



BHILAI ENGINEERING CORPORATION LIMITED

(AN ISO:9001, ISO:14001, OHSAS:18001 Company)

Regd. Office & Head Office:

Hathkhaj Village, Industrial Area, Bilai – 490026, Dist: Durg, Chhattisgarh, India

Tel: + 91- 788-4088100, Fax: +91-788-4088131, E-mail: bec.engg@bec-group.com, Website: www.bec-group.com

CIN: L29111CT1960PLC000913

NOTICE FOR AGM

THE FIFTY-SIXTH ANNUAL GENERAL MEETING OF M/S BHILAI ENGINEERING CORPORATION LIMITED (CIN: L29111CT1960PLC000913) WILL BE HELD AT THE REGISTERED OFFICE AT HATHKHOJ VILLAGE, INDUSTRIAL AREA, BHILAI ON FRIDAY, THE 30TH SEPTEMBER, 2016 AT 11:00 A.M., TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2016 and the Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
2. 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 resolution passed by the members in the 54th AGM of the Company held on 30th September, 2014 and pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time **M/s P. C. Bafna & Co.,** (Firm Registration No. 02147C) Chartered Accountants, be and is hereby re-appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 57th Annual General Meeting (after commencement of the Companies Act 2013), subject to ratification by the shareholders annually, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

3. **Remuneration to Cost Auditors:-**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**

“**RESOLVED THAT** pursuant to section 148(3) of the Companies Act, 2013 and rule 6(2) of the Companies (Cost Records and Audit Rules) 2014. M/s S. Chander & Associates, Cost Accountants, Delhi (The Firm's Registration No. 100105) be and are hereby appointed as the Cost Auditors of the Company to conduct Audit of cost records made and maintained by the Company pertaining to “Product of Oxygen, Steel, other Machinery, Parts of Railway Rolling Stock, Inorganic Chemical, Fertilizer, Ore and Mineral products and other Products etc. for the financial year 2016-2017 as a remuneration of Rs. 2,95,000/- (Rupees Two Lakh Ninety Five Thousand Only) plus service tax and re-imbursement of out of pocket expenses.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

4. **Change of designation of Director:-**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**

“**RESOLVED THAT** pursuant to the applicable provisions, if any, of the Companies Act, 2013 and pursuant to Article 82 (1) of the Articles of Association of the Company, be and is hereby accorded to change the designation of Shri Ashish Jain from Whole Time Director to Director of the Company.

RESOLVED FURTHER THAT all the Directors, be and are hereby severally authorized to file necessary e-forms and returns with the Registrar of Companies, Chhattisgarh, in this regard.”

SPECIAL BUSINESS:-

5. To consider and if thought fit to pass with or without modification the following resolution as special resolution:-

"RESOLVED THAT pursuant to the provisions of Section 196, 197 & 203 of the Companies Act 2013 read with Schedule V of the said Act (including any amendment, modification, variation or re-enactment thereof), and subject to approval of the Central Government, if any, the approval of the Company be and is hereby accorded to the re-appointment of **Miss Geetika Jain (DIN: 00207695)** as the Managing Director of the Company for a period of five years effective from 1st September, 2016 to 31st August, 2021 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized severally to do all such acts things and deeds as may be necessary to give effect to the above resolution."

6. To consider and if thought fit to pass with or without modification the following resolution as special resolution:-

“**RESOLVED THAT** in partial modification, the resolution passed at the Annual General Meeting of Members of the Company held on 30th September, 2015 pursuant to the provisions of Section 196, 197 & 203 and other applicable provisions, if any, of the Companies Act, 2013 in respect of appointment of Shri Veenu Jain as Managing Director for a period of 1st April, 2015 to 31st March, 2020 be and is hereby amended.”

"RESOLVED THAT pursuant to the provisions of Section 196, 197 & 203 of the Companies Act 2013 read with Schedule V of the said Act (including any amendment, modification, variation or re-enactment thereof), and subject to approval of the Central Government, if any, the approval of the Company be and is hereby accorded to the re-appointment of **Shri Veenu Jain (DIN: 00207165)** as the Managing Director of the Company for a period of five years effective from 1st April, 2015 to 31st March, 2020 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts things and deeds as may be necessary to give effect to the above resolution."

7. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution**:-

“RESOLVED THAT in partial modification, the resolution passed at the Annual General Meeting of Members of the Company held on 30th September, 2015 pursuant to the provisions of Section 196, 197 & 203 and other applicable provisions, if any, of the Companies Act, 2013 in respect of appointment of Shri Arvind Kumar Jain as Managing Director for a period of 1st April, 2015 to 31st March, 2020 be and is hereby amended.”

"RESOLVED THAT pursuant to the provisions of Section 196, 197 & 203 of the Companies Act 2013 read with Schedule V of the said Act (including any amendment, modification, variation or re-enactment thereof), and subject to approval of the Central Government, if any, the approval of the Company be and is hereby accorded to the re-appointment of **Shri Arvind Kumar Jain (DIN: 00207106)** as the Managing Director of the Company for a period of five years effective from 1st April, 2015 to 31st March, 2020 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts things and deeds as may be necessary to give effect to the above resolution."

8. To consider and if thought fit to pass with or without modification the following resolution as special resolution:-

“RESOLVED THAT in partial modification, the resolution passed at the Annual General Meeting of Members of the Company held on 30/09/2014 pursuant to the provisions of Section 196, 197 & 203 and other applicable provisions, if any, of the Companies Act, 2013 in respect of appointment of Smt. Krishna Jain as Whole Time Director for a period of 1st June, 2013 to 31st May, 2018 be and is hereby amended.”

"RESOLVED THAT pursuant to the provisions of Section 196, 197 & 203 of the Companies Act 2013 read with Schedule V of the said Act (including any amendment, modification, variation or re-enactment thereof), and subject to approval of the Central Government, if any, the approval of the Company be and is hereby accorded to the re-appointment of **Smt. Krishna Jain (DIN: 00207724)** as the Whole Time Director of the Company for a period of five years effective from 1st June, 2013 to 31st May, 2018 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts things and deeds as may be necessary to give effect to the above resolution."

Registered Office

Hathkhoj Village,
Industrial Area,
BHILAI-490026 (C.G.)

Dated: 6th September, 2016

By Order of the Board

SD/-
Geetika Jain
(Mg. Director)
DIN: 00207695

NOTES:

1. Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the Meeting instead of himself/herself and a proxy need not be a Member of the Company.

2. In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the registered office of the company not later than forty-eight hours before the commencement of the meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty in number and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent 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 member.
4. Corporate Members intending to send their authorised representatives to attend the Annual General meeting, 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 the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
5. Members, Proxies and Authorised Representatives are requested to bring to the Meeting, the attendance slip, enclosed herewith duly completed and signed.
6. In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 is enclosed herewith.
8. The Register of Members and Share Transfer Books of the Company will remain closed **from 26th September, 2016 to 30th September, 2016**, both days inclusive on account of Annual General Meeting.

ANNEXURE TO THE NOTICE

Explanatory Statements Pursuant to Section 102 of the Companies Act, 2013

Item No. 5, 6, 7 & 8

Miss Geetika Jain were appointed as the Managing Director of the Company with effect from 29th September, 2012 on certain terms and conditions and remuneration as approved by the Members at the Annual General Meeting held on 30th September 2014. As such, the present term of office of Miss Geetika Jain has expired on 31/08/2016. Miss Geetika Jain currently holds overall responsibility of the foundry & Urla divisions of the Company. Keeping in view the contribution made by her for the growth of the Company, the Board of Directors of the Company at their meeting held on 6th September, 2016 have recommended the reappointment of Miss Geetika Jain as Managing Director for a period of five (5) years effective from 1st September, 2016 on the following terms and conditions.

