rights, preferences and restrictions attached to shares</b>				
Equity Shares : The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
<b>14. Other Equity:</b>	<b>Note</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
<b>General Reserve</b>	1(A)	24471.37	24471.37	24471.37
<b>Retained Earnings</b>	1(B)	11507.27	5341.71	3800.60
<b>Equity Instruments through Other Comprehensive Income</b>		32599.25	34752.52	29107.52
		<b>68577.89</b>	<b>64565.60</b>	<b>57379.49</b>
<b>Notes:</b>				
<b>I. Nature and Purpose of Reserve</b>				
(A) General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividends and issue of fully paid-up shares. As General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in General Reserve will not be reclassified to Statement of Profit and Loss.				
(B) Retained Earnings are the profits that the Company has earned till date, less any transfers to General Reserve and payment of Dividend.				
<b>II. Proposed Dividend on Equity Shares (Refer Note No. 41)</b>				
Dividend for the year ended 31st March, 2018 : ₹ 2.50 per share (31st March, 2017 : ₹ NIL)		141.29	–	
Dividend Distribution Tax on proposed dividend		29.04	–	
		<b>170.33</b>	<b>–</b>	

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>15. Provisions:</b>			
<b>Employee benefits:</b>			
Provision for Gratuity (Refer Note No. 33)	–	18.08	112.43
<b>Others</b> (Refer Note No. 38)	<b>114.70</b>	<b>114.70</b>	<b>114.70</b>
	<b>114.70</b>	<b>132.78</b>	<b>227.13</b>

### CURRENT LIABILITIES:

#### 16. Financial Liabilities:

##### i) Borrowings:

###### Secured:

Working Capital Facilities from Banks repayable on demand

	3467.56	2878.04	4422.38
	<b>3467.56</b>	<b>2878.04</b>	<b>4422.38</b>

Secured by hypothecation of all tangible moveable assets including stock of Raw Materials and Components, Stores, Spares, Fuel, Work-in-Progress, Finished Goods, Stock-in-trade and Book Debts and negative lien on the fixed assets. The oral equitable mortgage, ranking second and subservient to mortgages created, on immovable properties excluding vacant land at Company's Airoli factory is in the process of being satisfied as the same has been waived by the banks.

The weighted average effective interest rate on the Working Capital Facilities is 9.6% p.a. (for 31st March, 2017 8.8% p.a., for 1st April, 2016 11.1% p.a.)

###### Unsecured:

Short Term Loans from Banks

	17997.00	14879.35	12450.00
	<b>17997.00</b>	<b>14879.35</b>	<b>12450.00</b>

The present interest rate on the bank loans is 8.3% p.a. (for 31st March, 2017 8.3% p.a., for 1st April, 2016 10.0% p.a.).

	<b>21464.56</b>	<b>17757.39</b>	<b>16872.38</b>
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##### ii) Trade Payables:

Due to Micro Enterprises and Small Enterprises  
[see notes (a) and (b) below]

	–	–	–
	–	–	–

Due to creditors other than Micro Enterprises and Small Enterprises

(i) Acceptances

	7921.94	8556.64	7709.52
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(ii) Others

	7462.37	6995.31	7372.74
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	<b>15384.31</b>	<b>15551.95</b>	<b>15082.26</b>
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(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, 2018. 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.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>16. Financial Liabilities (Contd.):</b>			
(b) Disclosure in accordance with Section 22 of the MSMED Act read with Notification No. GSR 679(E) dated 4th September 2015 issued by the Ministry of Corporate Affairs :			
Principal amount remaining unpaid and interest due thereon	-	-	-
Interest paid in terms of Section 16	-	-	-
Interest paid, other than under Section 16	-	-	-
Interest due and payable for the period of delay in payment	-	-	-
Interest accrued and remaining unpaid	-	-	-
Further Interest remaining due and payable for earlier years	-	-	-
(c) Trade payables generally have payment terms of 0 to 180 days			
<b>iii) Other Financial Liabilities:</b>			
Interest accrued but not due on borrowings	82.49	50.39	36.78
Unclaimed dividends *	20.10	29.37	39.98
Unclaimed matured deposits and interest accrued thereon *	14.96	16.50	21.71
Deposits from Vendors, Dealers	162.85	144.19	121.28
Derivative liability	15.56	-	-
Others	7.42	10.47	16.58
	<b>303.38</b>	<b>250.92</b>	<b>236.33</b>
* As at the year end there is no amount due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013.			
<b>17. Other Current Liabilities:</b>			
Other payables:			
Advances from Customers	1205.47	1357.33	837.57
Employee Benefits	1117.05	1008.28	736.19
Project Amount due to customers (Refer Note No. 32)	75.63	71.13	30.41
Statutory dues	231.81	1040.37	960.60
Others	1050.48	878.69	888.60
	<b>3680.44</b>	<b>4355.80</b>	<b>3453.37</b>
<b>18. Provisions:</b>			
Employee benefits:			
Provision for Gratuity (Refer Note No. 33)	-	13.04	54.67
Provision for compensated absences	611.47	497.66	484.23
Others			
Provision for Warranty Costs (Refer Note No. 38)	504.79	285.75	418.26
Provision for Contracts	32.77	203.11	110.66
	<b>1149.03</b>	<b>999.56</b>	<b>1067.82</b>
<b>19. Current Tax Liabilities (Net):</b>			
Provision for Tax (net of advance tax)	123.97	28.90	3.37
	<b>123.97</b>	<b>28.90</b>	<b>3.37</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### REVENUE FROM OPERATIONS

