
DIRECTORS

Mr. Bansi S. Mehta (Chairman)

Mr. Nikhil J. Danani
(Vice Chairman & Managing Director)

Mr. Nakul P. Mehta
(Vice Chairman & Managing Director)

Mr. Jaisingh R. Danani

Mr. Mukul Harkisondass

Mr. Prakash V. Mehta

Mr. Anand J. Danani

Mr. Deepak S. Parekh
(Alternate to Mr. Anand J. Danani)

Mr. Sanjiv N. Shah

Mr. Jairaj C. Thacker

Mr. Meghendra Kumar
(Appointed in casual vacancy
on 29th January, 2004)

REGISTERED OFFICE

Electric Mansion, 6th Floor,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai 400 025.

Tel. No. : 022-24306237

Fax No. : 022-24370624

WORKS

Plot No. 2, MIDC Industrial Estate,
Belapur Road, Kalwa,
Thane 400 601.

Maharashtra.

Tel. No. : 022-27600401

Fax No. : 022-27600443

AUDITORS

Messrs Dalal & Shah

SOLICITORS

Messrs Malvi Ranchoddas & Co.

BANKERS

Bank of India

The United Western Bank Limited

Syndicate Bank

Indian Bank

The North Kanara Gaud Saraswat Cooperative
Bank Ltd.

REGIONAL OFFICES

Northern Regional Office

Milap Niketan, 4th Floor,
8-A, Bahadur Shah Zafar Marg,
New Delhi 110 002.

Tel. No. : 011-23319694

Fax No. : 011-23319413

Eastern Regional Office

Mansarowar, 2nd Floor,
3B, Camac Street,
Kolkata 700 016.

Tel. No. : 033-22172382

Fax No. : 033-22172467

Southern Regional Office

Ramanashree Chambers,
37, Lady Curzon Road,
Bangalore 560 001.

Tel. No. : 080-5592646

Fax No. : 080-5592823

REGISTRAR & SHARE TRANSFER AGENTS

Intime Spectrum Registry Ltd.

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg,

Bhandup (W),

Mumbai 400 078.

Tel. No. : 022-55555454

Fax No. : 022-25672693

NOTICE

Notice is hereby given that the 58th Annual General Meeting of Bharat Bijlee Limited will be held at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai 400 020 on Friday, 12th August, 2005 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2005 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Mukul Harkisondass who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anand J. Danani who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Bansi S. Mehta who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s. Dalal & Shah, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors and or its Audit Committee to fix their remuneration.

SPECIAL BUSINESS

7. To appoint a Director in place of Mr. Meghendra Kumar who was appointed on 29th January, 2004 by the Board to fill the casual vacancy caused by the resignation of Mr. N. Balakrishnan and who holds office in the normal course upto the date of the 58th Annual General Meeting.
8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED that pursuant to sub clause (d) of sub section (1) of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 and Article 67(d) of the Articles of Association of the Company on and with effect from 16th September, 2005 hereinafter referred to as "Record date for subdivision", the face value of each equity share of Rs. 100 of the Company comprised in the authorised, issued and subscribed capital of the Company of Rs. 80,000,000/- (Rupees Eight Crores) represented by 8,00,000 (Eight lakh) equity shares including 5,65,156 (Five lakh sixty five thousand one hundred fifty six) fully paid up equity shares whether

held in physical or dematerialised form, be and is hereby subdivided into 80,00,000 (Eighty lakh only) equity shares including 56,51,560 (Fifty six lakh fifty one thousand five hundred sixty) fully paid-up equity shares of the face value of Rs. 10 each and that in accordance with the Companies (Issue of Shares Certificates) Rules, 1960, new share certificates for 10 equity shares of the face value of Rs. 10 each be issued in place of the existing share certificates for every one equity share of the face value of Rs. 100 each in respect of share certificates held in physical form and that in respect of shares held in dematerialised form, appropriate instructions/communication be sent to the National Securities Depository Ltd. and the Central Depository Services (India) Ltd. to credit the account of each beneficial holder of the Company with 10 equity shares of the face value of Rs. 10 each for every one equity share of the face value of Rs. 100 each held in the depository account.

RESOLVED FURTHER that upon subdivision of equity shares as aforesaid, the equity shares of the face value of Rs. 100 each held by the shareholders/beneficial holders shall be deemed to have been automatically cancelled and be of no effect on and from the Record date for sub division."

9. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that, the Memorandum of Association of the company be and is hereby altered by deleting the existing Clause 5 and substituting in its place instead the following new Clause 5.

The authorised share capital of the company is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 2,00,000 12% Non Convertible Redeemable Cumulative Preference Shares of Rs. 100/- each and 80,00,000 equity shares of Rs. 10/- each as herein after provided and in accordance with the regulations of the Company and the legislative provisions for the time being in force. Subject to the provisions of the said Act, the shares in the capital of the Company for the time being, whether original or increased or reduced may be divided into classes, with any preferential, deferred, qualified, or other rights, privileges, conditions or restrictions attached hereto, whether in regard to dividend, voting, return of capital or otherwise.

If and whenever the Capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, affected, extended, abrogated or surrendered as provided by the Articles of Association or by the terms of issue, but not further or otherwise."

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

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by deleting the existing Article 4 and substituting in its place instead the following new Article 4.

The authorised share capital of the company is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 2,00,000 12% Non Convertible Redeemable Cumulative Preference Shares of Rs. 100/- each and 80,00,000 equity shares of Rs. 10/- each as herein after provided and in accordance with the regulations of the Company and the legislative provisions for the time being in force. Subject to the provisions of the said Act, the shares in the capital of the Company for the time being, whether original or increased or reduced may be divided into classes, with any preferential, deferred, qualified, or other rights, privileges, conditions or restrictions attached hereto, whether in regard to dividend, voting, return of capital or otherwise."

If and whenever the Capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, affected extended abrogated or surrendered as provided by the Articles of Association or by the terms of issue, but not further or otherwise.

11. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, and in partial modification of the Ordinary Resolution No. 8 passed at the 56th Annual General Meeting of the Company held on 12th August, 2003, the approval of the Company be and is hereby accorded to the variation in terms of remuneration (including perquisites and commission) payable to Mr. Nikhil J. Danani, Managing Director of the Company, as under from 1st April, 2005 upto 19th June, 2008 i.e. upto the end of his current tenure as Managing Director.

Salary: upto Rs. 3,00,000/- per month as may be decided by the Board of Directors (which includes any Committee thereof) with such increments from time to time, after taking into account the Company's performance.

Perquisites and Allowances:

- i) In addition to the salary and commission, Mr. N. J. Danani is also entitled to perquisites

and allowances, including furnished accommodation or house rent in lieu thereof, house maintenance allowances, together with utilities there of such as gas, electricity, water and furnishings, repairs, servants salaries, society charges and property tax, medical reimbursement, 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, 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) Car for use on company's business and telephone (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 traveling 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 Managing Director 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 and 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 and commission shall not exceed the overall ceiling prescribed under Section 198 and 309 of the Companies Act, 1956.

Minimum Remuneration:

Notwithstanding anything to the contrary contained herein above, wherein in any financial year, during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay salary, perquisites and allowances as specified above to the Managing Director as Minimum Remuneration to him.

The Managing 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.

The Managing Director, shall not be subject to retirement by rotation during his tenure as Managing Director of the Company."

12. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, and in partial modification of the Ordinary Resolution No. 9 passed at the 56th Annual General Meeting of the Company held on 12th August, 2003, the approval of the Company be and is hereby accorded to the variation in terms of remuneration (including perquisites and commission) payable to Mr. Nakul P. Mehta, Managing Director of the Company, as under from 1st April, 2005 upto 19th June, 2008 i.e. upto the end of his current tenure as Managing Director.

Salary: upto Rs. 3,00,000/- per month as may be decided by the Board of Directors (which includes any Committee thereof) with such increments from time to time, after taking into account the Company's performance.

Perquisites and Allowances:

- i) In addition to the salary and commission, Mr. Nakul P. Mehta is also entitled to perquisites and allowances, including furnished accommodation or house rent in lieu thereof, house maintenance allowances, together with utilities there of such as gas, electricity, water and furnishings, repairs, servants salaries, society charges and property tax, medical reimbursement, 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, 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) Car for use on company's business and telephone (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 traveling 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 Managing Director 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 and 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 and commission shall not exceed the overall ceiling prescribed under Section 198 and 309 of the Companies Act, 1956.

Minimum Remuneration:

Notwithstanding anything to the contrary contained herein above, wherein in any financial year, during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay salary, perquisites and allowances as specified above to the Managing Director as Minimum Remuneration to him.

The Managing 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.

The Managing Director, shall not be subject to retirement by rotation during his tenure as Managing Director of the Company."

NOTES:

(A) **MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. INSTRUMENTS APPOINTING PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

(B) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 1st August, 2005 to Friday, 12th August, 2005 (both days inclusive).

(C) (i) The Profiles of the Directors being reappointed, item Nos. 3, 4, & 5 of the Notice as required under Clause No. 49 of the Listing Agreement with Stock Exchanges is annexed to this notice.

(ii) The Explanatory statement is annexed to the Notice with regard to item Nos. 7 to 12 in terms of Section 173(2) of the Companies Act, 1956.

(D) It is notified for the information of shareholders concerned that the unclaimed dividends on equity and preference shares for the year ended 31-03-1995 have been transferred by the Company to the General Revenue Account of the Central Government and the same can be claimed by such shareholders from the Registrar of Companies, Maharashtra, Office of the Registrar of Companies, Central Government Office Building, A Wing, 2nd Floor, Next to Reserve Bank of India, CBD Belapur 400 614 by submitting an application in the prescribed form No. II under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, to the above address.

As per the provision of Section 205A read with Section 205C of the Companies Act, 1956 a Company is required to transfer its dividends, debentures, bonds, redeemed preference shares, fixed deposits, interest on fixed deposits, interest on debentures etc. upto the financial year March 31, 1995 and onwards which remain unpaid or unclaimed for a period of 7 years to the Investor Education and Protection Fund set up by the Central Government. The Company has in compliance transferred all such unclaimed amounts upto the financial year 31st March, 1997 to the said fund. It may be noted that no claims will lie against the Company in respect of the said

unclaimed amount(s) transferred to the said fund. Members who have not claimed the dividends declared for the Financial Year 31-3-1998 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.