The Board of Directors had also approved revision in the salary of Shri Arvind Kumar Jain and Shri Veenu Jain, Managing Directors and Smt. Krishna Jain, Whole Time- Director of the Company w. e. f. 01.01.2017 as per details given below:-

Shri Arvind Kumar Jain

Salary: 3,00,000/- per month

Performance Bonus

Perquisites as shown below

Shri Veenu Jain

Salary: 3,00,000/- per month

Performance Bonus

Perquisites as shown below

Miss Geetika Jain

Salary: 3,00,000/- per month

Performance Bonus

Perquisites as shown below

Smt. Krishna Jain

Salary: 3,00,000/- per month

Performance Bonus

Perquisites as shown below

Apart from this it was also decided that the total remuneration along with performance bonus to all the Directors shall always be within the overall limits prescribed in the Companies Act.

Perquisites & Amenities : For each of the above.

a) **Accommodation :-**

The Company will provide accommodation.

b) **Gas, Electricity, Water & Furnishing:-**

The expenditure incurred by the Company on gas, electricity, water & furnishing shall be valued as per the Income-Tax Rules, 1962.

c) **Medical Reimbursement:-**

Expenses incurred for the Appointee and his/her family.

d) **Mediclaim Policy:-**

Expenses incurred for the Appointee and his/her family subject to the ceiling of Rs.15,000/- per annum.

e) **Leave and Leave Travel Concession:-**

Leave as per the rules of the Company including encashment of leave. Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.

f) **Club Fees:-**

Membership fees of Clubs subject to a maximum of two clubs.

g) **Personal Accident Insurance:-**

Personal Accident Insurance of an amount the annual premium of which does not exceed Rs.4,000/-

For the purpose of calculating the above ceiling, perquisites will be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.

h) **Servant:-**

The Company will provide a servant to each appointee at their residence.

Other Payments and Provisions:-

a) **Contribution to Superannuation Fund and towards Provident Fund:-**

Contribution towards Provident Fund will be subject to a ceiling of 12% of the salary.

b) **Gratuity:-**

Gratuity payable shall not exceed one half month's salary for each completed year of service.

c) **Car:-**

Provision of car for use on Company's business will not be considered as a perquisite. Use of car for private purpose shall be considered as perquisite.

d) **Telephone:-**

Provision of telephone at residence will not be considered as a perquisite but personal long distance calls shall be billed by the Company.

e) **Entertainment Expenses:-**

Entertainment expenses actually and properly incurred for the business of the Company shall be reimbursed.

Minimum Remuneration:-

In the event of loss, absence or inadequacy of profits in any financial year during the currency of tenure of Shri Arvind Kumar Jain, Shri Veenu Jain, Miss Geetika Jain and Smt. Krishna Jain the remuneration aforesaid shall be the minimum remuneration payable to them. However any excess over the limits on minimum remuneration prescribed under the Companies Act, 2013 shall become payable to them with the approval of the Central Government, if so required.

Excepting Shri Arvind Kumar Jain, Shri Veenu Jain, Miss Geetika Jain and Smt. Krishna Jain, no other Directors of the Company are interested or concerned in the appointment.

Registered Office

Hathkhoj Village,
Industrial Area,
BHILAI

By Order of the Board

SD/-

Geetika Jain
(Mg. Director)
DIN: 00207695

Dated: 6th September, 2016

Place: Bhilai



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(AN ISO:9001, ISO:14001, OHSAS:18001 Company)

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CIN: L29111CT1960PLC000913

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their 56th Annual Report together with the Audited accounts of the Company for the financial year ended 31st March 2016.

FINANCIAL RESULTS:-

(Amount Rs. In Lac)

| PARTICULARS | F.Y. 2015-16 | F.Y. 2014-15 |
|--|--------------|--------------|
| Sales and other Income | 89,908.17 | 89,637.42 |
| Gross Profit before depreciation | 3,483.49 | 6,059.57 |
| Depreciation | 2,789.40 | 3,192.08 |
| Profit before tax during the year | 694.09 | 2,867.49 |
| Corporate Social Responsibilities Expenses | 26.96 | 1.21 |
| Provision for Taxation | 483.40 | 1,111.03 |
| Profit after Tax | 183.73 | 1,755.25 |
| Deferred Tax Liabilities | (230.88) | 181.23 |
| Balance carried to Balance Sheet | 414.61 | 1,574.02 |