	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>20. Revenue From Operations (Refer Note 40)</b>		
Sale of products		
Manufactured goods	74904.18	71295.49
Traded goods	1243.53	1783.04
	<b>76147.71</b>	<b>73078.53</b>
Sale of Services	676.62	471.09
Project Revenue	1631.52	1007.47
	<b>78455.85</b>	<b>74557.09</b>
Other Operating revenue		
Scrap Sales	525.10	413.26
	<b>78980.95</b>	<b>74970.35</b>
<b>Details of Sales</b>		
Manufactured goods		
Electric Motors	26609.64	26494.20
Transformers	44379.58	40921.51
Magnet Technology Machines	2358.41	2489.64
Drive Systems	1556.55	1390.14
	<b>74904.18</b>	<b>71295.49</b>
Traded goods		
Drives	1027.11	1552.18
Others	216.42	230.86
	<b>1243.53</b>	<b>1783.04</b>
	<b>76147.71</b>	<b>73078.53</b>
<b>21. Other Income</b>		
Interest	1669.77	1746.68
Dividend Income	247.21	808.02
Profit on sale and fair valuation of Current Investments	64.10	16.66
Profit on sale of Fixed Assets	0.76	0.30
Net gain on foreign currency transaction and translation	—	1.97
Provision no longer required/Credit Balances appropriated	45.37	26.15
Miscellaneous Income	89.67	73.41
	<b>2116.88</b>	<b>2673.19</b>
<b>22. Cost of materials consumed</b>		
Raw Materials and Components Consumed (Including Processing charges and Subcontracting charges)	53079.85	48364.36
Packing Materials Consumed	1145.93	1154.97
Project Materials Consumed	876.94	583.01
	<b>55102.72</b>	<b>50102.34</b>

**NOTES TO THE FINANCIAL STATEMENTS**
**Notes (Contd.)**

	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>23. Purchases of stock in trade</b>		
Purchases	737.30	1425.02
	<u>737.30</u>	<u>1425.02</u>
<b>24. Changes in inventories</b>		
<b>Changes in inventories of Finished goods, Work-in-Progress and Stock in trade</b>		
Stock at the beginning of the year		
Work-in-Progress	4132.98	2540.66
Finished Goods	4917.64	5089.64
Stock in trade	458.19	482.64
	<u>9508.81</u>	<u>8112.94</u>
Stock at the end of the year		
Work-in-Progress	5073.07	4132.98
Finished Goods	2703.05	4917.64
Stock in trade	266.35	458.19
	<u>8042.47</u>	<u>9508.81</u>
<b>Variation in Excise duty on finished goods</b>		
Excise duty on closing stock	–	700.11
Less: Excise duty on opening stock	700.11	744.10
	<u>(700.11)</u>	<u>(43.99)</u>
	<u>766.23</u>	<u>(1439.86)</u>
<b>25. Excise Duty</b>		
Excise Duty on Sales	1581.89	7223.02
	<u>1581.89</u>	<u>7223.02</u>
<b>26. Employee benefits</b>		
Salaries and Wages	7429.85	7067.69
Workmen and Staff Welfare Expenses	1268.17	1186.23
Contribution to and provision for Provident and Other Funds	466.86	467.97
	<u>9164.88</u>	<u>8721.89</u>
<b>27. Finance costs</b>		
Interest expense	1499.60	1386.84
Discounting Charges	293.36	29.59
Net (gain)/loss on foreign currency transaction and translation adjusted to interest cost	135.31	178.39
	<u>1928.27</u>	<u>1594.82</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>28. Other Expenses:</b>		
Power and Fuel	648.89	584.61
Stores, Spare Parts and Tools consumed	249.17	291.19
Fuel consumed (excluding for own power generation)	88.91	77.17
Repairs to Buildings	50.05	54.13
Repairs to Machinery	170.56	129.05
Other Repairs	49.65	36.78
Insurance	61.61	55.79
Rent	155.36	154.99
Rates and Taxes	271.66	226.38
Royalty	75.73	53.97
Post and Telecommunication Charges	133.85	145.70
Travelling, Conveyance and Motor Vehicle Expenses	645.58	625.15
Freight and Forwarding Charges	2470.18	2176.80
Product Advertisement and Publicity	51.62	79.75
Printing and Stationery	106.41	105.98
Data Processing Charges	151.69	142.71
Professional Charges	487.23	421.14
Commission	302.25	382.21
Bank Charges	363.89	265.60
Directors' Fees	14.60	17.40
Net loss on foreign currency transaction and translation	2.29	—
Net loss arising on financial liability mandatorily measured at FVTPL	15.18	—
Loss on Fixed Assets sold, discarded, and scrapped	10.98	5.08
Allowance for doubtful debts	17.89	110.92
Less: Allowance for doubtful debts no longer required	102.42	174.09
	(84.53)	(63.17)
Bad Debts/Sundry Debit Balances written off	120.35	65.28
Others	1682.04	1189.52
	<b>8295.20</b>	<b>7223.21</b>

