

66TH ANNUAL REPORT 2012 - 13

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Financial Highlights

2.50

Dividend paid per share (Rs.)

58682.72

Turnover (Rs. in Lakhs)

- 8.61

Earning per share (Rs.)

- 486.83

Profit after Tax (Rs. in Lakhs)

552.20

Book value per share (Rs.)

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PROJECTS

Largest ever private sector order from an upcoming solar project.



DRIVES

Commenced indigenous assembly and testing of AC Drives, under licence from KEB, Germany.





TRANSFORMERS

Renewed focus on the industry sector and export markets.



ELEVATOR SYSTEMS

The new GC series of ACPM Gearless Machines contains several refinements and modifications; and are already exported to Europe.



MOTORS

Inaugurated new Traction and Medium Voltage (TMV) plant with a product range up to 6.6 kV.

Letter from the Executive Director

Dear Shareholders,

As our results reflect, the financial year 2012-13 has been our most difficult of the last decade. The power and infrastructure sectors seem to have come to a standstill. The boom that was predicted for these sectors has not really materialized. Manufacturers have mostly expanded capacities expecting a burst in demand but the demand for such goods has shrunk by 7.4% last year. Thus overcapacity, depressed selling prices, and uncertainty loom large today.

We have acknowledged the need to think differently in these trying times. Our Transformer division which accounts for the largest part of our business has been the worst hit. To address this we have tried to access different markets and new areas of growth. We have made export breakthroughs in Oman, Zambia, and Bangladesh. In the past, most of our business has been generated from electricity boards. The growing demand from the private sector has forced us to re-think how we address this market segment. We are re-structuring our efforts to make sure that we explore all growth possibilities in this area. The Motor business is now also seeing signs of slowing down. Vastly improved operational effectiveness in the areas of reliability and

availability have paid us rich dividends. The sales force has been realigned and a new "sales pipeline" developed to tailor our services to different customers. As a result the hit ratio has improved. The successful entry into the range of HT motors is a feather in our cap.

There have been some significant developments in our other divisions. The Projects business has booked its largest private sector order for a solar power plant. The focus on industry will complement our efforts in the transformer business. The Drives business saw the inauguration of a state of the art facility for assembly and testing of drives in August 2012. We have established leadership in various market segments due to our superior product and cutting edge application engineering. The Elevator Systems division has grown sales by 30% over last year and increased capacity substantially. It is also in the process of increasing its range.

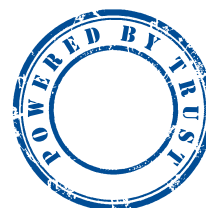
The good news for the world economy is that the US economy seems to be on a slow path to revival after dealing with the pitfalls of over-regulating the finance industry. The euro-zone however remains stuck in

a recession made worse by a tight monetary and fiscal policy. We will have to see how these macroeconomic developments affect our fortunes in this part of the world. For now a sluggish world economy offers little hope.

Bharat Bijlee is no stranger to the harsh cycles of the electrical industry. These cycles are part of our business and have unfortunately been compounded by a bad regulatory mechanism. A possible solution for immediate power sector woes could be to put in place a special board to oversee the last mile completion of projects which are stuck due to various clearances. Liquidity is drying up and government dues to private sector are at a very high level. Our conservative nature somehow seems to have been our biggest strength in such times. We have rolled up our sleeves and have braced ourselves for any challenges we may face in the coming year.



Shome Danani
Executive Director



DIRECTORS

Mr. Bansi S. Mehta (Chairman)

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

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

Mr. Shome N. Danani
(Executive Director)

Mr. Jaisingh R. Danani

Mr. Mukul Harkisondass

Mr. Prakash V. Mehta

Mr. Anand J. Danani

Mr. Sanjiv N. Shah

Mr. Jairaj C. Thacker

Mr. Harish Chandra Mishra
(Appointed as Additional Director
w.e.f. 19th October, 2012)

REGISTERED OFFICE

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

WORKS

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

AUDITORS

M/s Dalal & Shah

SOLICITORS

M/s Malvi Ranchoddas & Co.

BANKERS

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

REGIONAL OFFICES**Northern Regional Office**

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

Western Regional Offices

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

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

Eastern Regional Office

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

Southern Regional Office

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

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

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

NOTICE

Notice is hereby given that the 66th Annual General Meeting of Bharat Bijlee Limited will be held at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai 400 020 on Friday, 28th June, 2013 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2013 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Anand J. Danani, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Bansi S. Mehta, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Jaisingh R. Danani, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s. Dalal & Shah, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors and / or its Audit Committee to fix their remuneration.

SPECIAL BUSINESS :

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. Harish Chandra Mishra who was appointed as Additional Director of the Company by the Board of Directors with effect from 19th October, 2012 under Section 260 of the Companies Act, 1956 and who holds office as such upto the date of this Annual General Meeting but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing him for the office of Director under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, the Company hereby approves the reappointment of Mr. Nikhil J. Danani as Managing Director for a period of 3 years with effect from 20th June 2013 on the terms and conditions and remuneration as follows :

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

Perquisites and Allowances :

- i) In addition to the salary and commission, Mr. Nikhil J. Danani is also entitled to perquisites and allowances, including furnished accommodation or house rent in lieu thereof, house maintenance allowances, together with utilities there of such as gas, electricity, water and furnishings, repairs, servants salaries, society charges and property tax, etc., medical reimbursement, medical and personal accident insurance, leave travel concessions for self and family, club fees, hospitalization expenses for self and family and such other allowances and perquisites as the Board or its Committee may in its absolute discretion determine from time to time.
- ii) Company's contribution to Provident Fund and Superannuation Fund or any Annuity Fund to the extent these are either singly or together, not taxable under the Income-Tax Act, Gratuity as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of the ceiling for remuneration specified above.
- iii) Cars for use on Company's business and telephones (Fixed and Mobile) and other communication facilities at residence will not be considered as perquisites.
- iv) Leave with full pay or encashment thereof as per the Rules of the Company.
- v) Reimbursement of actual entertainment expenses, actual traveling and hotel expenses for the Company's business and/or allowances as per the Company's Rules.

vi) **Other perquisites :**

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

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

Commission :

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

Minimum Remuneration :

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

The Managing Director, so long as they function as such shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

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

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

"RESOLVED that pursuant to the provisions of Section

198, 269, 309, 310, 311 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, the Company hereby approves the reappointment of Mr. Nakul P. Mehta as Managing Director for a period of 3 years with effect from 20th June 2013 on the terms and conditions and remuneration as follows :

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

Perquisites and Allowances :

- i) In addition to the salary and commission, Mr. Nakul P. Mehta is also entitled to perquisites and allowances, including furnished accommodation or house rent in lieu thereof, house maintenance allowances, together with utilities thereof such as gas, electricity, water and furnishings, repairs, servants salaries, society charges and property tax, etc., medical reimbursement, medical and personal accident insurance, leave travel concessions for self and family, club fees, hospitalization expenses for self and family and such other allowances and perquisites as the Board or its Committee may in its absolute discretion determine from time to time.
- ii) Company's contribution to Provident Fund and Superannuation Fund or any Annuity Fund to the extent these are either singly or together, not taxable under the Income-Tax Act, Gratuity as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of the ceiling for remuneration specified above.
- iii) Cars for use on Company's business and telephones (Fixed and Mobile) and other communication facilities at residence will not be considered as perquisites.
- iv) Leave with full pay or encashment thereof as per the Rules of the Company.
- v) Reimbursement of actual entertainment expenses, actual traveling and hotel expenses for the Company's business and/or allowances as per the Company's Rules.