(E) The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid after Friday, 12th August, 2005 to those members whose names stand registered on the Company's Register of Members:

(a) as Beneficial owners as at the end of business on Saturday, 30th July, 2005 as per the list to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in demat form.

(b) as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company on or before, the 1st August, 2005.

(F) The Registrar and Transfer activity of shares held in physical and demat form continue to be carried out by our Registrars, M/s. Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078, Phone No. 55555454.

The Register of Members continue to be maintained at the Registered Office of the Company.

(G) Pursuant to the provisions of Section 109A of the Companies Act, 1956, shareholders may file nomination in respect of their shareholdings. Any shareholder willing to avail of this facility may submit to the Company the prescribed form 2B, if not already filed.

The Equity Shares of the Company are listed on the following stock exchanges:

1. The Stock Exchange, Mumbai
Pheroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
2. The Delhi Stock Exchange Association Ltd.
3&4/4B, Asaf Ali Road,
New Delhi 110 002.

The listing fee for the period 1-4-2005 to 31-3-2006 to the above Exchanges has been paid.

REQUEST TO THE MEMBERS

1. Members desiring any information on the Accounts of the Annual General Meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.
2. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring the copy of the Annual Report to the Meeting.
3. Members who hold shares in the dematerialised form are requested to bring their Depository Account Number for identification.

By Order of the Board
D.N. NAGARKAR
 Company Secretary &
 General Manager: Legal

Registered Office:
 Electric Mansion, 6th Floor
 Appasaheb Marathe Marg,
 Prabhadevi, Mumbai 400 025

Dated: 29th June, 2005

PROFILES OF DIRECTORS BEING REAPPOINTED AS REQUIRED BY CLAUSE 49 VIA OF THE LISTING AGREEMENT WITH STOCK EXCHANGES**Item Nos. 3, 4 & 5 of the Notice****Mr. Mukul Harkisondass**

Mr. Mukul Harkisondass has been a Director on the Board of the Company since 29th August, 1972. He has vast knowledge and experience in various fields including Merchant Banking, Finance, Stock Markets, Regulatory Authorities and has been a Director on the Boards of various companies. At present he is a Director on the Board of M/s. Nemex Enterprises Pvt. Ltd.

He is the Chairman of the Audit, Remuneration and Shareholder/Investor Grievance Committees and a member of the Share Transfer Committee of the Company. The Company has benefited immensely by his expert advice over the years and has drawn strength from his experience and knowledge.

Mr. Anand J. Danani

Mr. Anand J. Danani holds a degree in Commerce from the Mumbai University and a Masters degree in Business Administration from USA. He has vast knowledge and experience in the Banking and Finance industry and is an expert in Business Management & Marketing.

He has been a Director on the Board of the Company since 23rd March, 1995.

Mr. Bansi S. Mehta

Mr. Bansi S. Mehta holds a degree in Commerce and is a fellow member of the Institute of Chartered Accountants in India. He is a renowned Accountant in practice and an expert in taxation, accounting matters, and Mergers & Acquisitions. He has been a Director on the Board of the Company since September 26th, 1986 and Chairman of the Board of Directors since November 29, 1994.

He is on the Board of the following prominent companies:

1. Atul Ltd.
2. Century Enka Ltd.
3. Ceat Ltd.
4. Housing Development Finance Corpn. Ltd.
5. IL&FS Investment Managers Ltd.
6. JB Chemicals & Pharmaceuticals Ltd.
7. Pidilite Industries Ltd.
8. Procter & Gamble Hygiene and Health Care Ltd.
9. Sudarshan Chemical Industries Ltd.
10. The Dawn Mills Co. Ltd.
11. The Vinyl Chemicals (India) Ltd.
12. Sasken Communications Technologies Ltd.
13. SBI Capital Markets Ltd.

He is also a Director of M/s. Jumbo World Holdings Ltd. (BUI) a Body incorporated outside India.

He is also an Alternate Director in:

1. Chemetall Rai India Ltd.
2. Uhde India Ltd.

Mr. Mehta is on the following Committees:

Sr. No.	Company	Name of the Committee
1.	Housing Development Finance Corporation Limited	Compensation & Audit
2.	Atul Limited	Audit
3.	Century Enka Limited	Audit
4.	Procter & Gamble Hygiene & Health Care Limited	Audit
5.	IL&FS Investment Managers Ltd.	Audit
6.	J. B. Chemicals & Pharmaceuticals Ltd.	Audit
7.	Sudarshan Chemicals Ltd.	Audit
8.	Sasken Communication Technologies Ltd.	Audit
9.	Pidilite Industries Ltd.	Audit

} Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 7

Mr. Meghendra Kumar was appointed as a Director of the Company by the Board of Directors with effect from 29th January, 2004 pursuant to Article 162 of the Articles of Association of the Company to fill the casual vacancy caused by the resignation of Mr. N. Balakrishnan. Consequently, Mr. Meghendra Kumar holds office only upto the date on which Mr. N. Balakrishnan in whose place he was appointed would have held office in the normal course upto the date of the forthcoming Annual General Meeting. Notice in writing and a deposit of Rs. 500/- along with the notice has been received from members under Section 257 of the Companies Act, 1956 signifying the intention to propose Mr. Meghendra Kumar as a candidate for the office of Director.

Mr. Meghendra Kumar was Regional Manager (H&R) and also Principal of the Staff Training College of the LIC of India. He holds a Masters degree in Arts and a Bachelors degree in Law and has wide experience in the marketing of life insurance business, human resources and industrial relations.

He is also a Director on the Board of Bihar Iron and Sponge Ltd.

Item No. 8

The volume of trade and the market price of the shares of the Company have been steadily increasing in the last 2 years and considering the same, retail investors will find it affordable to buy equity shares of the Company if the shares are split into shares of smaller face value. Out of the approx 5500 companies listed on the stock exchange/s, the equity shares of your Company is one of the very few shares having a face value of Rs. 100/-.

As the shares of the Company have been dematerialised and are mandated by the Securities & Exchange Board of India for trading in dematerialised form by all investors, the sub-division of shares will facilitate investors.

Item No. 9

The proposed alteration to Clause 5 of the Memorandum of Association of the Company is consequential in nature upon the sub division of the equity share of the Company.

Item No.10

The proposed alteration to Clause 4 of the Articles of Association of the Company is consequential in nature upon the sub division of the equity share of the Company. None of the Directors are concerned or interested in the Resolution.

Item Nos. 11 and 12

Pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions of Companies Act, 1956 read with Schedule XIII to the Act, your Company in its 56th Annual General Meeting held on 12th August, 2003 had approved the re-appointment of Mr. Nikhil J. Danani and Mr. Nakul P. Mehta as Managing Directors for a further period of 5 years with effect from 20th June, 2003 on terms, conditions and remuneration then proposed by the Remuneration Committee and its Board of Directors.

The Board of Directors having received the recommendation of the Remuneration Committee have revised the remuneration of each of the Managing Directors, Mr. Nikhil J. Danani and Mr. Nakul P. Mehta with effect from 1st April, 2005 for the remaining period of their tenure (i.e. upto 19th June, 2008) subject to approval of the members in the ensuing Annual General Meeting. The approval and ratification of the members is now sought for the revised remuneration paid/payable to the Managing Directors, Mr. Nikhil J. Danani and Mr. Nakul P. Mehta as set out in the text of the resolutions of item Nos. 11 & 12.

Mr. Nikhil J. Danani and Mr. Nakul P. Mehta, the Managing Directors are concerned and interested in the variation of the terms of remuneration. Mr. J.R. Danani and Mr. A.J. Danani being related to Mr. Nikhil J. Danani are deemed to be concerned or interested. No other Directors are concerned or interested.

Copies of the Resolution passed by the Remuneration Committee at its meeting held on 29th June, 2005 in this respect are open for inspection at the Registered Office of your Company on any working day except Saturday and Sunday between 10.30 a.m. to 12.30 p.m.

The resolutions set out in the accompanying notice together with the explanatory statement are and should be treated as an abstract of the terms of variation of remuneration to the Managing Directors under Section 302 of the Companies Act, 1956 and the same are hereby circulated to the members accordingly.

REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors are pleased to present their 58th Annual Report of the Company and the Audited Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS

	Year ended 31st March, 2005 Rupees in lakhs	Year ended 31st March, 2004 Rupees in lakhs
Sales & Service	27479.12	22041.64
Less: Excise Duty	<u>2894.81</u>	<u>1611.31</u>
	24584.31	20430.33
Other Income	<u>440.84</u>	<u>121.30</u>
	25025.15	20551.63
Profit before Interest & Financial Charges, Depreciation, Exceptional items and Tax	3186.64	1803.24
Less: Interest & Financial Charges	379.14	408.74
Less: Depreciation	168.22	134.61
Profit Before Exceptional items & Tax	2639.28	1259.89
Add(Less): Exceptional items	917.62	- 158.59
Profit before tax	3556.90	1101.30
Less: Provision for Tax	779.91	367.31
Profit after tax	2776.99	733.99
Short(-)/Excess Provision for tax for earlier years	<u>- 0.45</u>	<u>- 4.88</u>
	2776.54	729.11
Add: Profit brought forward	<u>298.10</u>	<u>199.01</u>
Net Surplus available for Appropriation	3074.64	928.12
APPROPRIATION:		
Proposed Equity Dividend	508.64	226.06
Tax on proposed Equity Dividend	71.34	28.96
General Reserve	750.00	375.00
Profit Carried Forward	1744.66	298.10

DIVIDENDS

The Directors recommend a dividend of Rs. 90 per equity share for the year ended 31st March, 2005 on 5,65,156 equity shares of Rs. 100 each which will absorb Rs. 579.98 lakhs including Rs. 71.34 lakhs being corporate tax on dividend as compared to Rs. 255.02 lakhs in previous year.

SUB DIVISION OF EQUITY SHARES

The Board of Directors recommend sub division of its equity shares having a face value of Rs. 100/- per equity share into a face value of Rs. 10/- per equity share. This special business is covered under item 8 together with its consequential changes in the Memorandum and Articles of Association of the Company in items 9 and 10 of the accompanying notice and explanatory statement.

