

73RD ANNUAL REPORT 2019-20

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# Letter from the Executive Director

Dear Shareholders,

The June 2020 cover of The Economist magazine was titled "The New World Disorder". This aptly describes the state of the world as we know it today. Before COVID-19 struck, the world was grappling with varied topics pertaining to trade disputes, slowing economies, and overall a multitude of issues that point to a phase of de-globalization. The OECD has now projected that global GDP will fall by 6% this year in the optimistic scenario. The Indian economy was already reeling from muted demand and declining consumer confidence. The coming year will probably be the most challenging one of the last couple of decades.

In the **Transformer** business turnover contracted year on year by 9% owing to the product mix that was available and subsequently targeted in the market. A planned shutdown where we carried out work related to the expansion of our capacity has also contributed to this. Prices continue to be extremely competitive. Despite this we have booked our single largest order and ended the year with the highest order book ever. This is a 35% increase in the order book over the previous financial year. In the coming year we will focus on execution. The **Motor** business has done well to register a robust 12% growth in a market that has contracted. The real achievement has been an improvement in margins despite fierce competition. Along with this we have been able to increase market share significantly. Increased geographic coverage and a further optimized supply chain have contributed to this.

In the **Projects** business growth is flat but order booking has increased substantially compared to last year. This business is linked closely to the transformer business and more or less follows the same business cycle. The market conditions with respect to price are similar. We are seeing a number of customers in the market delaying placing orders. The **Magnet Technology Machines (MTM)** division has grown 6% over last year. Export orders have picked up and contributed significantly to growth. We have successfully developed and tested a range of synchronous servo motors for phased market release. In the **Drives and Automation** division the top line is roughly the same as last year. An overall slowdown in the plastic, metal and textile industries has impacted business. Successful implementation of applications involving the servo motor developed by the MTM division has been

an achievement. New product development in the "Industrial Internet of Things" space will throw up some exciting possibilities.

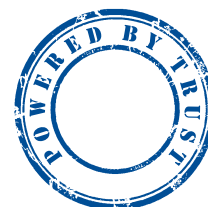
Your company has taken a number of proactive steps to ensure smooth functioning during these very difficult times. We have formed a number of cross-functional groups to ensure business continuity. On the workforce front, our white collar employees voluntarily agreed to a salary cut in the range of 20 to 50%, with the working directors taking the largest reduction. We have entered into an understanding with the Union to regain lost days of work. All these initiatives will immensely help to mitigate the effect of the ongoing crisis.

There has been a lot of talk about the impact that the potential banning of Chinese goods will have on Indian companies and our industry. In the long run there may be reduced competition but in the short run this is a double edged sword. India's trade deficit with China is about \$60B. This amounts to about 14% of all goods imported. Thus in the short run a huge number of industries that import raw materials and components from China will be negatively impacted if this does indeed play out.

The primary challenge facing business today is unpredictability. There is extremely low forward visibility and this makes it very hard to plan ahead. Will there be a second wave of the virus? How will the Government react? Will there be more stringent lockdowns? How long will we function at limited capacity? How deep will the fallout of the current crisis be? Economic recovery will be directly correlated to our healthcare system and our preparedness in dealing with this virus. The answer to many of these questions remains speculative and we will have to wait, watch, and be agile enough to respond to the fast changing needs of the present business environment. We have prepared as best we can for any challenge that may come our way.



**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 Independent Director)

Mr. Rajeshwar D. Bajaaj  
(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 THIRD (73<sup>RD</sup>) ANNUAL GENERAL MEETING ('AGM') OF THE SHAREHOLDERS OF BHARAT BIJLEE LIMITED WILL BE HELD AT 11.00 A.M. ON TUESDAY, SEPTEMBER 29, 2020 THROUGH VIDEO CONFERENCING ('VC') / OTHER AUDIO VISUAL MEANS ('OAVM'), 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, 2020, (ii) the 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 confirm the payment of Interim Dividend of ₹ 12.50/- (i.e., 125%) per equity share of ₹ 10/- each, already paid during the year as the Final Dividend for the financial Year 2019-2020
3. To appoint a Director in place of Mr. Shome N. Danani (DIN 00217787), 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 Appointment of Mr. Ravi Chaudhary (DIN 06728841) as a Non-Executive Non-Independent Director of the Company:**

