



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 58TH 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 SATURDAY, THE 29TH SEPTEMBER, 2018 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, 2018 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 Ashish Jain (**DIN: 00207048**) 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 resolution passed by the members in the 57th AGM of the Company held on 29th September, 2017 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, the Company hereby ratifies the appointment of **M/s Laxmi Tripti & Associates**, Chartered Accountants, Durg (Firm Registration No. 009189C) as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 62nd Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditor of the Company.”

“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 2018-2019 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.

5. **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 of Association of the Company, be and is hereby accorded to change the designation of Smt. Krishna Jain (DIN: 00207724) from Executive Director (whole time director) to Non-Executive Director (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.”

Registered Office

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

By Order of the Board

SD/-

Geetika Jain
(Mg. Director)
DIN: 00207695

Dated: **23rd September, 2018**

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 26th September, 2018 to 29th September, 2018**, 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 58th Annual Report together with the Audited accounts of the Company for the financial year ended 31st March 2018.

FINANCIAL RESULTS:-

(Amount Rs. In Lac)

PARTICULARS	F.Y. 2017-18	F.Y. 2016-17
Sales and other Income	93,187.87	88,314.10
Gross Profit before depreciation	3,687.61	8,148.73
Depreciation	2,297.89	2,424.98
Profit before tax during the year	1,389.72	5,723.75
Provision for Taxation	645.00	2,136.00
Deferred Tax Liabilities	(175.68)	(16.23)
Profit for the year from continuing operations	920.40	3,603.98

THE YEAR IN RETROSPECT & FUTURE PROSPECTS: -

Company's profit before tax decreased, Inspite of slightly better turnover as compared to preceding year. After tax provision PAT for the year is Rs.920.40 Lac (Rs.3603.98 Lac). Your Directors are confident that the financials of the Company will improve in the years to come once Industrial environment specially steel sectors pickup.

DIVIDEND:-

The Board of Directors decides not to recommend dividend for the year 2017-18 in order to consolidate its financial strength.

DIRECTORS:-

Shri Ashish Jain (DIN: 00207048) retires from the Board by rotation and being eligible offers himself for re-appointment.

The present term of Smt. Krishna Jain (DIN: 00207724), as whole time Director of the Company was expiring on 1st June, 2018. It is proposed to appoint Smt. Krishna Jain as Director of the Company or she will be relieved from her designation as per the decision 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.

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 2018-19. The Cost Audit Report in respect of Financial Year 2016-17 was filed on 26th June, 2018 through **SRN G90521626**. 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 58th Annual General Meeting.

Your Directors recommend the approval of resolution for re-appointment and fixation of remuneration of Auditors for the Financial Year 2018-19.

Statutory Auditors:-

M/s Laxmi Tripti & Associates, Chartered Accountants, (Firm Registration Number: 009189C) were reappointed as Statutory Auditors of the Company in the 57th (Fifty Seventh) Annual General Meeting of the Company for a period of five years i.e. until the conclusion of the 62nd (Sixty Second) Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting by the shareholders.

The Board proposes ratification of appointment of **M/s Laxmi Tripti & Associates** as Statutory Auditors of the Company for approval of the shareholders in the ensuing Annual General Meeting.

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, 2017 to 31st March, 2018. The dates on which the meetings were held are as follows:-

Sr. No.	Date of Board meeting
1	21 st April, 2017
2	23 rd May, 2017
3	5 th July, 2017
4	1 st September, 2017
5	1 st November, 2017
6	16 th January, 2018
7	26 th March, 2018

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

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

The details of loan and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are covered in the notes to the financial statements.

INDIAN ACCOUNTING STANDARDS (Ind AS):-

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2016 with a transition date of 1st April, 2015. The Financial Results for the year 2017-18 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other recognized accounting practices and policies to the extent applicable. The Financial Results for all the periods of 2017-18 presented have been prepared in accordance with Ind AS.

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.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 as **(ANNEXURE- II)**. Further Transactions with related parties are detailed in Note No.35 to the financial statements.