OPERATIONS

During the year 2004-2005, the Company received orders worth Rs. 300.5 crores compared to Rs. 205.74 crores in the previous year registering an increase of 46%. Income from sales and service increased to 274.8 crores from 220.4 crores in the previous year registering a rise of 25% over the previous year.

In view of the substantial invoicing during the year and disinvestment of Elevator Field Operations Division, the unexecuted order book position stood at Rs. 110.7 crores which is 15% lower than the previous year.

The profit before exceptional items and tax more than doubled from Rs. 12.6 crores to Rs. 26.4 crores. It is mainly the Industrial Products Division comprising of Motors and Transformers which has contributed to this impressive performance. Large volumes, better price realisation, higher productivity and cost control have brought this excellent result.

TRANSFORMER EXPANSION

In the new transformer plant, the Company has successfully manufactured and type tested 2 Nos. of 100 MVA, 220 KV power transformers for Karnataka Power Transmission Corp. Ltd. to their fullest satisfaction. Investments are being made to improve testing and winding facilities to accelerate inspection, production and despatches.

DISINVESTMENT OF LIFT OPERATIONS

As approved earlier by the shareholders and unsecured creditors of the Company in their meetings convened by the Hon'ble High Court, Bombay, on 26th October, 2004, and thereafter approved vide its Order dated 17th December, 2004, under Section 391-394 of the Companies Act, 1956, the Elevator Field Operations business of the Company was transferred to Olympus Elevator Pvt. Ltd. (OEPL) upon the Scheme of Arrangement under Section 391-394 of the Companies Act, 1956 becoming effective on 23rd December, 2004 in terms of Clause No. 23 of the said Scheme as per Section 391(3) of the Companies Act, 1956 against an exchange of 2,47,50,000 preference shares of Rs. 10/- each (since redeemed), 990 Bonds A of Rs. 50,000/- each and 660 Bonds B of Rs. 50,000/- each and in respect of the later two items of instruments, the Agreement provides for variations in the redemption values. These variations are presently subject to appropriate adjudication.

FINANCE

While the borrowings, appear to have gone up on the Balance Sheet date with judicious mix of sourcing during the year, the Company could leverage much higher volume of business and bring down the interest cost from Rs. 4.09 crores to Rs. 3.8 crores. Control of working capital continues to be an area under focus.

During the year, the Company received in December, 2004 an amount of Rs. 24.75 crores on redemption of Preference Shares as a part of consideration towards transfer of Elevator Field Operations business to Olympus Elevator Pvt. Ltd. Out of this amount, Rs. 15.5 crores have been invested in eligible Capital Bonds under Section 54 EC of the Income Tax Act, 1961.

As on 31st March, 2005, the Company had Fixed Deposits aggregating to Rs. 769.48 lakhs. Out of the Fixed Deposits which matured for payment prior to 31st March, 2005, 42 deposits aggregating to Rs. 8.69 lakhs were neither renewed nor claimed till 31st March, 2005. Of these 10 deposits aggregating to Rs. 1.15 lakhs have since been renewed or refunded on receipt of requests from the deposit-holders. The balance of 32 deposits aggregating to Rs. 7.54 lakhs have been neither claimed nor renewed till date of this Report, in spite of the Company's intimation to the deposit-holders. There has been no default or delay in meeting any maturity payment obligations.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance is set out in Annexure A.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors confirm –

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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, 31st March 2005 and of the profit or loss of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

HUMAN RESOURCES

The employee relations during the year have continued on a cordial note. By and large, all the employees have substantially improved their productivity levels, as a result of which the Company is fully geared to face challenges generated by the improved market conditions in the power sector.

Consequent to the transfer of the Lift Field Operations business to M/s. Olympus Elevator Pvt. Ltd., the employee strength has substantially reduced and stood at 919 as on 31st March 2005, as compared to 1375 as on 31st March 2004.

The Management is grateful for the dedication, commitment and loyalty displayed by all its employees.

DIRECTORS

Mr. Meghendra Kumar, Regional Manager (H&R) and Principal of the Staff Training College (Retd.) of the LIC of India was appointed on the Board on 29th January, 2004 in the casual vacancy caused by the resignation of Mr. N. Balakrishnan. He holds office upto the date of the 58th Annual General Meeting i.e. the date on which

Mr. N. Balakrishnan would have retired had he been in office.

Notice under Section 257 of the Companies Act, 1956 has been received from members of their intention to propose Mr. Meghendra Kumar as a candidate for the office of Director. As the continuance of Mr. Meghendra Kumar on the Board is in the interest of the Company, the Directors recommend the proposed appointment.

Mr. Mukul Harkison Dass, Mr. Anand J. Danani and Mr. Bansi S. Mehta retire by rotation at the Annual General Meeting to be held on 12th August, 2005 but are eligible for re-appointment.

AUDITORS

M/s. Dalal & Shah, Auditors retire at the ensuing Annual General Meeting. They have confirmed their eligibility and willingness to be re-appointed pursuant to Section 224(1) of the Companies Act, 1956. Members will be requested to appoint the Auditor and to fix the remuneration of the Auditor for the year ending 31st March, 2006. This item of business is covered by item 6 of the accompanying Notice and Explanatory Statement.

COST AUDITORS

The Central Government has approved the appointment of M/s. P.M. Nanabhoy & Co. as Cost Auditors of the Company in respect of electric motors for the financial year ending 31st March, 2005.

The Board has appointed M/s. P.M. Nanabhoy & Co. as Cost Auditors of the Company in respect of electric motors for the financial year ending 31st March, 2006 and approval of the Central Government is being sought.

PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, and forming part of this Report are annexed to this Report. However, as per the provisions of Section 219(1)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company excluding the Statement of Particulars of Employees. Any shareholder interested in the Particulars of Employees may write to the Company Secretary at the Registered Office of the Company for a copy of the statement.

Additional information as required by the Department of Company Affairs is presented on page 11 of this Annual Report.

ACKNOWLEDGEMENT

Your Directors would like to place on record their appreciation to the Company's employees, customers, shareholders, vendors, bankers, and financial institutions.

For and on behalf of the Board of Directors

BANSI S. MEHTA
Chairman

Date: 29th June, 2005

ADDITIONAL INFORMATION

(In terms of Notification No.1029 of 31-12-1988 issued by the Department of Company Affairs)

A. Conservation of energy:

(1) Measures:

- Low loss chokes for tubelights – 1100 Nos.
- Aluminum anodized reflectors for tubelight fittings – 600 Nos.
- Metal halide lamps for Security lighting – 30 Nos.
- FRP Blades (in place of Aluminum) for Air circulators – 94 Nos.
- Use of high efficiency metal halide lamps in place of high pressure mercury vapour lamps.
- Conversion of electric heated oven into thermopac (LDO fired) heated oven.
- Provision of transparent sheets on roof top to utilise natural lighting.
- Use of variable frequency drives for machines.
- Improvement in insulation of heating ovens.
- Maintenance of chilled water pipe line, thermopac and ovens.

(2) Impact of the measures:

- Saving in energy consumption – Approx. 1 lakh per annum.
- Improved lighting for security.
- Increased life of tubelights.

B. Technology absorption, adaptation and innovation:

1. Efforts made:

- Automatic nameplate marking system – integrated with ERP.
- Complete range of motors have been certified by Chief Controller of Explosives for increased safety applications.

- Thyristorised temperature controller for baking of windings installed on 6 ovens including subcontractor's ovens.

2. Benefits derived:

- Cost and variety reduction of nameplates.
- Improved quality of nameplates and windings.
- Increased range of motors (viz. Increased safety applications).

3. Future plan of action:

- Continued emphasis on development of cost-effective components and processes and import substitution.
- Development of motors for compressors used on Electric Locomotives.
- Development of auxiliary motors and blowers used on the new class of AC Locomotives.

C. Foreign exchange earning and outgo:

(1) Export activities:

- Our transformers continue to be exported directly and also through other registered exporters. Transformers have also been sold as deemed export to internationally aided projects. These orders were obtained against international competition.

(2) Foreign exchange earned:

- | | |
|---------------------------------------|------------------|
| — Deemed exports with export benefits | Rs. 772.77 lakhs |
| — Direct exports | Rs. 55.36 lakhs |
| — Others | Rs. 3.63 lakhs |

(3) Foreign exchange used: Rs. 746.54 lakhs

CORPORATE GOVERNANCE REPORT — ANNEXURE A

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate governance at Bharat Bijlee Limited is much more than compliance mandated by Regulatory Authorities. We in Bharat Bijlee are committed to corporate governance as an ongoing process to improve excellence, transparency, accountability, integrity, Regulatory compliance and responsibility in all its dealings with employees, shareholders, customers and all its stakeholders.

2. BOARD OF DIRECTORS & BOARD MEETINGS:

(a) *Composition:* The Board of Directors has 11 Directors, of which 1 is an Alternate Director. The Board consists of 7 Non-Executive – Independent, 2 Non-Executive and 2 Executive Directors. The Non-Executive Directors account for more than 75% of the Board's strength against the minimum requirement of 50% as per the Listing Agreement. The Non-Executive Directors are all eminent professionals with experience in overall management, finance and law and have a wide range of skills and experience. The day to day operations of the Company are overseen by two Executive (Managing) Directors, Mr. Nikhil J. Danani and Mr. Nakul P. Mehta.

Except Mr. Nikhil J. Danani and Mr. Nakul P. Mehta, Managing Directors, who have been appointed to the Board for a period of 5 years w.e.f. June 20, 2003, all other Directors are liable to retire by rotation.