**"RESOLVED THAT** pursuant to Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in line with the applicable provisions of the Articles of Association of the Company, Mr. Ravi Chaudhary (DIN: 06728841), who on the recommendation of Nomination and Remuneration Committee, was appointed by the Board of Directors, as an Additional Director of the Company with effect from June 30, 2020 and who holds office upto the date of this Annual General Meeting of the Company and who is eligible for the appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive and Non-Independent Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Company Secretary of the Company, be and are hereby authorised to do all 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(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 2020-2021:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), 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), and pursuant to the recommendation of the Audit Committee, the remuneration payable to Messrs. P M Nanabhoy & Co., Cost Accountants (Firm Registration No. 000012), appointed by the Board of Directors, as Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, amounting to ₹ 98,000/- (Rupees Ninety Eight Thousand Only) plus applicable tax 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(s) 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: August 13, 2020

**Registered Office:**

Electric Mansion, 6<sup>th</sup> Floor,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025  
CIN: L31300MH1946PLC005017  
T: +91 22 2430 6237 F: +91 22 2437 0624  
Email Id: [bblcorporate@bharatbijlee.com](mailto:bblcorporate@bharatbijlee.com)  
Website: [www.bharatbijlee.com](http://www.bharatbijlee.com)

**NOTES:**

1. In view of the continuing outbreak of the CoVID-19 pandemic, social distancing to be a pre-requisite and the continuing restriction on movement of persons at several places in the Country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020 and 5<sup>th</sup> May 2020, respectively, issued by the Ministry of Corporate Affairs (collectively referred as “**MCA Circulars**”) and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated 12<sup>th</sup> May 2020 issued by the Securities and Exchange Board of India (“**SEBI Circular**”), physical attendance of the Shareholders at the 73<sup>rd</sup> Annual General Meeting (“**AGM**”) venue is not required and the AGM can be held through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”), without the physical presence of the Shareholders at a common venue.

Accordingly, in compliance with the provisions of the Companies Act, 2013 (“**Act**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and MCA Circulars, the 73<sup>rd</sup> AGM of the Company is being conducted through VC / OAVM, without the physical presence of Shareholders at a common venue. The deemed venue for the 73<sup>rd</sup> AGM shall be the Registered Office of the Company, i.e. at Electric Mansion, 6<sup>th</sup> Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025.

2. An Explanatory Statement pursuant to Section 102 of the Act, relating to special business to be transacted at the AGM, is annexed hereto and forms part of this Notice. The relevant information of Directors seeking appointment / re-appointment, as required under Regulation 36(3) of the Listing Regulations, 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 Directors for seeking appointment / re-appointment.
3. Pursuant to the provisions of the Act, a Shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a shareholder of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Shareholders will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Shareholders such

as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their votes through e-Voting.

4. Corporate Members intending to authorize their representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013, are required to send a Scanned Copy (PDF / JPG Format) to the Company, a Certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend the AGM through VC / OAVM, on their behalf and to vote through remote e-Voting. The said Resolution shall be sent to the Scrutinizer by email through its registered email address to [navnitlb@nlba.in](mailto:navnitlb@nlba.in) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
5. 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.
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Shareholders whose email addresses are registered with the Company / Depositories and physical copy of the same will not be made available to the Shareholders of the Company in line with the aforementioned MCA Circulars and SEBI Circular.
7. The Notice of the AGM and the Annual Report 2019-2020 of the Company, will also be hosted on the Company's website at <https://www.bharatbijlee.com/> and on the websites of the Stock Exchanges i.e. BSE Limited [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of CDSL i.e., [www.evotingindia.com](http://www.evotingindia.com).
8. Since the AGM will be held through VC / OAVM Facility, the Route Map is not annexed in this Notice.
9. 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, Shareholders 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, <https://www.bharatbijlee.com/>. Shareholders holding shares in physical form should file their nomination with M/s Link Intime India Private Limited, Company's Registrar and Share Transfer Agent (“RTA”), whilst those Shareholders holding shares in dematerialized mode should file their nomination with their Depository Participant(s).
10. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities



market. Shareholders 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. Shareholders holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agents.