**NOTES TO THE FINANCIAL STATEMENTS**

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>29. Contingent Liabilities:</b>			
Disputed Sales Tax Demands	184.22	204.55	344.75
Disputed Excise Duty Demands	237.09	252.71	263.88
Disputed Custom Duty Demand	126.12	126.12	126.12
Disputed Income Tax Demands	24.76	28.01	28.01

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

<b>30.</b> Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	117.41	38.07	25.89
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**31. Professional Charges include:**

	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) To Auditors: (net of Service Tax/GST)		
Audit Fees	20.00	17.50
Tax Audit Fees	3.55	3.50
Others	19.56	19.00
Reimbursement of Out of Pocket Expenses	0.14	0.52
	<b>43.25</b>	<b>40.52</b>
(b) To Cost Auditors (net of Service Tax/GST)	0.98	0.85

**32. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 11 : Construction Contracts**
**Particulars**

(a) Contract Revenue recognised for the year (Refer Note No. 20)	1631.52	1007.47
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	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(b) For contracts in progress as at year end			
i) Aggregate amount of cost incurred and recognised profits (less recognised losses)	1942.99	2471.63	2422.23
ii) Amount of advances received from customers	82.02	120.33	3.28
iii) Amount of retentions due from customers	107.48	185.39	128.60
(c) Gross amount due from customers	0.02	28.91	22.98
(d) Gross amount due to customers	75.63	71.13	30.41

**33. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 19 : Employee Benefits**
**1) Defined contribution plans:**

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

The defined contribution plans are as below:

**a) Provident fund**

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

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

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

##### b) Superannuation fund

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

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

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
i) Employer's Contribution to Provident Fund	274.78	260.17
ii) Employer's Contribution to Superannuation Fund	57.88	55.97
<b>Total</b>	<b>332.66</b>	<b>316.14</b>

#### (2) Defined Benefit Plans:

The Defined Benefit Plan is as below:

##### Gratuity (Funded)

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

The plan typically exposes the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

##### Investment risk

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

##### Interest risk

If the Discount Rate i.e the yield on the Government Bonds decrease in future, the Actuarial Liability will increase and vice versa.

The quantum of increase in valuation liability corresponding to specific decrease in the Discount Rate and vice versa, has been shown in the annexure containing the sensitivity Analysis of Key Actuarial Assumption.

##### Longevity risk

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

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

##### Salary risk

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

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

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at 31st March, 2018 by an independent actuary. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

#### A. Principal actuarial assumptions used:

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1. Discount rate	7.75%	7.50%	7.50%
2. Salary escalation	6.50%	6.50%	6.50%
3. Rate of Employee Turnover	upto age 34 = 3% age 35-44 = 2% age 45 & above = 1%	upto age 34 = 3% age 35-44 = 2% age 45 & above = 1%	upto age 34 = 3% age 35-44 = 2% age 45 & above = 1%
4. Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

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

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

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Service cost:</b>		
Current service cost	131.34	132.48
Past service cost	0.53	–
Net Interest cost	2.33	13.37
<b>Components of defined benefit costs recognised in the 'Employee benefits expenses' in the Statement of Profit and Loss</b>	<b>134.20</b>	<b>145.85</b>
<b>Net Interest Cost recognised in Statement of Profit and Loss:</b>		
Interest Cost	168.94	176.08
(Interest Income)	(166.61)	(162.71)
<b>Net interest cost recognised in Statement of Profit and Loss</b>	<b>2.33</b>	<b>13.37</b>