(b) *Board Meetings:* In the Financial Year 2004-2005, five (5) Board of Directors' meetings were held on the following dates:

- | | |
|--------------------|-----------------------|
| 1. 20th May, 2004 | 4. 28th October, 2004 |
| 2. 21st July, 2004 | 5. 31st January, 2005 |
| 3. 29th July, 2004 | |

(c) Attendance, Sitting fees & Remuneration of Directors:

Sr. No.	Name of the Director	Category of Directorship	No. of Board Mtgs. attended	Attend-ance at last AGM	No. of other Director-ships	Committee Membership		Sitting Fees Rs.	Remunera-tion Rs.
						As Member	As Chairman		
1.	Mr. Bansi S. Mehta — Chairman	Independent Non-Executive	5	YES	16**	5	5	42,500/-	—
2.	Mr. Nikhil J. Danani — Managing Director	Executive	4	YES	1*	3	—	—	42,87,924/-
3.	Mr. Nakul P. Mehta — Managing Director	Executive	5	YES	1*	3	—	—	48,44,985/-
4.	Mr. Jaisingh R. Danani	Non-Executive	4	NO	—	2	—	80,000/-	—
5.	Mr. Mukul Harkisondass	Independent Non-Executive	5	YES	1*	1	4	1,17,000/-	—
6.	Mr. Prakash V. Mehta	Independent Non-Executive	3	YES	12*	8	—	47,500/-	—
7.	Mr. Anand J. Danani	Non-Executive	—	NO	—	—	—	—	—
8.	Mr. Deepak S. Parekh — (Alternate to Mr. A. J. Danani)	Independent Non-Executive	1	NO	16\$	5	5	10,000/-	—
9.	Mr. Sanjiv N. Shah	Independent Non-Executive	4	YES	3*	3	—	90,000/-	—
10.	Mr. Jairaj C. Thacker	Independent Non-Executive	3	YES	3*	3	—	67,500/-	—
11.	Mr. Meghendra Kumar	Independent Non-Executive	3	YES	1	—	—	30,000/-	—
							Total	4,85,000/-	91,32,909/-

* includes Directorship in Pvt. Ltd. companies

\$ includes Alternate Directorship in 4 companies

** includes Alternate Directorship in 2 companies and in a Body Corporate incorporated outside India

Notes: 1. M/s. Malvi Ranchoddas & Co., solicitors of the Company of which Mr. P.V. Mehta is a partner, renders professional services to the Company.

2. Mr. Sanjiv N. Shah, Chartered Accountant has rendered professional services to the Company.

3. M/s. Bansi S. Mehta & Co., Chartered Accountants of which Mr. Bansi S. Mehta is a partner has rendered professional services to the Company during the year.

(d) Information Supplied to the Board

- Review of annual operating plans of businesses, capital budgets, updates
- Quarterly results of the Company and its operating divisions or business segments
- Minutes of meeting of audit committee and other committees
- Information on recruitment and remuneration of senior officers just below the Board level
- Materially important show cause, demand prosecution claims and penalty notices
- Fatal or serious accidents or dangerous occurrences
- Any materially significant effluent or pollution problems
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company
- Any issue which involves possible public or product liability claims of a substantial nature
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business
- Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of Directors is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings or are tabled before the appropriate Committees of the Board.

3. AUDIT COMMITTEE:

(a) *Composition:* The Board of Directors had reconstituted an Audit Committee in 2002 with the following members:

1.	Mr. Mukul Harkisondass	Chairman	— Non-Executive Independent
2.	Mr. Prakash V. Mehta	Member	— -do-
3.	Mr. Jaisingh R. Danani	Member	— Non-Executive
4.	Mr. Sanjiv N. Shah	Member	— Non-Executive Independent
5.	Mr. Jairaj C. Thacker	Member	— Non-Executive Independent

Mr. D.N. Nagarkar, Company Secretary is the Secretary of the Committee. The Managing Directors, Vice President: Finance, Internal Audit Manager, and the General Manager: Finance usually attend Audit Committee meetings by invitation. The Statutory Auditors and the Cost Auditors are also invited to attend the meetings.

(b) *Meetings & Attendance:*

The Audit Committee meetings were held on:

1. 20th May, 2004
2. 29th July, 2004
3. 28th October, 2004 &
4. 31st January, 2005

Mr. Mukul Harkisondass was present in all 4 meetings.

Mr. Jaisingh R. Danani and Mr. Sanjiv N. Shah attended 3 meetings each.

Mr. Prakash V. Mehta and Mr. Jairaj C. Thacker attended 2 meetings each.

(c) *Terms of Reference:* Clause 49 of the Listing Agreement lists the role of the Audit Committee. The gist of the terms of reference are as follows:

- Oversee Company's financial reporting process and disclosures.
- Recommend appointment/removal/remuneration and payment of other fees of the statutory auditors.
- Review with management the quarterly, half yearly and annual financial statements before submission to the Board.
- Review with the Management, performance of the Statutory and Internal Auditors.
- Review adequacy of internal control systems, internal audit department, reporting structure and frequency.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Post-audit discussion with statutory auditors regarding areas of concern.
- Reviewing the Company's financial and risk-management process.
- Review defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of dividends) and creditors.
- Decide on recommendations/audit report findings to be placed before the Board.

4. REMUNERATION COMMITTEE:

(a) *Composition:* The Board of Directors of the Company had reconstituted a Remuneration Committee, in 2002, comprising the following members:

1. Mr. Mukul Harkisondass	— Non-Executive Independent Director
2. Mr. Prakash V. Mehta	— -do-
3. Mr. Sanjiv N. Shah	— -do-
4. Mr. Jairaj C. Thacker	— -do-

The Remuneration Committee met twice during the year on -

- (i) 20th May, 2004 and
- (ii) 28th October, 2004

The terms of reference of the Remuneration Committee are as under:

- (i) Recommend to the Board of Directors and shareholders the remuneration package of Executive Directors including salary, allowances, perquisites, payment of commission, pension rights, payment of compensation and minimum remuneration, and to review and revise the remuneration package as may be required.
- (ii) To recommend and oversee employee stock option scheme.
- (iii) To recommend sitting fees of the Board of Directors.

Mr. Mukul Harkisondass, Mr. Prakash V. Mehta and Mr. Jairaj C. Thacker were present in both meetings. Mr. Sanjiv N. Shah attended only one meeting.

(b) *Remuneration to Managing Directors:* The total remuneration including commission drawn by the Managing Directors for the financial year 2004-2005 is as under:

(i) Mr. Nikhil J. Danani	Rs. 42,87,924
(ii) Mr. Nakul P. Mehta	Rs. 48,44,985

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

(a) *Composition:* The Board of Directors had constituted a Shareholders'/Investors' Grievance Committee in 2002 with the following members:

1. Mr. Mukul Harkisondass	Chairman	— Independent Non-Executive
2. Mr. Prakash V. Mehta	Member	— Independent Non-Executive
3. Mr. Nikhil J. Danani	Member	— Executive
4. Mr. Nakul P. Mehta	Member	— Executive

Mr. D.N. Nagarkar, Company Secretary, is the Secretary of the Committee. The Committee has met once, on 31st January, 2005, wherein all members were present. The total number of grievances redressed and reviewed by the Committee to the satisfaction of the shareholders was 58, most of them demat related. There were no requests for share transfer/transmission/deletions of names etc. pending as on 31st March, 2005 and all such requests were processed and delivered within one month (30 days) of lodgement with the company.

Mr. D.N. Nagarkar, Company Secretary has been designated as the Compliance Officer of the Company.

(b) *Reference:* The Committee looks into redressing grievances of shareholders pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of dividend, dematerialisation of shares, complaints received from SEBI and the Stock Exchanges etc. The Board of Directors has also delegated the power of approving transfer/transmission/issue of duplicate share certificates to a Share Transfer Committee.

6. DISINVESTMENT COMMITTEE:

The Board at its meeting held on 20th May, 2004 constituted a Committee of Directors to negotiate terms, execute and implement the Scheme of Disinvestment through spin off of the Company's Lift Field Operations business for a consideration with M/s. Olympus Elevator Pvt. Ltd. previously known as M/s. Tiger Elevators Pvt. Ltd., a wholly owned subsidiary of M/s. Kone Elevator India Ltd. the intending acquirer.

The members of the Committee were as under:

Mr. Mukul Harkisondass	— Chairman
Mr. Jairaj C. Thacker	— Members
Mr. Nikhil J. Danani	— Members
Mr. Nakul P. Mehta	— Members

Mr. D.N. Nagarkar is the Secretary of the Committee.

The Committee met twice on :

1. 28th May, 2004
2. 14th August, 2004

7. ANNUAL GENERAL MEETINGS:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2003-2004	21-7-2004	4.00 p.m.	Walchand Hirachand Hall, 4th Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020
2002-2003	12-8-2003	4.00 p.m.	-do-
2001-2002	14-8-2002	4.00 p.m.	-do-

1. No Special Resolutions were required to be put through postal ballot.
2. No Special Resolutions on matters requiring postal balloting were placed before shareholders for approval at the AGMs.
3. All Special Resolutions moved at the last AGM were passed by a show of hands, unanimously by all members present at the meeting.

8. DISCLOSURES:

- (i) At every Board Meeting, the Directors disclose the names of the companies/parties in which they are interested, and accordingly the Register of Contracts under Section 301 of the Companies Act, 1956 is tabled and signed.
- (ii) Quarterly Disclosures — Results and notes thereon.
- (iii) There were no instances of non-compliance on any matter related to the capital markets, nor were any penalties or strictures imposed on the company by SEBI or any Stock Exchanges or any statutory authorities for non-compliance on any matter related to the Capital Markets during the last 3 years.

9. COMMUNICATION TO SHAREHOLDERS:

- (i) Quarterly/half yearly/annual results and information relating to convening of Board Meetings/Annual General Meetings are published in Free Press Journal and Navshakti and are also notified to the Stock Exchanges as required under the Listing Agreement. Half-yearly report is not sent to each shareholder in view of its publication in newspapers. As requested by the Stock Exchanges from the quarter ending March, 2003, the requisite information is also transmitted through the EDIFAR System.
- (ii) The Company has not made any presentation to any Institutional Investors/Analysts during the year.
- (iii) Management discussion and analysis is covered as a part of this Annual Report.
- (iv) The Company has its own website, www.bharatbijlee.com.

10. GENERAL SHAREHOLDER INFORMATION:

- (i) Annual General Meeting:
Date : 12th August, 2005
Time : 4.00 p.m.
Venue : Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber, Churchgate, Mumbai 400 020
- (ii) Financial Calendar:
The Company follows April-March as its financial year. The results for every quarter are declared in the month following the quarter except for the quarter January-March, for which the Audited results are declared by June as permitted by the Listing Agreement.