11. As per Regulation 40 of the Listing Regulations (as amended), securities of listed companies can only be transferred in Demat form with effect from April 1, 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
12. To prevent fraudulent transactions, Shareholders are advised to exercise due diligence and notify the Company of any change in address or demise of any Shareholder as soon as possible. Shareholders are also advised to not leave their Demat account(s) dormant for a long time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
13. In order to receive dividend/s in a timely manner, Shareholders holding shares in physical form who have not updated their mandate for receiving the Dividends directly in their Bank Accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive Dividends directly into their Bank Account electronically or any other means, by sending scanned copy of the following details / documents by e-Mail to reach the Company's e-Mail address [investorcare@bharatbijlee.com](mailto:investorcare@bharatbijlee.com) prior to cut-off date, i.e. Tuesday, September 22, 2020.
  - a. a Signed Request Letter mentioning your Name, Folio Number, Complete Address and following details relating to bank account in which the Dividend is to be received
    - Name and Branch of Bank and Bank Account type;
    - Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
    - 11 digit IFSC Code
  - b. self attested scanned copy of cancelled cheque bearing the name of the Shareholder or first holder, in case shares are held jointly;
  - c. self attested scanned copy of the PAN Card; and

- d. self attested scanned copy of any document (such as AADHAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Shareholder as registered with the Company.

For the Shareholders holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

14. During the 73<sup>rd</sup> AGM, Shareholders may access the scanned copy of the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act, upon Log-in to <https://instameet.linkintime.co.in>.
15. Shareholders seeking any information with regard to the Annual Accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Friday, September 18, 2020, through e-Mail on [investorcare@bharatbijlee.com](mailto:investorcare@bharatbijlee.com). The same will be replied by the Company suitably. Documents referred to in this Notice will be made available for inspection as per applicable statutory requirements.
16. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Shareholders and Share Transfer Books of the Company will remain closed from **Tuesday, September 22, 2020 to Tuesday, September 29, 2020 (both days inclusive)**.
17. Attendance of the Shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
18. 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, attention of Shareholders is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with IEPF Rules which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for seven (7) consecutive years or more, to a special demat account to be opened by 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, the Company has transferred ₹ 9,75,825/-, being the unclaimed / unpaid dividend amount pertaining to Dividend for the financial year ended March 31, 2012, to the IEPF, during the year 2019.

Also, 3,107 corresponding Equity Shares of ₹ 10/- each, on which dividend was not encashed / remained unclaimed for seven (7) consecutive years and the due date of which was September 5, 2019, were transferred during the year 2019, to the IEPF Account, after following the prescribed procedure. 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.

Shareholders who had not claimed the dividends declared for the financial year March 31, 2013, were requested to lodge their claim on or before July 20, 2020, with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. The Company had sent reminders through electronic mode to all such Shareholders whose e-Mail addresses were registered with the Company / RTA.

Further, due to current lockdown situation arising out of CoVID-19 Pandemic, various services of dispatch including through Postal Services / by Courier have been severely affected. Accordingly, a Notice in lieu of the Individual Letter to Company's Shareholders, due to the constraint of posting, was published on, July 7, 2020, in Free Press Journal in English and in Navshakti in Marathi, intimating the respective Shareholders to apply and claim the Unclaimed Dividend for March 2013, on or before July 20, 2020, along with the details mentioned therein.

Further, all the Shareholders who had not claimed their dividends in the last seven (7) consecutive years from 2013 were requested to claim the same by July 20, 2020, with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report. 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 <https://www.bharatbijlee.com/>.

The details of Nodal Officer of the Company, in line with the provisions of IEPF Regulations are available on the Company website and can be accessed through the link : <https://www.bharatbijlee.com/company/investor-relations/investor-contact/>

#### 19. **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, Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (Revised w.e.f. October 1, 2017) and MCA Circulars, the Company is providing to its Shareholders, facility to exercise their right to vote on the resolutions proposed to be considered at the ensuing 73<sup>rd</sup> AGM, by electronic means. The Shareholders 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 Shareholders to cast their vote electronically.

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

- a. Shareholders holding shares in physical form or in demat form as on **Tuesday, September 22, 2020, the cut-off date** shall only be eligible for e-voting. A person, whose name is recorded in the Register of Shareholders 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.