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

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	–	–
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	(27.72)	(87.06)
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	(81.81)	(85.11)
Return on Plan Assets excluding Interest Income	4.32	20.34
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>(105.21)</b>	<b>(151.83)</b>

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Present Value of Defined Benefit Obligation as at the end of the year	2137.50	2252.53	2200.95
Fair Value of plan assets	(2192.39)	(2221.41)	(2033.85)
<b>Net (asset)/liability recognised in the Balance Sheet</b>	<b>(54.89)</b>	<b>31.12</b>	<b>167.10</b>
<b>Recognised under:</b>			
Long term (asset)/provision (Refer note no. 8 and 15)	(37.87)	18.08	112.43
Short term (asset)/provision (Refer note no. 12 and 18)	(17.02)	13.04	54.67
<b>Total</b>	<b>(54.89)</b>	<b>31.12</b>	<b>167.10</b>

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening defined benefit obligation	2252.53	2200.95
Current Service Cost	131.34	132.48
Interest cost	168.94	176.08
Past Service Cost	0.53	–
Remeasurement (gains)/losses	(109.53)	(37.44)
Benefits Paid (From the Fund)	(306.31)	(219.54)
<b>Closing defined benefit obligation</b>	<b>2137.50</b>	<b>2252.53</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

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

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening fair value of the plan assets	2221.41	2033.85
Contributions by the Employer	115.00	130.00
Remeasurement (gains)/losses	—	134.73
Interest income	166.61	162.71
Expected return on plan assets not included in the interest income	(4.32)	(20.34)
Benefits paid	(306.31)	(219.54)
<b>Closing fair value of plan assets</b>	<b>2192.39</b>	<b>2221.41</b>

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

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended 31st March, 2018	Estimated for the year ended 31st March, 2017
1st Following Year	679.73	586.10
2nd Following Year	350.83	469.84
3rd Following Year	154.59	266.22
4th Following Year	142.84	156.74
5th Following Year	114.89	143.43
Sum of Years 6 to 10	712.31	618.97
Sum of Years 11 - above	12489.37	11600.06
<b>Total expected payments</b>	<b>14644.56</b>	<b>13841.36</b>

##### H. Sensitivity Analysis

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

Projected Benefits Payable in Future Years From the Date of Reporting	As at 31st March, 2018	As at 31st March, 2017
Projected Benefit Obligation on Current Assumptions		
Impact of +0.5% Change in Rate of Discounting	(52.39)	(28.99)
Impact of -0.5% Change in Rate of Discounting	56.97	31.49
Impact of +0.5% Change in Rate of Salary Increase	56.85	31.60
Impact of -0.5% Change in Rate of Salary Increase	(53.32)	(29.35)
Impact of +0.5% Change in Rate of Employee Turnover	3.01	1.31
Impact of -0.5% Change in Rate of Employee Turnover	(3.17)	(1.35)

##### I. Other Disclosures

- The weighted average duration of the obligations as at 31st March, 2018 is 22 years (31st March, 2017: 23 Years; 1st April, 2016: 22 Years).
- The Company expects to contribute ₹ 75.80 lakhs to the plan during financial year 2018-19.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

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

##### BUSINESS SEGMENTS

Particulars	Power Systems		Industrial Systems		Total	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Segment Revenue</b>						
External Revenue	47102.62	42668.19	31878.33	32302.16	78980.95	74970.35
Inter-segment Revenue	–	–	–	–	–	–
<b>Total Revenue</b>	<b>47102.62</b>	<b>42668.19</b>	<b>31878.33</b>	<b>32302.16</b>	<b>78980.95</b>	<b>74970.35</b>
<b>Segment Result</b>	<b>3433.38</b>	<b>2769.72</b>	<b>2359.93</b>	<b>1157.30</b>	<b>5793.31</b>	<b>3927.02</b>
Unallocated Income/(Expense) (Net)					(1275.14)	(526.52)
Finance Costs					(1928.27)	(1594.82)
Exceptional Items					4677.92	–
Tax Expense (Debit)/Credit					(1171.06)	(363.86)
Profit/(Loss) after Taxation					6096.76	1441.82

