

'Annexure D'



70TH ANNUAL REPORT 2016-17

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Letter from the Executive Director

Dear Shareholders,

The year 2016-2017 has been an eventful year for the world at large. The Asian Development Bank recently predicted that India's growth rate will improve to 7.4% for the year 2017-18, and even further the following fiscal to 7.6% keeping ahead of China. It is reassuring to hear this, yet the ground reality is that growth in the capital goods, power sector, and infrastructure has been sluggish. We have had to innovate and explore different ways to protect our bottom line from slipping. Many of these have yielded results.

The **Transformer** business achieved its highest order booking ever this last year. Order booking has gone up 36.5% (by value). This has been the result of our Business Development initiative over the last 2-3 years which is now yielding rich dividends. Our geographical reach has grown substantially and orders in the non-tendered segment of our business have more than doubled in the last two years. Transformer export has also seen some success by achieving a breakthrough order from a utility outside India. The learning curve in exports has been steep and the progress slow as it is a difficult market to break through. This remains a focus area for growth. The **Motor** business has received two awards from the Confederation of Indian Industry. One

was for operational excellence as a division and the other for product excellence in the energy efficient category. Last year we achieved a huge milestone with the launch of our super premium energy efficient motor. Increased penetration of these motors will be one of our big initiatives. The division has bid for, qualified, and bagged a prestigious order for the new generation of locomotives with the railways. We have managed to retain market share in the face of extremely stiff competition and price erosion. Cost reduction and design optimization have yielded results. Margins however remain under pressure for both motors and transformers.

The **Projects** business has seen a landmark order from a reputed solar power company. We have been able to execute all orders on time and within budget. However, heavy downward pressure on prices and business risk has forced us to cherry pick only very selective orders in this market. We are in the process of examining other areas of interest in this space. The **Drives and Automation** division has received a breakthrough order from a customer for a green regenerative motor test bed. We will soon have a new mobile application for trouble shooting, product updates, and customer service excellence. The

Magnet Technology Machines division has signed a purchase agreement with a tier one customer for the sale of gearless machines of a substantial number. This is a great achievement as we have developed this product completely in-house. While we continue to dominate supply of gearless machines to elevator manufacturers in the domestic market, exports have also been rising steadily.

The world today seems to be in a phase of de-globalization. Compared to ten years ago, world trade is falling, global capital flows are plunging, and the flow of migrants is slowing. The rise of nationalism also is affecting the macroeconomic landscape. This is the same sentiment that has had a major influence on the Brexit and Trump getting elected. Some sectors like IT have seen the direct impact of this. India however, is driven largely by domestic demand and this should mitigate any effect of these global events. The Indian government seems to be making an effort to improve the ease of doing business but we may have to be patient and suffer short term pain for gains in the long run.



Shome Danani
Executive Director

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. Bajaaj
(Non-Executive Independent Director)

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 LLP

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

Siddha Fifth Avenue
Space No. 3B, 3rd 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
Website : www.linkintime.co.in

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTIETH (70th) ANNUAL GENERAL MEETING OF THE MEMBERS OF BHARAT BIJLEE LIMITED WILL BE HELD AT 3.00 P.M. ON FRIDAY, JUNE 30, 2017 AT WALCHAND HIRACHAND HALL, INDIAN MERCHANTS' CHAMBER BUILDING, VEER NARIMAN ROAD, CHURCHGATE, MUMBAI 400020, TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2017, the audited statement of Profit and Loss for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Mahnaz A. Curmally (DIN 06907271), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this connection to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, 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 (ICAI Firm Registration No. 117366W/W-100018), be and is hereby appointed as the Statutory Auditors of the Company, in place of retiring Auditors Messrs. Dalal & Shah, Chartered Accountants, to hold office for a term of five (5) consecutive years, from conclusion of the 70th Annual General Meeting until the conclusion of the 75th Annual General Meeting of the Company, and subject to the ratification at the Annual General Meeting in each of the subsequent years during the aforementioned term of their appointment, at such remuneration plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them during the course of audit, as Board of Directors/Audit Committee may fix in this behalf."

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 Auditor:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, 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), 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, 2018, amounting to ₹ 93,500/- (Rupees Ninety Three Thousand Five Hundred 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 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."

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

"RESOLVED THAT pursuant to Section 196, 197, 198, 200 and 203 read with Section II Part II, of Schedule V of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such consents, permissions, approvals, if any required, from any appropriate authority, and as per the recommendation of the Nomination and Remuneration Committee and subsequently as per the approval of the Board of Directors, at their respective meetings held on January 24, 2017, the Company hereby approves the re-appointment of Mr. Shome N. Danani (DIN: 00217787), as a "Whole-time Director", designated as "Executive Director" of the Company, not liable to retire by rotation during his tenure as Whole-time Director, for a period of three (3) years with effect from January 28, 2017 to January 27, 2020, at a remuneration including perquisites, on the terms and conditions set out herein under, with the authority to Board/Nomination and Remuneration Committee to alter/vary the terms and conditions of the said re-appointment, including as to remuneration without further reference to the shareholders of the Company, as it may deem fit and fix the quantum, composition and periodicity of the remuneration payable to Mr. Shome N. Danani, subject however that the remuneration after alteration/variation does not exceed the limit prescribed under Section 197 read with Schedule V of the Act.