11. DATES OF BOOK CLOSURE:

Monday, 1st August, 2005 to Friday, 12th August, 2005 (both days inclusive)

12. DIVIDEND PAYMENT DATE: After 12th August, 2005.**13. LISTING OF EQUITY SHARES ON STOCK EXCHANGES:**

- (i) Stock code at Mumbai: 503960
Stock code at Delhi: 02080
- (ii) Demat international security
Identification No. in NSDL & CDSL: INE 464A01010

14. STOCK PRICE DATA AT THE STOCK EXCHANGE, MUMBAI

Month	High (Rs.)	Low (Rs.)
April, 2004	909.00	744.35
May, 2004	1018.00	871.50
June, 2004	992.00	790.00
July, 2004	1240.80	840.00
August, 2004	1440.95	1080.00
September, 2004	1580.30	1335.00
October, 2004	1664.70	1530.00
November, 2004	1961.15	1689.10
December, 2004	2420.00	2000.35
January, 2005	2446.55	1970.25
February, 2005	4414.50	2372.00
March, 2005	4198.85	3725.00

Note: Face Value of 1 Equity Share is Rs. 100/-.

15. REGISTRAR AND TRANSFER AGENTS:

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
Mumbai 400 078
Tel: 55555454, Fax: 25672693

16. SHARE TRANSFER SYSTEM

Trading in equity shares of the company is permitted in dematerialised form only w.e.f. 31st March, 2000. The shares in physical mode which are lodged with the Company or with the Registrar are processed and are subject to exercise of option under compulsory transfer cum demat procedures. Share certificates are either dematted or returned within the time prescribed by the authorities. All share transfer and share related issues are approved by a share transfer committee comprising of 4 Directors and approvals are obtained at intervals not exceeding 15 days. 69.35% of shares have been dematerialised as on 31st March, 2005.

17. PLANT LOCATION:

MIDC, Thane-Belapur Road, Kalwe, Thane 400 601, Maharashtra.

18. ADDRESS FOR CORRESPONDENCE:

The Corporate Secretarial Department is located at the Company's Registered Office situated at Electric Mansion, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Telephone No. 24306237, Fax No. 24370624. Shareholders may correspond on all matters relating to shares at the addresses mentioned below:

1. Intime Spectrum Registry Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
Mumbai 400 078
Tel: 55555454, Fax: 25672693
2. Bharat Bijlee Limited,
Electric Mansion, 6th Floor,
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai 400 025
Tel: 24306237, Fax: 24370624.

19. DISTRIBUTION OF SHAREHOLDING AS ON 31-3-2005

Sr. No.	No. of Equity Shares held	No. of Shareholders	No. of Shares	% of Shareholders	% of Shareholding
1.	1 - 50	5575	71,966	86.58	12.73
2.	51 - 100	404	31,531	6.27	5.58
3.	101 - 200	240	35,509	3.73	6.28
4.	201 - 300	66	16,668	1.03	2.95
5.	301 - 400	34	12,215	0.53	2.16
6.	401 - 500	24	11,435	0.37	2.02
7.	501 - 1000	44	32,183	0.68	5.70
8.	1001 - above	52	3,53,649	0.81	62.58
	Total:	6439	5,65,156	100.00	100.00

20. SHAREHOLDING PATTERN AS ON 31-3-2005

Sr. No.	Category	No. of shares	% to total shareholding
1.	Promoters, Directors & Relatives	1,99,167	35.24
2.	Public Financial Institutions	94,001	16.63
3.	Mutual Funds & Banks	6,386	1.13
4.	FIS	105	0.02
5.	NRIS/OCBS	4,855	0.86
6.	Private Corporate Bodies	33,156	5.87
7.	Indian Public	2,27,486	40.25
	Total:	5,65,156	100.00

**TO THE MEMBERS OF BHARAT BIJLEE LIMITED
CERTIFICATE BY THE AUDITORS ON CORPORATE GOVERNANCE**

We have examined the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India, for the financial year ended on March 31, 2005.

The objective of our examination is to give our opinion on whether the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges in India.

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for our examination and the information and explanations given to us by the Company.

On the Basis of the records maintained by the 'Shareholders/Investors Grievance Committee' of the Company, we state that, there were no investor grievances pending against the Company for a period exceeding one month.

Based on such examination, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges of India.

We further state that such compliance is neither an assurance as to the future viability of the Company, nor to the efficiency with which the management has conducted the affairs of the Company.

For and on behalf of
DALAL & SHAH
Chartered Accountants

Shishir Dalal
Partner
Membership No.: 37310

Mumbai: 29th June, 2005

MANAGEMENT DISCUSSIONS AND ANALYSIS — ANNEXURE B

Your Company, having exited from the Elevator Field Operation Business, will henceforth concentrate on its core businesses of Motors and Transformers, both belonging to the Industrial Products Segment. The focus is on customer-specific Motors of higher frame sizes and Transformers of higher ratings. The ongoing emphasis on upgrading product quality and service, and manufacturing productivity and effectiveness continues.

Segment Analysis

Consequent to transfer of Elevator Field Operations Division, the Company has only one operating segment viz. "Industrial Products" in terms of Accounting Standard 17 on segment reporting issued by Institute of Chartered Accountants' of India.

Industrial Products

This segment manufactures, develops and markets a wide range of low tension standard and tailor-made motors, variable-speed drives, and power and distribution transformers, it also sells submersible pumps and other maintenance products.

Further, consequent to the divestment of the Elevator Field Operations Business, the supplies of components and spare parts to Olympus Elevator Pvt. Ltd. also form a part of this segment.

The Motor business increased substantially in terms of value (by 60%) and volume (by 24%). The strategy of concentrating on custom made, higher frame-size orders improved both product mix and market share. Further, strategic, economical outsourcing under our rigid quality standards enabled us to both increase volumes and reduce costs. Favourable market conditions and stringent cost control and productivity improvement measures enabled us to offset the rising costs of inputs like Steel, Cast Iron and Copper.

The inflow of orders, production and dispatches for the transformer business were the highest ever and grew by 64%, 14% & 16% respectively as compared to last year.

Prestigious orders were received from M/s. KPTCL, UPPCL, APTRANSCO, PSEB, RRVPNL, Jindal Steel, Thermax, Reliance Industries, Reliance Energy, Ambuja Cement, etc.

Business from export markets also improved and we have exported our transformers to Egypt, Jordan, Congo, Sri Lanka, Bangladesh, and Nepal.

Our 50 MVA 133/66-33 kV transformer was the highest rating transformer thus far to be tested for dynamic short circuit withstand test at CPRI, Bhopal.

With the successful commissioning of the Impulse Test Generator at our new transformer plant, the test field is now fully equipped to carry out all required tests.

Installation of a Vapour Phase drying system is in progress in the new transformer plant, and the new state-of-the-art winding section is expected to be completed by end July 2005.

Works and Construction Contracts and Services

In view of the divestment of Elevator Field Operation Business to OEPL, the Company no longer undertakes the installation and commissioning or service contracts earlier forming part of this segment, and hence has ceased to operate in this segment.

Internal Control and Audit System

The Company has in place an independent audit set up, effective internal control systems and company policies and procedures that ensure safeguarding of assets, reliable financial reporting, appropriate risk management and promotion of good management practices. The Audit Department continuously evaluates the adequacy of internal controls and ensures that all operating and service functions adhere to laid-down company policies and procedures. The systems are regularly reviewed and modified to suit the changes in operating requirements. Important audit findings are reviewed by the Audit Committee at its meetings. Four Audit Committee meetings were held during the year.

The Statutory Auditor satisfies himself on the adequacy or otherwise of the internal controls during audit process and there are no qualificatory observations in the Annual Report nor in the Review Report submitted by the Statutory Auditors for earlier quarters.

Risks and Concerns

Inflation is expected to be higher and is likely to continue to push input costs upwards. The unprecedented increase in the prices of raw material, particularly special steels for lamination, compounded by world wide shortages, is a major cause of concern for executing transformer orders. This could affect the margins adversely. Growth in the motor markets has plateaued and further growth is not expected except in a few segments.

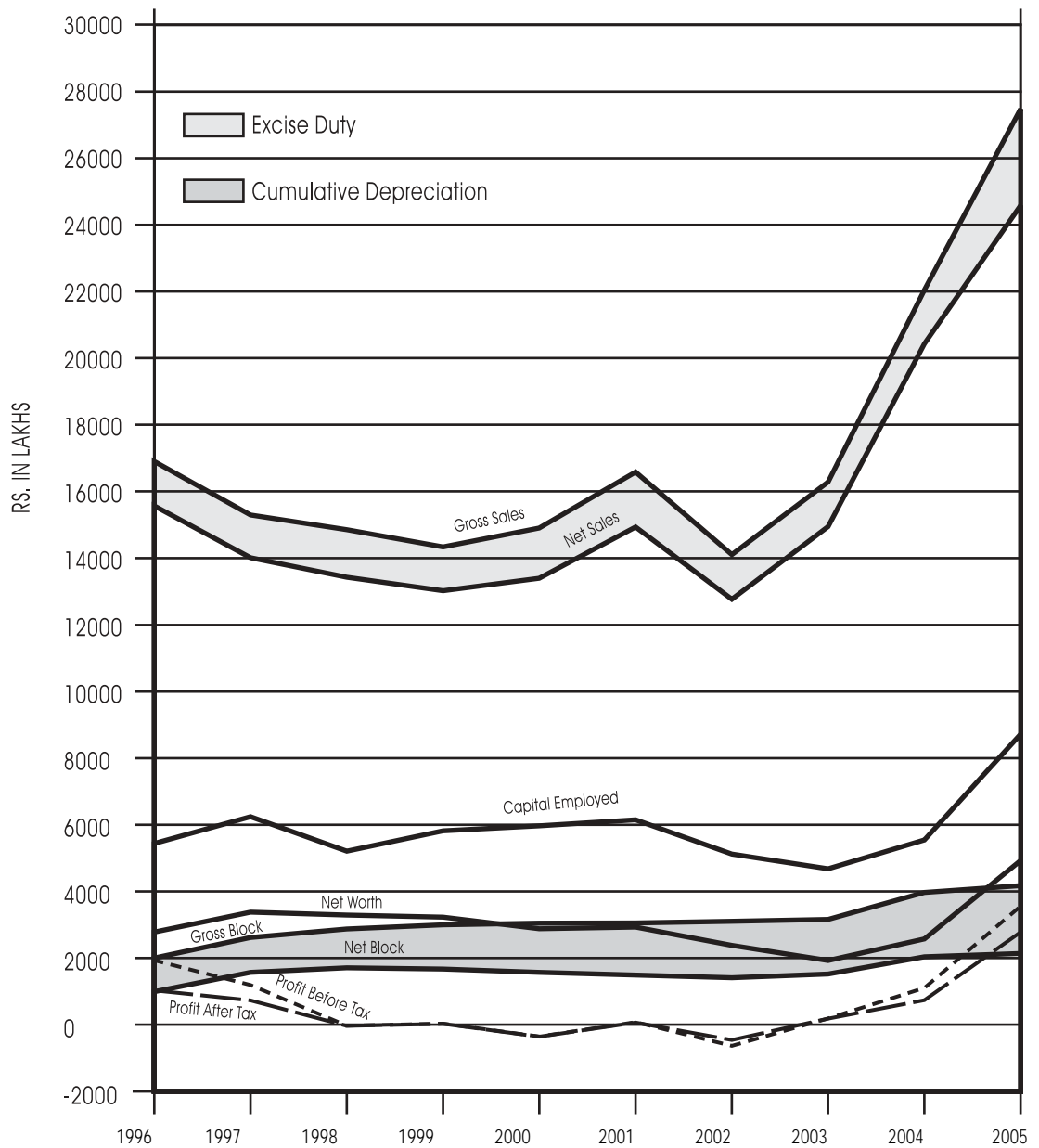
Future Outlook and Opportunity

The unexecuted order book continues to be healthy and the demand for power transformers is expected to be maintained at the current level in our served market. Expansion of capacity to sustain the increased market share in higher frame size motors is being planned over the next two years.