Directors' Responsibility Statement:-

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

(a) first time the preparation of the annual accounts under IND AS, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have 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 of the company for the year;

(c) the directors have 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 under IND AS on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

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

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS:-

The Corporate Governance Report and Management Discussion & Analysis, which form part of this Report, are set out as separate Annexure, together with the Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS:-

As regarding remarks of auditors, the notes given to the accounts give proper explanations in respect of remarks made by the auditors in their report and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

However, it has been qualified that the provisions of section 185 and 186 of the Companies Act, 2013 have not been complied with in case of some specific transactions. Further for appointment of whole time Company Secretary necessary steps has been taken and announcement inviting resume has been made.

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 –I** 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. **4,908.26** lac.
- ii. Outgo : Rs. **3,343.09** 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: 23rd September, 2018

BHILAI ENGINEERING CORPORATION LIMITED

ANNEXURE –I to Directors' Report

For disclosure of particulars with respect to conservation of energy:-

Sl No.	Power and Fuel Consumption	F. Y. 2017-18	F. Y. 2016-17
1	Electricity		
	a) Purchased		
	Units	19442147	20558001
	Total Amount	137978684	148037272
	Average rate per unit	7.10	6.78
	b) Own Generation		
	Units	92189	101177
	Units/Liter of Diesel oil	3.00	3.08
	Cost/Unit	21.07	19.65
	c) Own Generation –TG		
	Units	1676900	1428966
2	Furnace Oil		
	Qty. (K.L.)	4518	625
	Value per K. Ltrs. of.oil	54601	71443
3	Consumption per unit of production standard (if any)		
	Electricity Consumption (KWH)/MT Finished Steel and Iron Castings Structural Steel & Equipment	1844.36	1941.17
	Electricity Consumption (KWH)/MT of SSP/GSSP Incl Acid	31.11	34.78
	Electricity Consumption (KWH)/MT of NPK	NA	20.33
	Electricity Consumption (KWH)/MT of SSF	250.65	250
	Furnace Oil Consumption (KL)/MT of Steel and Iron Castings.	0.653	0.097
	Electricity Consumption (KWH)/MT of fruit pulp	479	471
	Electricity Consumption (KWH)/MT of Milk Processing	50.58	46.77

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered in to during the year ended 31st March, 2018, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

(Amount Rs. In Lakh)

SR. No.	Name of related party	Relationship	Nature of Transactions	Transactions
				31.03.2018
1	Bhilai Motor Car CO.	Associate	Purchase Of Diesel & Oil	94.14
2	Bharat Industrial Works (Bhilai) Pvt. Ltd.	Associate	Purchase Of Goods	147.09
3	Bhilai Engineering Industries Ltd.	Associate	Rent Received	13.20
			Consultancy & Retainership	264.00
			Contract Work	37.49
			Rent Paid	60.00
			Interest Recd.	123.95
4	BEC Fertilizer Limited	Associate	Purchase of Goods	30.16
5	Vishva-Vishal Engineering Ltd.	Associate	Purchase of Goods	29.19
			Rent Paid	24.00
6	Kiosk Properties Pvt. Ltd.	Associate	Rent Paid	6.00
7	Jafferson Leasing & Fin Pvt. Ltd.	Associate	Rent Paid	12.00
8	Bec Impex International (P) Ltd.	Associate	Rent Paid	9.00
			Interest Recd.	73.79
9	Shri Ashish Jain	Director	Rent Paid	1.80
10	Bec Infra Pvt Ltd	Associate	Contract Work	6881.80
11	Arkas Industries (P) Ltd.	Associate	Consultancy & Retainership Charges	180.00
			Rent Paid	39.00
12	Bhilai Food Products Co.	Associate	Sale of Goods	929.10
			Contract work	156.52
			Interest recd.	0.33
13	Kirtiman Infrastructure (P) Ltd.	Associate	Interest Paid	1.95
14	Sudha Investment Limited	Associate	Rent Paid	0.60