Particulars	Power Systems			Industrial Systems			Total		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Segment Assets	33531.33	28330.98	27151.48	16960.30	15476.19	15037.81	50491.63	43807.17	42189.29
Unallocated Assets							60871.81	60400.89	52698.02
<b>Total assets</b>							<b>111363.44</b>	<b>104208.06</b>	<b>94887.31</b>
Segment Liabilities	11431.48	13383.30	12108.45	8405.03	7054.83	7178.85	19836.51	20438.13	19287.30
Unallocated Liabilities							22383.88	18639.17	17655.36
<b>Total liabilities</b>							<b>42220.39</b>	<b>39077.30</b>	<b>36942.66</b>
<b>Capital Expenditure</b>									
Segment Capital Expenditure	93.25	71.10	27.67	598.74	112.32	95.62	691.99	183.42	123.29
Unallocated Capital Expenditure							93.64	287.49	262.51
<b>Total Capital Expenditure</b>							<b>785.63</b>	<b>470.91</b>	<b>385.80</b>
<b>Depreciation and Amortisation</b>									
Segment Depreciation and Amortisation	459.41	528.19	589.87	289.22	280.18	286.51	748.63	808.37	876.38
Unallocated Depreciation and Amortisation							182.81	179.05	151.06
<b>Total Depreciation and Amortisation</b>							<b>931.44</b>	<b>987.42</b>	<b>1027.44</b>
<b>Significant Non Cash Expenditure</b>									
Segment Significant Non Cash Expenditure							–	–	–
Unallocated Non Cash Expenditure							–	–	–
<b>Total Significant Non Cash Expenditure</b>							<b>–</b>	<b>–</b>	<b>–</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

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

##### GEOGRAPHICAL INFORMATION

Particulars	Revenue from External Customers	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Within India	78033.80	74254.82
Outside India	947.15	715.53
	78980.95	74970.35

All Non-current assets are located in India.

No customer individually contributed 10% or more to the Company's revenue for the year ended 31st March, 2018 and 31st March, 2017.

##### OTHER DISCLOSURES:

- Segments have been identified in line with Ind AS 108 on the basis of production and distribution process and regulatory environment.
- The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and profit from operations as the performance indicator for all of the operating segments.
- No operating segments have been aggregated to form the above reportable operating segments.
- While presenting the segment results, common expenses, common assets and liabilities to the extent not directly identifiable with any one segment have been grouped as unallocable.
- Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.
- Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed for the Company as a whole.
- Capital expenditure consists of additions of property, plant and equipment and intangible assets.

##### SEGMENT INFORMATION:

- Composition of Business Segments:
  - Power Systems  
This segment comprises of the design, commissioning and marketing of power transformers; EPC projects for electrical substations including delivery, rectification, commissioning and servicing of transformers and marketing of maintenance products.
  - Industrial Systems  
This segment comprises of the development, marketing and manufacture of a wide range of standard and customized electric motors; magnet technology machines and the engineering and supply of Drives and Automation systems.
- Segment Revenue, Result, Assets & Liabilities include respective amounts directly attributable to each segment & other relevant amounts allocated on reasonable basis.

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

##### 35.1 RELATED PARTIES

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

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

#### 35. Disclosure pursuant to Ind AS - 24 : RELATED PARTY DISCLOSURES: (Contd.)

##### 35.2 TRANSACTIONS WITH RELATED PARTIES

Nature of transaction	Related Parties			
	Referred in (A) and (B) above			
	With	Closing Balance		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Short-term Employee Benefits Payable	A1	6.63	6.69	8.76
	A2	7.32	7.14	8.15
	A3	5.12	5.54	5.54
Vendor Payable	B1	22.97	16.56	21.58

	With	During the year ended	
		31st March, 2018	31st March, 2017
Short-term Employee Benefits Paid	A1	119.88	120.23
	A2	119.88	120.23
	A3	87.63	87.75
Purchases	B1	224.57	228.23
Rent Received	B1	5.10	4.68

#### Notes:

- No amount has been written off or written back during the year ended 31st March, 2018. (Previous Year Nil).
- Remuneration does not include the provisions made for Gratuity as they are determined on an Actuarial basis for the Company as a whole.
- The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

#### 36. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 17 : Leases

As a lessee in a Operating Lease :

Non-cancellable:

The Company has hired assets under non-cancellable operating lease arrangements at stipulated rentals. These lease arrangements range for a period between 11 months and 9 years. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

With respect to all operating leases :

	Year ended 31st March, 2018	Year ended 31st March, 2017
Lease payments recognised in the Statement of Profit and Loss during the year	162.57	161.31

The future Minimum Lease Payments (MLP) under these leases are as under :

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
MLP due not later than one year	11.09	20.13	36.00
MLP due later than one year but not later than five years	6.51	5.77	24.82
MLP later than five years	—	—	—

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

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

		Year ended 31st March, 2018	Year ended 31st March, 2017
Profit/(Loss) after Tax	A	6096.76	1441.82
Weighted Average number of Equity Shares	B	5651560	5651560
Nominal Value Per Share (₹)	C	10.00	10.00
Basic and diluted Earning/(loss) per share (in ₹)	D = A/B	107.88	25.51

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

Provisions	Carrying amount as on 1st April, 2017	Provision made during the year	Amount used during the year	Carrying amount as on 31st March, 2018
Others#	114.70	–	–	114.70
	(114.70)	–	–	(114.70)
Warranty*	285.75	478.34	259.30	504.79
	(418.26)	(177.51)	(310.02)	(285.75)

Figures in the bracket are for the previous year.