Market conditions are expected to remain favourable.

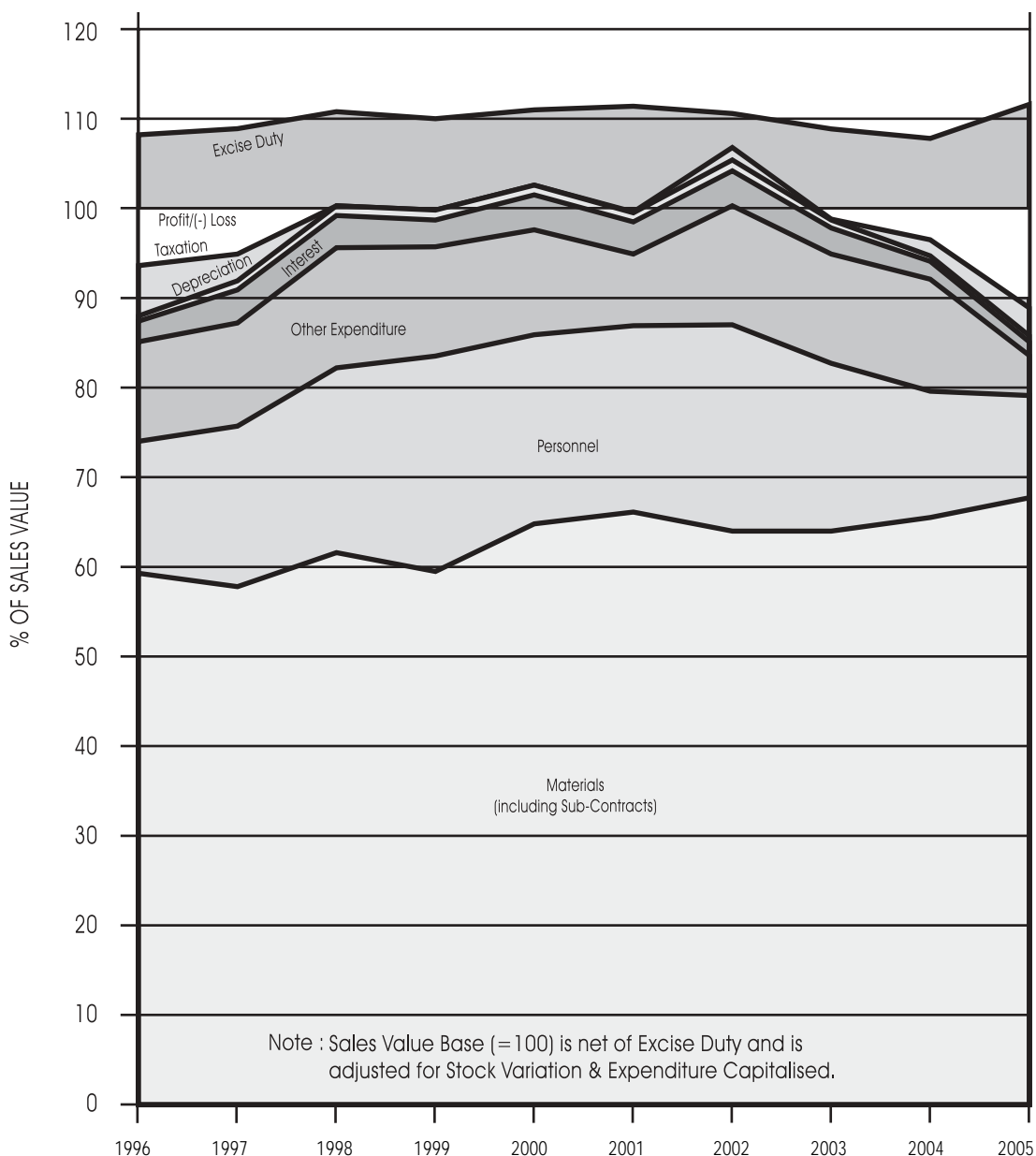
The business of supplies of components and parts will decline in the coming year due to the tapering off of remaining obligations to Olympus Elevator Pvt. Ltd.

BUSINESS TRENDS



Particulars	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Gross Sales	16898	15292	14852	14334	14899	16581	14100	16282	22042	27479
Net Sales	15568	14017	13432	13025	13397	14932	12770	14940	20430	24584
Cptl. Empld.	5435	6239	5209	5816	5968	6151	5120	4675	5546	8718
Net Worth	2780	3379	3286	3225	2878	2925	2379	1923	2573	4928
Gross Block	2001	2614	2871	2993	3047	3053	3105	3157	3966	4171
Net Block	989	1572	1704	1670	1572	1490	1405	1521	2034	2135
Profit/(-) Loss Before Tax	1928	1188	-35	28	-357	73	-637	185	1101	3557
Profit/(-) Loss After Tax	1028	726	-38	22	-361	63	-464	177	734	2777

COST TRENDS



Particulars	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Excise Duty	8.2	8.9	10.8	10.0	11.0	11.4	10.6	8.88	7.8	11.6
Profit/(-) Loss	6.4	5.1	-0.3	0.2	-2.6	0.4	-3.7	1.2	3.5	11.1
Taxation	5.6	3.2	0.0	0.0	0.0	0.1	-1.4	0.1	1.8	3.1
Depreciation	0.6	0.8	1.1	1.1	1.1	1.0	1.2	0.9	0.6	0.7
Interest	2.3	3.7	3.6	3.0	3.9	3.6	3.9	2.9	2.0	1.5
Other Exp. ^s	11.1	11.5	13.4	12.2	11.7	8.0	13.3	12.2	12.5	4.5
Personnel [#]	14.7	17.9	20.6	24.0	21.1	20.8	22.8	18.7	14.1	11.4
Materials	59.3	57.8	61.6	59.5	64.8	66.1	63.9	64.0	65.5	67.6

^s Other Expenditure is adjusted for Other Income and Exceptional Income.

[#] Personnel cost is adjusted for Expenditure on VRS write off and Provision for Gratuity.

TEN YEARS FINANCIAL DATA

(Rs. in Lakhs)

Period ended	March 2005	March 2004	March 2003	March 2002	March 2001	March 2000	March 1999	March 1998	March 1997	March 1996
SALES AND EARNINGS										
Sales	27479.12	22041.64	16281.89	14099.45	16580.86	14898.72	14334.11	14852.41	15292.42	16898.04
Profit/(-) Loss Before Taxes	3556.90	1101.30	184.77	-637.37	73.05	-356.82	28.39	-34.81	1187.53	1928.06
Profit/(-)Loss After Taxes Net of adjustments	2776.54	729.11	175.95	-463.93	62.72	-360.49	21.89	-30.63	722.96	1024.59
Dividends	508.64	226.06	56.52	—	—	—	56.52	56.52	113.03	141.29
ASSETS										
Gross Block	4171.10	3965.77	3157.26	3105.37	3052.54	3046.99	2992.68	2871.44	2613.78	2001.00
Net Block	2253.02	2033.93	1520.72	1404.75	1490.36	1571.52	1669.71	1704.27	1572.23	989.02
Investments	284.97	283.97	302.31	302.31	302.31	320.68	202.66	196.66	190.66	187.23
Deferred Tax Liabilities (Asset)	(13.23)	102.03	(150.29)	(138.28)	—	—	—	—	—	—
Current Assets, Loans & Advances	14162.48	12507.86	10312.69	9670.25	11088.92	10493.43	9353.01	8538.88	10416.82	10955.52
Current Liabilities & Provisions	8311.52	9750.67	8099.05	6465.65	6758.53	6429.75	5429.60	5230.73	5941.17	6696.65
Net Current Assets	5850.96	2757.19	2213.64	3204.60	4330.39	4063.68	3923.41	3308.15	4475.69	4258.87
Capital Employed	8718.04	5546.41	4674.63	5119.72	6150.64	5967.73	5815.85	5209.08	6238.58	5435.12
LIABILITIES										
Share Capital	565.16	565.16	565.16	565.16	565.16	565.16	565.16	565.16	565.16	565.16 ⁺
Reserves & Surplus	4666.03	2469.47	1995.38	1883.19	2387.22	2324.50	2679.83	2720.67	2813.47	2214.84
Shareholders' Funds	5231.19	3034.63	2560.54	2448.35	2952.38	2889.66	3244.99	3285.83	3378.13	2780.00
Loan Funds	3500.08	2409.75	2264.38	2671.37	3198.26	3078.07	2570.86	1923.25	2859.95	2655.12
Earnings Per Share (Rs.)	491.29	129.01	31.13	-82.09	11.10	-63.78	3.87	-5.42	127.92	181.29
Equity Dividend Rate Rs. Per Share	90	40	10	—	—	—	10	10	20	25
Net Worth Per Share (Rs.)	871.99	455.27	340.19	420.87	517.52	509.21	574.18	581.40	597.82	491.90
Debt Equity Ratio†	0.39:1	0.81:1	0.55:1	0.33:1	0.33:1	0.41:1	0.31:1	0.34:1	0.34:1	0.35:1

+ After bonus of 1:1

† Debt = Loan Funds less cash credit from Banks; Equity = Shareholders' Funds.