FURTHER RESOLVED THAT the Company approves the remuneration where in the event of no profits or inadequate profits in any financial year during

the currency of Mr. Shome N. Danani's tenure, the Company shall pay Mr. Danani, the existing remuneration as minimum remuneration subject however that such minimum remuneration shall not exceed the limit prescribed under Section II Part II, of Schedule V of the Act.

Salary: ₹ 3,25,000/- (Rupees Three Lakhs Twenty Five Thousand) per month with authority to the Board of Directors (which includes any Committee thereof) to grant increments to Mr. Shome N. Danani from time to time upto ₹ 7,50,000 (Rupees Seven Lakh Fifty Thousand only) per month.

Perquisites and Allowances:

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

Subject to overall ceiling on remuneration mentioned herein below, the Executive Director, Mr. Shome N. Danani, may be given any other allowances, benefits

and perquisites as the Board of Directors (which includes any committee thereof) may from time to time decide.

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

Commission:

Such remuneration by way of commission in addition to the salary, perquisites and allowances payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors (which includes any committee thereof) in its absolute discretion deem fit, for each Corporate Financial Year, provided that the total remuneration including salary, perquisites, allowances and commission shall not exceed the overall ceiling prescribed under Section 196, 197, 198, 200 and 203 read with Section II, Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

Minimum Remuneration:

Notwithstanding anything to the contrary contained herein above, wherein in any financial year, during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay salary, perquisites and allowances as specified above to the Executive Director as minimum remuneration to him subject to the provisions contained in Section 196, 197, 198, 200 and 203 read with Section II, Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

The Executive Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of the Board of directors or Committees thereof.

By Order of the Board

Durgesh N Nagarkar
Company Secretary &
Senior General Manager : Legal
ACS 5777

Place : Mumbai
Date : May 19, 2017

Registered Office:

Electric Mansion, 6th 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 TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

THE PROXY FORM, TO BE VALID AND EFFECTIVE, SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AGM.

A PERSON APPOINTED AS PROXY SHALL ACT ON BEHALF OF NOT MORE THAN 50 MEMBERS AND HOLDING NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10%, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.

The Members are requested to note that Address of M/s. Link Intime India Private Limited, the Registrar and Transfer Agent of the Company, has changed to C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083; Tel No: +91 22 49186270; Fax: +91 22 49186060, Email: rnt.helpdesk@linkintime.co.in. We have already intimated the said information to BSE Limited and National Stock Exchange of India Limited, on March 1, 2017.

- 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.
- iii. Members/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, relating to business under Item No. 5 set above in this Notice to be transacted at the AGM is annexed hereto.

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 Secretarial Standard-2 on General Meetings, is also annexed hereto and forms part of this Notice.

- 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. 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 Friday, June 23, 2017 to Friday, June 30, 2017 (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 the Link Intime India Pvt. Ltd., Unit: Bharat Bijlee Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, Tel : +91 22 49186270, 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. 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 2016-17, attendance slip and Proxy Form, 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 Member has 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.
- xiii. 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.
- xiv. The Annual Report 2016-17 circulated to the Members of the Company, will be made available on the Company's website at www.bharatbijlee.com and also on the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com.
- xv. 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.
- xvi. The Ministry of Corporate Affairs has vide Notification No. S.O. 2866(E) dated September 5, 2016 notified the provisions of sections 124 and 125 (except for the sub-sections already notified earlier vide notification dated January 13, 2016) of the Companies Act, 2013. Further MCA vide Notification dated September 5, 2016, brought the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), w.e.f. September 7, 2016. Pursuant to the provisions of Section 124 of the Act and IEPF Rules, 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 IEPF of the Central Government. Members are informed that the unclaimed dividend for the financial year March 31, 2010 shall be transferred to the IEPF established by the Central Government by the last week of July, 2017.

It may be noted that no claims shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of seven (7) years from the dates of they become due for payment. Members who have not claimed the dividends declared for the financial year March 31, 2010 and onwards are requested to lodge their claim immediately with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. The Company has already send reminders to all such members at their registered address in this regard.

Further, as per Section 124(6) of the Act read with IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years has to be transferred, under sub-section 5 of the Act, to the IEPF Suspense Account (in the name of the Company) with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF. However, proviso to sub-section 6 provides that the shares transferred to the IEPF can be claimed by the concerned shareholders(s) from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

The Statement containing details of Name, Address, Folio No., Demat Account No and No. of shares due for transfer to IEPF Suspense Account is made available on www.bharatbijlee.com.

The MCA on April 27, 2017, via General Circular No. 03/2017, came up with clarification on "Transfer of Shares to IEPF Authority", wherein amongst other matters, NSDL will prescribe the file formats and operational procedures for transfer of shares to special demat account of the IEPF Authority by April 30, 2017 and May 31, 2017 respectively and the due date for transfer of such shares by your Company is May 31, 2017.

However, MCA via General Circular No. 05/2017 dated May 16, 2017 notified that the aforementioned Circular No. 03/2017 stands withdrawn with immediate effect and further stated that fresh instructions on the matter to be issued in due course of time.