# Others represent liability in respect of statutory dues which is sub-judice and payment thereon will depend upon the outcome of the case.

\* Provision for Warranty Costs in connection with repairs and free replacement of parts during warranty period is determined based on past experience and estimates and are accrued in the year of sale.

#### 39. Exceptional Item

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

#### 40. Revenue from operations upto 30th June, 2017 includes excise duty, which is discontinued effective 1st July, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with 'Ind AS-18, Revenue', GST is not included in revenue from operations.

#### 41. Subsequent Events

The Board of Directors at its meeting held on 10th May, 2018 has recommended a dividend of ₹ 2.50 per equity share of ₹ 10/- each (total dividend ₹ 141.29 lakhs) for the year ended 31st March, 2018, subject to approval of shareholders at the Annual General Meeting to be held on 28th June, 2018.

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

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

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Current Tax:</b>		
Current Tax (MAT)	1502.73	263.27
Tax Refund / reversal pertaining to earlier years	–	7.99
	<u>1502.73</u>	<u>271.26</u>
<b>Deferred Tax:</b>		
Deferred Tax	1164.48	310.42
MAT Credit entitlement	(1502.73)	(217.82)
Tax Refund/reversal pertaining to earlier years	6.58	–
	<u>(331.67)</u>	<u>92.60</u>
<b>Total Tax expenses</b>	<u>1171.06</u>	<u>363.86</u>

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

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Deferred tax (credit)/charge on:</b>		
Remeasurement of defined benefit obligation	<b>36.42</b>	52.54

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

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Profit before Tax (i)</b>	<b>7267.82</b>	1805.68
Corporate tax rate as per Income Tax Act, 1961 (ii)	<b>34.61%</b>	34.61%
<b>Tax on Accounting profit (iii) = (i) * (ii)</b>	<b>2515.25</b>	624.95
<b>Tax difference on account of:</b>		
(A) Income not chargeable to tax	<b>(1304.37)</b>	(274.22)
(B) Tax rate differential	<b>1.38</b>	(2.43)
(C) Expenses not allowable under the Income Tax Act	<b>0.27</b>	7.57
(D) Tax Refund/reversal pertaining to earlier years	<b>6.58</b>	7.99
(E) Other timing differences	<b>(48.05)</b>	—
<b>Total effect of tax adjustments</b>	<b>(1344.19)</b>	(261.09)
<b>Tax expense recognised during the year</b>	<b>1171.06</b>	363.86

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

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

Particulars	For the Year ended 31st March, 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax assets/(liabilities)</u>				
Property, Plant and Equipment	(1001.08)	48.93	–	(952.15)
Employee Benefits	–	52.54	(52.54)	–
Provision for doubtful debts and advances	292.14	(21.86)	–	270.28
Carry forward Tax Loss	1974.34	(393.41)	–	1580.93
Other Temporary Differences	265.27	3.38	–	268.65
MAT Credit	186.63	217.82	–	404.45
<b>Net Tax Asset (Liabilities)</b>	<b>1717.30</b>	<b>(92.60)</b>	<b>(52.54)</b>	<b>1572.16</b>

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

##### Financial instruments and Risk management

##### 43.1 Capital management

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

##### 43.2 Categories of financial instruments

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Financial assets</b>			
(a) Mandatorily measured at fair value through profit or loss (FVTPL)			
(i) Mutual Fund Investments	1737.02	–	522.78
(ii) Derivative Assets	0.09	–	–
(b) Measured at amortised cost			
(i) Cash and cash equivalent	474.73	1436.14	267.15
(ii) Bank balance other than (a) above	510.80	526.11	535.63
(iii) Trade receivables	29594.05	22354.98	22332.62
(iv) Loans	17441.16	14731.65	13829.64
(v) Other financial assets	4203.28	5353.67	4209.62
(c) Measured at FVTOCI			
(i) Investments in equity instruments	33000.58	35153.85	29508.85
<b>Total Financial Assets</b>	<b>86961.71</b>	<b>79556.40</b>	<b>71206.29</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Financial liabilities</b>			
(a) Mandatorily measured at fair value through profit or loss (FVTPL)			
(i) Derivative Liabilities	15.56	—	—
(b) Measured at amortised cost			
(i) Borrowings	21464.56	17757.39	16872.38
(ii) Trade payables	15384.31	15551.95	15082.26
(iii) Other financial liabilities (including current maturities of borrowings)	287.82	250.92	236.33
<b>Total Financial Liabilities</b>	<b>37152.25</b>	<b>33560.26</b>	<b>32190.97</b>