TEN YEARS FUNDS FLOW

(Rs. in Lakhs)

Period ended	March 2005	March 2004	March 2003	March 2002	March 2001	Five Periods Total	Previous Five Years Total
SOURCES OF FUNDS:							
Gross Profit/Loss(-)	4104.26	1644.65	762.86	(5.96)	738.58	7244.39	5699.53
Deduct: Depreciation	168.22	134.61	138.97	146.23	150.36	738.39	653.63
Deduct: Interest	379.14	408.74	439.12	485.18	515.17	2227.35	2293.55
Deduct: Taxation	779.91	367.31	7.74	(173.12)	10.00	991.84	1375.17
Profit After Tax/(Loss)(-)	2776.99	733.99	177.03	(464.25)	63.05	3286.81	1377.18
Add: Depreciation	168.22	134.61	138.97	146.23	150.36	738.39	653.63
Add: Deferred Tax Debit/(Credit)	(115.26)	252.32	(12.01)	(178.37)	—	(53.32)	—
Add: Misc. Exp./Intangible Assets w/off	180.66	167.85	180.77	28.36	24.27	581.91	20.97
Internal Generation	3010.61	1288.77	484.76	(468.03)	237.68	4553.79	2051.78
Term Loans Raised	281.24	1633.88	705.73	286.63	602.85	3510.33	2077.48
Total	3291.85	2922.65	1190.49	(181.40)	840.53	8064.12	4129.26
APPLICATION OF FUNDS:							
Fixed Assets Additions (net)	387.31	647.82	254.94	60.62	69.20	1419.89	1408.84
Term Loans Repaid	437.88	593.73	464.82	460.35	797.32	2754.10	2051.79
Investment Changes (net)	1.00	(18.34)	—	—	(18.37)	(35.71)	135.95
Misc. Exp./Intangible Assets	38.43	1.21	748.95	70.56	40.00	899.15	32.82
Working Capital Changes	1847.25	1443.21	(342.28)	(772.93)	(47.62)	2127.63	109.34
Dividends	579.98	255.02	63.76	—	—	898.76	390.52
Total	3291.85	2922.65	1190.19	(181.40)	840.53	8063.82	4129.26
WORKING CAPITAL CHANGES:							
Inventories	(739.25)	431.43	597.23	(172.53)	(271.02)	(154.14)	329.24
Debtors	108.03	1657.74	(24.69)	(1101.67)	742.66	1382.07	2205.32
Cash & Bank Balances and Other Current Assets	2286.24	129.89	(34.28)	(78.97)	62.63	2365.51	79.01
Loans and Advances	(9.24)	(15.05)	104.18	(65.50)	61.22	75.61	195.68
Sub-Total	1645.78	2204.01	642.44	(1418.67)	595.49	3669.05	2809.25
Bank Loans	1246.97	(894.78)	(647.60)	(353.18)	(25.34)	(673.93)	1107.61
Other Current Liabilities	(2287.63)	1419.29	1547.61	(355.39)	608.47	932.35	1750.28
Provisions	839.19	236.29	84.71	62.83	59.98	1283.00	(157.98)
Sub-Total	(201.47)	760.80	984.72	(645.74)	643.11	1541.42	2699.91
Net	1847.25	1443.21	(342.28)	(772.93)	(47.62)	2127.63	109.34

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of Bharat Bijlee Limited, as at 31st March, 2005 and also the annexed Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.

- (1) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (2) As required by the Companies (Auditor's Report) Order, 2003 (CARO, 2003), (as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a Statement on the matters specified in paragraphs 4 and 5 of the said Order;
- (3) Further to our comments in Annexure referred to in paragraph 2 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the Books of the Company;
 - (c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by the report are in agreement with the Books of Account of the Company;

- (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent applicable.
- (e) On the basis of the written representations received from the Directors as on 31st March, 2005, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements, read with note No. 10(iii) to the accounts relating to transfer of Lift Field Operation Division of the Company not chargeable to Capital Gain Tax as per the advice received by the management, and further read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2005,
 - (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
 - (iii) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For and on behalf of
DALAL & SHAH
Chartered Accountants

Shishir Dalal
Partner

Mumbai: 29th June, 2005

Membership No.: 37310

ANNEXURE TO THE AUDITORS' REPORT

STATEMENT REFERRED TO IN PARAGRAPH 2 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF BHARAT BIJLEE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005.

On the basis of the records produced to us for our verification/perusal, such checks as we considered appropriate, and in terms of information and explanations given to us on our enquiries, we state that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us and the records produced to us for our verification, discrepancies noticed on such physical verification were not, in our opinion, material and the same have been properly dealt with in the Books of Account.

- (c) As per the information and explanation given to us on our enquiries the disposal of assets during the year were not substantial and would not have an impact on the operations of the Company. Reference is invited to Note No. 10 to the accounts in relation to transfer of the Lift Field Operation Division (LFO) of the Company during the year;
- (ii) (a) The inventories have been physically verified by the management at reasonable intervals during the year and at the close of the year;
- (b) The procedures of physical verification of inventories followed by the management as explained to us are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) According to the records produced to us for our verification, the discrepancies noticed on physical verification of inventories referred to above, as compared to book records, though not material, have been properly dealt with in the books of account;

- (iii) As per the information and explanation given to us and the records produced to us for our verification the Company has neither granted nor taken any loans secured or unsecured to/from Companies, Firms and other parties in the register maintained under Section 301 of the Companies Act, 1956;
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of goods and services. As per the information given to us, no major weaknesses in the internal controls have been identified by the management or the internal audit department of the Company during the year. During the course of our audit, nothing had come to our notice that may suggest a major weakness in the internal control systems of the Company;
- (v) (a) On the basis of the audit procedures performed by us and according to the information and explanations given to us on our enquiries on this behalf and the records produced to us for our verification, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section;
- (b) The transactions made in pursuance of such contracts and arrangements and exceeding the value of Rs. Five Lakhs in respect of any party during the year, have been, in our opinion, as per the information and explanation given to us, made at prices which are reasonable having regard to prevailing market prices as available with the Company for such transactions or prices at which transactions, if any, for similar goods have been made with other parties at the relevant time;
- (vi) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, where applicable with regard to the deposits accepted by it from the public. Since the Company has not defaulted in repayments of deposits, compliance of Section 58AA or obtaining any order from the National Company Law Tribunal, does not arise;
- (vii) On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the Company has an adequate internal audit system commensurate with the size and nature of its business;
- (viii) We have broadly reviewed the Books of Account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate;
- (ix) (a) According to the records of the Company, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities;
- (b) According to the records of the Company and the information and explanations given to us upon our enquiries in this regards, disputed dues in respect of Sales Tax, Income-tax, Wealth-tax, Service Tax, Customs Duty and Excise Duty/Cess unpaid as at the last day of the financial year, are as follows:

Rs. in Lacs

Statutes	FORUMS BEFORE WHOM PENDING				
	Commissioner Appeals	Tribunal	High Court	Supreme Court	Total
Excise	Rs. —	Rs. 34.51	Rs. —	Rs. 9.25	Rs. 43.76
Income Tax	—	11.71	—	—	11.71
Sales Tax	90.78	—	—	—	90.78

- (x) On the basis of the records examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions and banks;
- (xi) The Company has, in our opinion, maintained proper records and contracts with respect to its investments where timely entries of transactions have been made therein;
- (xii) According to the information and explanations given to us, and the representation made by the management, the Company has not given any guarantees for loans taken by others from banks or financial institutions;
- (xiii) As per information and explanations given to us, the Term Loans are applied for the purpose for which the loans were obtained;
- (xiv) As per the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we report that no funds raised by the Company on short-term basis have been used for long-term investment;
- (xv) As per the information and explanations given to us on our enquiries on this behalf there were no frauds on or by the Company which have been noticed or reported during the year;

In view of the nature of business carried on by the Company Clause No (xiii) of CARO, 2003 is not applicable to the Company. Further in view of the absence of conditions prerequisite to the reporting requirement of clauses (x), (xii), (xviii), (xix) and (xx) the said clauses are, at present, not applicable.

For and on behalf of
DALAL & SHAH
Chartered Accountants

Shishir Dalal
Partner

Mumbai: 29th June, 2005

Membership No. 37310

BALANCE SHEET AS AT 31ST MARCH, 2005

	Schedule	Rupees in Lakhs	31st March, 2005 Rupees in Lakhs	31st March, 2004 Rupees in Lakhs
SOURCES OF FUNDS:				
SHAREHOLDERS' FUNDS:				
(a) Share Capital	A	565.16		565.16
(b) Reserves and Surplus	B	4666.03		2469.47
			5231.19	3034.63
LOAN FUNDS:				
(a) Secured Loans	C	2730.60		1774.46
(b) Unsecured Loans	D	769.48		635.29
			3500.08	2409.75
DEFERRED TAX LIABILITY/(ASSET) (Refer Note 8)			(13.23)	102.03
Total			8718.04	5546.41
APPLICATION OF FUNDS:				
FIXED ASSETS:				
(a) Gross Block	E	4171.10		3965.77
(b) Deduct: Depreciation		2035.78		1936.85
(c) Net Block		2135.32		2028.92
(d) Capital Work-in-Progress		117.70		5.01
			2253.02	2033.93
INTANGIBLE ASSETS (SOFTWARE):	F		26.02	9.66
INVESTMENTS:	G		284.97	283.97
CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories	H	3517.51		4256.76
(b) Sundry Debtors		6804.71		6696.68
(c) Cash & Bank Balances		2210.91		752.47
(d) Loans and Advances		803.80		801.40
(e) Other Current Assets		825.55		0.55
		14162.48		12507.86
Deduct:				
CURRENT LIABILITIES AND PROVISIONS:				
(a) Current Liabilities	I	7011.90		9290.69
(b) Provisions		1299.62		459.98
		8311.52		9750.67
NET CURRENT ASSETS:			5850.96	2757.19
MISCELLANEOUS EXPENDITURE:	J		303.07	461.66
Total			8718.04	5546.41
Significant Accounting Policies and Notes forming part of the Accounts	Q			