THE YEAR IN RETROSPECT & FUTURE PROSPECTS: -

Company's profit before tax reduced to Rs. 694.09 Lac as compared to Rs. 2867.49 Lac in preceding year. After tax provision of Rs. 483.40 Lac (Last Year Rs. 1111.03 Lac) the net profit (PAT) for the year is Rs. 183.73 Lac (Last Year Rs. 1755.25 Lac). Inspite of all round efforts of the management, due to negative industrial services the margin could not be as expected. This situation is likely to be improved in coming years.

DIVIDEND:-

The Board of Directors decide not to recommend dividend for the year 2015-16 in order to consolidate its financial strength.

DIRECTORS:-

The present term of Shri Ashish Jain, as Whole Time Director of the Company was expiring on 31/08/2016. He had tendered his resignation as Whole Time Director w.e.f. 01/04/2016. It is proposed to appoint Shri Ashish Jain as Director of the Company with effect from 01/09/2016.

The present term of Miss Geetika Jain, Managing Directors of the Company has expired on 31/08/2016. It is proposed to re-appoint her for a further period of 5 years with effect from 01/09/2016 to 31/08/2021 in the forthcoming Annual General Meeting of the Company.

EXTRACT OF ANNUAL RETURN:-

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT-9** is attached as a part of this Annual Report. (**ANNEXURE- A**)

Corporate Social Responsibility:-

The Company has constituted a Corporate Social Responsibility Committee (CSR) in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility Committee consists of Shri S. K. Jain as Chairman, Shri Veenu Jain and Shri Ashish Jain as members. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website at the link: <http://www.bec-group.com>

The disclosures with respect to CSR activities forming part of this Report are given as **Annexure-B**.

Fixed Deposits:-

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 ('the Act') and the Companies (Acceptance of Deposits) Rules, 2014.

Change in the nature of business, if any:-

No Change in the nature of the business activities of the Company has taken place during this year.

Auditors and Auditor's Report:-

M/s. P. C. Bafna & Co., Chartered Accountants, the auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

The Company has received letters from M/s. P. C. Bafna & Co., Chartered Accountants, Durg to the effect that their appointment, if made, would be within the prescribed limits under Section 141 (3) of the Act, and that they are not disqualified from appointment as statutory auditors of the Company.

COST AUDITORS:-

Pursuant to the directive from the Ministry of Corporate Affairs regarding appointment of Cost Auditor, M/s S. Chander & Associates, Cost Accountants, Delhi have been appointed as the Cost Auditor of the Company for the financial year 2016-17. The Cost Audit Report in respect of Financial Year 2014-15 was filed on 7th July, 2016 through **SRN G06823231**. The section 148 (3) of the Companies Act, 2013 requires that the remuneration of Cost Auditors shall require the ratification of shareholders and accordingly the appropriate resolution has been included in the notice convening the 56th Annual General Meeting.

Your Directors recommend the approval of resolution for re-appointment and fixation of remuneration of Auditors for the Financial Year 2016-17.

Secretarial Audit:-

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Satish Batra & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made by the Secretarial Auditor in the Secretarial Audit Report. The Audit Report of the Secretarial Auditor is attached hereto as **Annexure-C**.

Share Capital:-

The Company has not issued any securities during the year.

NUMBER OF BOARD MEETINGS HELD

The Board of Directors duly met 5 (Five) times during the financial year from 1st April, 2015 to 31st March, 2016. The dates on which the meetings were held are as follows:-

| Sr. No. | Date of Board meeting |
|----------------|---------------------------------|
| 1 | 16 th April, 2015 |
| 2 | 28 & 29 th May, 2015 |
| 3 | 5 th September, 2015 |
| 4 | 23 rd December, 2015 |
| 5 | 25 th February, 2016 |

The Meetings were held within the period prescribed under the Companies Act, 2013.