#### 43.3 Financial risk management

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

##### 43.3.1 Market risk management

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

##### A. Foreign currency risk management

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

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

Nature of Transaction	Currency	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged
Trade Payable	EUR *	10680	121143	16471	1797	3359	1115
	INR	(8.68)	(98.44)	(11.50)	(1.25)	(2.54)	(0.84)
Trade Payable	USD *	59004	44143	25157	17625	110104	31156
	INR	(38.44)	(28.76)	(16.38)	(11.47)	(73.15)	(20.70)
Trade Payable	GBP *	20024	—	8408	—	2598	—
	INR	(18.57)	—	(6.86)	—	(2.48)	—
Trade Payable	CNY*	432700	83378	388982	2415	—	—
	INR	(46.18)	(8.90)	(37.74)	(0.23)	—	—
Trade Receivable	USD *	—	3934	—	570	—	6200
	INR	—	(2.54)	—	(0.37)	—	(4.08)
Trade Receivable	EUR *	—	20297	68183	5561	—	61466
	INR	—	(16.20)	(46.75)	(3.81)	—	(45.57)
FCNR (B) based loan	USD*	3853862	—	3748913	—	3637422	—
	INR	(2500.00)	—	(2440.54)	—	(2416.70)	—

\* - Denotes amounts in full figures.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

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

##### A.1 Foreign currency sensitivity analysis

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

##### A.2 Derivative Financial Instruments

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

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

Financial assets/ (Financial liabilities)	Particulars	31st March, 2018	31st March, 2017	1st April, 2016
<b>Derivative Assets/(Liabilities) measured at FVTPL:</b>				
(i) Forward contracts	Notional value (USD)* (to buy)	3853862	–	–
	Fair value (₹ lakhs)	15.56	–	–

\* - Denotes amounts in full figures.

#### B. Interest rate risk management

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

#### C. Other price risks

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

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

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

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

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

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

If equity prices had been 5% higher/lower, the other comprehensive income for the year ended 31st March, 2018 would have increased/decreased by ₹ +/- 1650.02 Lakhs (2016-2017: increase/decrease by ₹ +/- 1757.69 Lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI.

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

The sensitivity analysis below has been determined based on Mutual Fund Investment at the end of the reporting period. If NAV had been 1% higher/lower, the profit for year ended 31st March, 2018 would have increased/decreased by ₹ +/- 86.85 Lakhs (2016-2017: increase/decrease by ₹ Nil) as a result of the changes in fair value of mutual funds.

#### 43.3.2 Credit risk management

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

##### A. Trade Receivables

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

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

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

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

Ageing of trade receivables (Gross)	31st March, 2018	31st March, 2017	1st April, 2016
0 - 6 months past due	28347.71	21145.38	20947.51
More than 6 months past due	1942.79	1990.58	2229.26
<b>Total Trade receivables</b>	<b>30290.50</b>	<b>23135.96</b>	<b>23176.77</b>

Reconciliation of allowance for doubtful debts on Trade Receivables

Particulars	31st March, 2018	31st March, 2017
<b>Balance as at beginning of the year</b>	<b>780.98</b>	<b>844.15</b>
Allowance for doubtful debts based on Expected Credit Loss (ECL)	(84.53)	(63.17)
<b>Balance at end of the year</b>	<b>696.45</b>	<b>780.98</b>

#### B. Other Financial Assets

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

#### 43.3.3 Liquidity risk management

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

The Company has access to various fund / non-fund based bank financing facilities. The amount of unused borrowing facilities (fund and non-fund based) available for future operating activities and to settle commitments as at 31st March, 2018 ₹ 14850 lakhs, (as at 31st March, 2017 ₹ 22331 lakhs, as at 1st April, 2016 ₹ 13445 lakhs).

##### 43.3.3.1 Liquidity risk table

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

	Weighted average effective interest rate (%)	Upto 1 year	1-5 years	5+ years	Total
<b>31st March, 2018</b>					
Borrowings	8.30%	18112.24	—	—	18112.24
Trade Payables	—	15384.31	—	—	15384.31
Other Financial Liabilities	—	303.38	—	—	303.38
<b>Total</b>		<b>33799.93</b>	<b>—</b>	<b>—</b>	<b>33799.93</b>
<b>31st March, 2017</b>					
Borrowings	8.30%	15027.96	—	—	15027.96
Trade Payables	—	15551.95	—	—	15551.95
Other Financial Liabilities	—	250.92	—	—	250.92
<b>Total</b>		<b>30830.83</b>	<b>—</b>	<b>—</b>	<b>30830.83</b>
<b>1st April, 2016</b>					
Borrowings	10.00%	12610.18	—	—	12610.18
Trade Payables	—	15082.26	—	—	15082.26
Other Financial Liabilities	—	236.33	—	—	236.33
<b>Total</b>		<b>27928.77</b>	<b>—</b>	<b>—</b>	<b>27928.77</b>

The derivative financial liability of ₹ 15.56 lakhs will get settled within one year.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes (Contd.)

