



BHILAI ENGINEERING CORPORATION LIMITED

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

Regd. Office & Head Office:

Hathkhaj Village, Industrial Area, Bhilai – 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 IS HEREBY GIVEN THAT THE 57TH 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 29TH SEPTEMBER, 2017 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, 2017 and the Balance Sheet as at that date together with the report of the Board of Directors and Auditors thereon.
2. Appointment of Director:-
To appoint a Director in the place of Shri S. K. Jain (DIN: 00207450) who retires by rotation and is eligible for reappointment.
3. 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with the Companies (Audit and Auditors) Rules, 2014 (Rules), as amended from time to time, M/s Laxmi Tripti & Associates, Chartered Accountants, Durg (Firm Registration No. 009189C) be and are hereby appointed as the statutory Auditors of the Company (in place of M/s P. C. Bafna & Co., Chartered Accountants) for a term of 5 (Five) years commencing from the Financial Year 2017-18 and hold office from the conclusion of the 57th Annual General Meeting (AGM) of the Company till conclusion of the 62nd AGM of the Company to be held in the year 2022 (subject to ratification by the members at every intervening AGM) on such remuneration plus applicable taxes, out-of-pocket expenses etc., as may be mutually agreed upon by the Board of Directors (Board) and the Statutory Auditors.

“RESOLVED FURTHER that the Board (including its Audit Committee) of the Company be and is hereby authorized to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution”.

4. 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 2017-2018 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.

Registered Office

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

By Order of the Board

SD/-

Geetika Jain
(Mg. Director)
DIN: 00207695

Dated: 1st **September, 2017**

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 Register of Members and Share Transfer Books of the Company will remain closed **from 25th September, 2017 to 29th September, 2017**, both days inclusive on account of Annual General Meeting.



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CIN: L29111CT1960PLC000913

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their 57th Annual Report together with the Audited accounts of the Company for the financial year ended 31st March 2017.

FINANCIAL RESULTS:-

(Amount Rs. In Lac)		
PARTICULARS	F.Y. 2016-17	F.Y. 2015-16
Sales and other Income	82,931.76	89,908.17
Gross Profit before depreciation	8,202.35	3,483.49
Depreciation	2,424.98	2,789.40
Profit before tax during the year	5,777.37	694.09
Corporate Social Responsibilities Expenses	53.64	26.96
Provision for Taxation	2,136.00	483.40
Profit after Tax	3,587.73	183.73
Deferred Tax Liabilities	(16.23)	(230.88)
Balance carried to Balance Sheet	3,603.96	414.61

THE YEAR IN RETROSPECT & FUTURE PROSPECTS: -

Company's profit before tax enhanced to Rs.5,777.37 Lac as compared to Rs.694.09 Lac in preceding year. After tax provision of Rs. 2,136 Lac (Last Year Rs. 483.40 Lac) the net profit (PAT) for the year is Rs.3,587.73 Lac (Last Year Rs.183.73 Lac).

DIVIDEND:-

The Board of Directors decides not to recommend dividend for the year 2016-17 in order to consolidate its financial strength.

DIRECTORS:-

Shri Surendra Kumar Jain (DIN: 00207450) retires from the Board by rotation and being eligible offers himself for re-appointment.

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.

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 2017-18. The Cost Audit Report in respect of Financial Year 2015-16 was filed on 27th September, 2017 through **SRN G54187422**. 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 57th Annual General Meeting.

Your Directors recommend the approval of resolution for re-appointment and fixation of remuneration of Auditors for the Financial Year 2017-18.

Statutory Auditors:-

Pursuant to Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the current term of M/s P. C. Bafna & Co., Chartered Accountants (Firm Registration No. 02147C), Chartered Accountants, as the Statutory Auditors of the Company expires at the conclusion of the ensuing AGM of the Company.

Your Board at its meeting held on 1st September, 2017, upon the recommendation of the Audit Committee, has recommended the appointment of **M/s Laxmi Tripti & Associates, Chartered Accountants, Durg** (Firm Registration No. 009189C), as the Statutory Auditors of the Company at the 57th AGM of the Company for an initial term of 5 (five) years. Accordingly, a resolution proposing appointment of M/s Laxmi Tripti & Associates, Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 (five) consecutive years i.e. from the conclusion of 57th AGM till the conclusion of 62nd AGM of the Company pursuant to Section 139 of the Act, forms part of the Notice of the 57th AGM of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that their appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed there under.

M/s P. C. Bafna & Co., Chartered Accountants, as the Statutory Auditors of the Company and will hold office until the conclusion of the ensuing AGM. On your behalf and on our own behalf we place on record our sincere appreciation for the services rendered by them during its long association with the Company.