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

##### 43.4 Fair value measurements

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

Financial assets/ (Financial liabilities)	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2018	31st March, 2017	1st April, 2016		
1) Foreign currency Forwards: Derivative Assets	0.09	–	–	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Derivative Liability	15.56	–	–		
2) Investments in Mutual funds at FVTPL	1737.02	–	522.78	Level 1	Fair value of investments in Mutual Funds is based on Net asset value (NAV) declared by mutual fund houses at the reporting date.
3) Investments in equity instruments at FVTOCI (quoted) (refer note below)	33000.58	35153.85	29508.85	Level 1	Quoted bid prices in an active market

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

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

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

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

Sunder V. Iyer  
Partner  
Membership No. 048393

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

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

Nikhil J. Danani

Nakul P. Mehta

Shome N. Danani

Prakash V. Mehta

} Vice Chairmen &  
Managing Directors

Executive Director

Director

Mumbai, 10th May, 2018

Mumbai, 10th May, 2018



## Bharat Bijlee Limited

Regd. Office: Electric Mansion, 6<sup>th</sup> Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025.  
CIN: L31300MH1946PLC005017, Phone: 022-2430 6237, Fax: 022-2437 0624  
Website: [www.bharatbijlee.com](http://www.bharatbijlee.com) • E-mail: [bbllcorporate@bharatbijlee.com](mailto:bbllcorporate@bharatbijlee.com)

### FORM NO. MGT – 11

### PROXY FORM

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

Name of the Member(s):

Registered Address:

E-mail ID

Folio No./Client ID:

DP ID:

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

- Name: ..... E-mail Id: .....  
Address: .....  
..... Signature: .....  
or failing him / her .....
- Name: ..... E-mail Id: .....  
Address: .....  
..... Signature: .....  
or failing him / her .....
- Name: ..... E-mail Id: .....  
Address: .....  
..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 71<sup>st</sup> Annual General Meeting of the Company, to be held on Thursday, June 28, 2018 at 3.00 p.m. at 'Walchand Hirachand Hall', Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai – 400 020 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution No.	Brief details of the Resolution
<b>ORDINARY BUSINESS</b>	
1.	Adoption of Audited Balance Sheet as at March 31, 2018, the Audited Statement of Profit and Loss for the financial year ended on that date, Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2.	Declaration of Dividend on Equity Shares of the Company for the Financial Year 2017-2018.
3.	Re-appointment of Mr. Ravishanker Prasad (DIN 06641845) as a Director, who is liable to retire by rotation and, being eligible, offers himself for re-appointment.
<b>SPECIAL BUSINESS</b>	
4.	Ratification of Cost Auditors Remuneration to be paid to Messrs. P M Nanabhoy & Co., Cost Accountants (Firm Registration No. 000012) for the financial year ending March 31, 2019.

Signed: this ..... day of ..... 2018

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

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

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 71<sup>st</sup> Annual General Meeting.
- A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

Affix  
Revenue  
Stamp  
of ₹ 1



## Bharat Bijlee Limited

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

CIN: L31300MH1946PLC005017, Phone: 022-2430 6237, Fax: 022-2437 0624

Website: [www.bharatbijlee.com](http://www.bharatbijlee.com) • E-mail: [bblcorporate@bharatbijlee.com](mailto:bblcorporate@bharatbijlee.com)

### ATTENDANCE SLIP

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

I hereby record my presence at the 71<sup>st</sup> ANNUAL GENERAL MEETING of the Company held at 'Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai – 400 020, on Thursday, June 28, 2018 at 3:00 P.M.

DP ID*	Folio No.
Client ID*	No. of Shares

Sr. No.		
Shareholder(s) Name		
Address of the Shareholder(s)		
If Shareholder(s), please sign here		If proxy, please mention name and sign here
	Name of Proxy	Signature

\* Applicable for shareholders holding shares in electronic form.

### ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	*Default Sequence Number
180525002		

\* Members who have not updated their PAN with the Company/Depository Participant shall use default Sequence Number in the PAN field. Other members should use their PAN.



**Bharat Bijlee Limited**  
Electric Mansion, 6th Floor,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025

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