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 7 (Seven) times during the financial year from 1st April, 2016 to 31st March, 2017. The dates on which the meetings were held are as follows:-

Sr. No.	Date of Board meeting
1	16 th April, 2016
2	28 th July, 2016
3	6 th September, 2016
4	22 nd November, 2016
5	20 th December, 2016
6	17 th February, 2017
7	30 th March, 2017

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

Particulars of loans, guarantees or investments under section 186:-

There are no loans, guarantees and investments made by us under section 186 of the Companies Act, 2013.

Particulars of contracts or arrangements with related parties:-

All contracts/arrangements/transactions entered by the Company during the financial year under review with related parties were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Audit Committee for approval. Omnibus approval of the Audit Committee was obtained for the transactions which were of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee for its approval on a quarterly basis.

Directors' Responsibility Statement:-

As required under section 134 (3)(c) of the Companies Act, 2013, The Directors hereby state that:-

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care 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;

(d) the directors have prepared the annual accounts on a going concern basis; and

(e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:-

The Company is committed to upholding and maintaining the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaint was received.

Acknowledgements:-

Your Directors take this opportunity to place on record their due appreciation of the valuable contribution and the spirit of dedication of the employees at all levels during the year. The Directors also express their deep gratitude for the business assistance, co-operation and support extended to your Company by Customers, Distributors, Suppliers/ Services Providers, Banks, various Governmental Organisations/ Agencies and shareholders and look forward for their continued support and Co-operation in future also.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO:-

a). Conservation of Energy:-

Information relating to Energy consumption and conservation as required under Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1989 is given in Annexure –1 forming part of this report.

b). Technology Absorption and Research & Development:-

The Company has in-house Research & Development Section and steps have been taken during the period for:-

- i. Improvement in quality of various products.
- ii. Improvement in yield of raw material consumption.
- iii. Improvement in cost effectiveness.

c). Foreign Exchange Earning & Outgo:-

- | | | |
|-----|----------|---------------------|
| i. | Earnings | : Rs. 2,693.72 lac. |
| ii. | Outgo | : Rs. 5,714.08 lac. |

Registered Office:

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

FOR AND ON BEHALF OF THE BOARD

SD/-
VEENU JAIN
(Mg. Director)
DIN: 00207165

SD/-
GEETIKA JAIN
(Mg. Director)
DIN: 00207695

Place: Bhilai
Date: 01.09.2017

BHILAI ENGINEERING CORPORATION LIMITED**ANNEXURE –1 to Directors' Report****For disclosure of particulars with respect to conservation of energy:-**

Sl No.	Power and Fuel Consumption	F. Y. 2016-17	F. Y. 2015-16
1	Electricity		
	a) Purchased		
	Units	20558001	18958915
	Total Amount	148037272	128484688
	Average rate per unit	6.78	6.78
	b) Own Generation		
	Units	101177	139184
	Units/Liter of Diesel oil	3.08	2.88
	Cost/Unit	19.65	17.54
	c) Own Generation –TG		
	Units	1428966	2178893
2	Furnace Oil		
	Qty. (K.L.)	625	1045
	Value per K. Ltrs. of.oil	71443	76542
3	Consumption per unit of production standard (if any)		
	Electricity Consumption (KWH)/MT Finished Steel and Iron Castings Structural Steel & Equipment	1941.17	2135.46
	Electricity Consumption (KWH)/MT of SSP/GSSP Incl Acid	34.78	32.37
	Electricity Consumption (KWH)/MT of NPK	20.33	11.01
	Electricity Consumption (KWH)/MT of SSF	250	250
	Furnace Oil Consumption (KL)/MT of Steel and Iron Castings.	0.097	0.208
	Electricity Consumption (KWH)/MT of fruit pulp	471	447
	Electricity Consumption (KWH)/MT of Milk Processing	46.77	44.69

Annexure “A”

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As of financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:-

1.	CIN	L29111CT1960PLC000913
2.	Registration Date	3RD DECEMBER, 1960
3.	Name of the Company	BHILAI ENGINEERING CORPORATION LIMITED
4.	Category/Sub-category of the Company	Company limited by Shares Indian Non-Government Company
5.	Address of the Registered office & contact details	HATHKHOJ VILLAGE INDUSTRIAL AREA, BHILAI -490026 (C. G.)
6.	Whether listed company	LISTED
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NOT APPLICABLE

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)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	ENGINEERING	29	87
2	FERTILIZERS	24	10

Category-wise Share Holding

[illegible]