As per our attached report of even date.
For and on behalf of DALAL & SHAH,
Chartered Accountants,

Shishir Dalal
Partner

D.N. Nagarkar
Company Secretary &
General Manager: Legal

S.B. Godbole
Vice President: Finance

Nikhil J. Danani

Nakul P. Mehta

Sanjiv N. Shah

Vice Chairmen &
Managing Directors

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2005

	Schedule	Rupees in Lakhs	Year ended 31st March, 2005 Rupees in Lakhs	Year ended 31st March, 2004 Rupees in Lakhs
INCOME:				
Sales and Services (Gross)		27479.12		22041.64
Less: Excise Duty		2894.81		1611.31
Sales and Services (Net)	K		24584.31	20430.33
Other Income	L		440.84	121.30
			25025.15	20551.63
EXPENDITURE:				
Materials	M	16503.26		12679.68
Personnel	N	2255.03		2781.13
Other Expenditure	O	3080.22		3287.58
Interest and Financial Charges	P	379.14		408.74
Depreciation		168.22		134.61
			22385.87	19291.74
PROFIT BEFORE EXCEPTIONAL ITEMS & TAXATION:			2639.28	1259.89
Exceptional Income/(Expenses) (Refer Note 5)			917.62	(158.59)
PROFIT BEFORE TAXATION:			3556.90	1101.30
Provision for Taxation				
Wealth Tax		5.25		5.20
Current Tax		889.92		109.79
Deferred Tax Debit/(Credit)		(115.26)		252.32
			779.91	367.31
PROFIT FOR THE YEAR AFTER TAXATION			2776.99	733.99
(Short)/Excess Provision for Tax for earlier years			(0.45)	(4.88)
PROFIT AFTER TAXATION			2776.54	729.11
Balance brought forward from previous year			298.10	199.01
PROFIT AVAILABLE FOR APPROPRIATION			3074.64	928.12
Transfer to General Reserve		750.00		375.00
Proposed Dividend on Equity Shares		508.64		226.06
Provision for Tax on proposed Equity Dividend		71.34		28.96
			1329.98	630.02
BALANCE CARRIED TO BALANCE SHEET			1744.66	298.10
Weighted average number of equity shares outstanding during the year			565156	565156
Basic and Diluted earning per share (in Rs.)				
— including exceptional items			491.29	129.01
— excluding exceptional items net of tax			293.02	147.00

Significant Accounting Policies and Notes forming part of the Accounts Q

As per our attached report of even date.
For and on behalf of DALAL & SHAH,
Chartered Accountants,

Shishir Dalal
Partner

D.N. Nagarkar
Company Secretary &
General Manager: Legal

S.B. Godbole
Vice President: Finance

Nikhil J. Danani

Nakul P. Mehta

Sanjiv N. Shah

Vice Chairmen &
Managing Directors

Director

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005

SCHEDULE A		31st March, 2005	31st March, 2004
SHARE CAPITAL:		Rupees in Lakhs	Rupees in Lakhs
Authorised:			
2,00,000	12% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 100 each	200.00	200.00
8,00,000	Equity Shares of Rs. 100 each	800.00	800.00
		<u>1000.00</u>	<u>1000.00</u>
Issued and Subscribed:			
5,65,156	Equity Shares of Rs. 100 each, fully paid (4,70,533 Shares are issued as fully paid Bonus shares by way of capitalisation of Reserves and 34,623 Shares are issued on conversion of convertible bonds)	565.16	565.16
		<u>565.16</u>	<u>565.16</u>
SCHEDULE B			
RESERVES AND SURPLUS:			
General Reserve:			
	As per last Account	2171.37	1796.37
	Add: Transferred from Profit & Loss Account	<u>750.00</u>	<u>375.00</u>
		2921.37	2171.37
Balance in Profit and Loss Account:			
		<u>1744.66</u>	<u>298.10</u>
		<u>4666.03</u>	<u>2469.47</u>
SCHEDULE C			
SECURED LOANS:			
Working Capital Facilities From Banks:		1564.75	317.78
Secured by hypothecation of all tangible moveable assets including stock of Raw Materials, Stores, Spares, Fuel, Work-in-Progress, Finished Goods and Book Debts and by oral equitable mortgage, ranking second and subservient to mortgages created or to be created, on immovable properties excluding vacant land at Company's Kalwe factory.			
Term Loan From Financial Institution:			
Secured by Equitable mortgage of immovable property at Mumbai and pledge of shares of a company held as investment (Rs. 280.00 lakhs falling due within one year – previous year Rs. 280.00 lakhs)			
		1120.00	1400.00
Other Term Loan:			
Secured by hypothecation of certain vehicles (Rs. 16.95 lakhs falling due within one year – previous year Rs. 14.63 lakhs)			
		45.85	56.68
		<u>2730.60</u>	<u>1774.46</u>

SCHEDULES (Contd.)

SCHEDULE D	31st March, 2005	31st March, 2004
	Rupees in Lakhs	Rupees in Lakhs
UNSECURED LOANS:		
Fixed Deposits:		
(Rs. 376.18 lakhs falling due within one year – previous year Rs. 143.25 lakhs)	769.48	635.29
	769.48	635.29

SCHEDULE E

FIXED ASSETS:

(Rupees In Lakhs)

Description of Assets	GROSS BLOCK (AT COST) *				DEPRECIATION				NET BLOCK	
	As At 31.03.2004	Additions	Deductions	As At 31.03.2005	As At 31.03.2004	For the year	On Deductions	As At 31.03.2005	As At 31.03.2005	As At 31.03.2004
Leasehold Land*	6.93	—	0.12	6.81	—	—	—	—	6.81	6.93
Buildings Incl. Roads+	1332.56	0.01	—	1332.57	313.93	30.26	—	344.19	988.38	1018.63
Plant & Machinery etc.	2161.27	258.06	27.58	2391.75	1314.29	114.82	18.37	1410.74	981.01	846.98
Furniture & Fixtures	107.08	3.65	11.34	99.39	90.88	3.41	9.94	84.35	15.04	16.20
Office Equipment	252.98	40.50	47.43	246.05	190.85	11.18	31.38	170.65	75.40	62.13
Motor Vehicles	104.95	5.12	15.54	94.53	26.90	8.55	9.60	25.85	68.68	78.05
TOTAL	3965.77	307.34	102.01	4171.10	1936.85	168.22	69.29	2035.78	2135.32	2028.92
Previous Year's Total	3157.26	831.52	23.01	3965.77	1820.00	134.61	17.76	1936.85	2028.92	1337.26

* Except Leasehold Land which is at cost, less amount written off.

+ Includes Rs. 10,500 being the value of 205 shares in Co-operative Societies for ownership premises.

SCHEDULE F

INTANGIBLE ASSETS (SOFTWARE):

	31st March, 2005	31st March, 2004
	Rupees in Lakhs	Rupees in Lakhs

As per Last Accounts

9.66 17.71

Add: Acquired during the year

38.43 1.21

48.09 18.92

Less: Written off during the year

22.07 9.26

26.02 9.66

SCHEDULES (Contd.)

SCHEDULE G

	Rupees in Lakhs	31st March, 2005 Rupees in Lakhs	31st March, 2004 Rupees in Lakhs
INVESTMENTS — at cost:			
(Non-Trade/Long Term)			
Quoted:			
(All fully paid up and held in Demat mode):			
2,82,516 Equity shares of Rs. 10 each of Siemens India Ltd. (out of above 2,82,000 equity shares pledged with HDFC Ltd.)		214.81	214.81
1,02,980 Equity shares of Rs. 10 each of HDFC Ltd.		13.52	13.52
15,821 Equity shares of Rs. 10 each of ICICI Bank Ltd.		6.16	6.16
1,50,000 Equity shares of Rs. 10 each of Hindustan Oil Exploration Co. Ltd.		22.50	22.50
500 Equity shares of Rs. 10 each of the HDFC Bank Ltd.		0.05	0.05
5,400 Equity shares of Rs. 10 each of Bank of India		2.43	2.43
(Fully paid up and held in physical form)			
24,398 6.75% Tax free US 64 Bonds of Rs. 100 each of Unit Trust of India		24.40	24.40
Unquoted:			
1,000 Equity shares of Rs. 10 each of the Saraswat Co-operative Bank Ltd.		0.10	0.10
10,000 Equity Shares of Rs. 10 each of the North Kanara G.S.B. Co. op Bank Ltd. (Previous year Nil)		1.00	—
		<u>284.97</u>	<u>283.97</u>
Quoted:			
Cost		283.87	283.87
Market value		5778.32	3544.23
Unquoted:			
Cost		1.10	0.10

SCHEDULE H

CURRENT ASSETS, LOANS AND ADVANCES:

(a) A Inventories:			
(i) Raw Materials and Components		1370.68	1636.44
(ii) Packing Materials, Stores, Spare Parts and Fuel		33.33	33.96
(iii) Consumable Tools		15.22	10.94
(iv) Work-in-Progress at sites		—	1026.23
(v) Work-in-Progress at works		1100.90	884.17
(vi) Finished Goods		869.66	603.47
		<u>3389.79</u>	<u>4195.21</u>
B. Materials in Transit		127.72	61.55
		<u>3517.51</u>	<u>4256.76</u>
(b) Sundry Debtors, Unsecured:			
(i) Over six months : Good		246.28	1461.71
Doubtful	359.59		367.58
Deduct Provision	<u>359.59</u>		<u>367.58</u>
		—	—
(ii) Others : Good		6558.43	5234.97
		<u>6804.71</u>	<u>6696.68</u>

SCHEDULES (Contd.)

SCHEDULE H (Contd.)

	Rupees in Lakhs	31st March, 2005 Rupees in Lakhs	31st March, 2004 Rupees in Lakhs
(c) Cash and Bank Balances:			
(i) (a) Cash on hand	7.25		6.67
(b) Cheques on hand and cheques for collection with Bank	106.30		278.93
(c) Remittances in transit	350.71		330.18
		464.26	615.78
(ii) Balances with Scheduled Banks:			
(a) In Current Accounts		55.98	68.61
(b) In Fixed Deposits (including kept with bank as margin Rs. 19.98 lakhs – previous year Rs. 29.04 lakhs) (including interest accrued Rs. 5.12 lakhs – previous year Rs. 2.25 lakhs)		1685.10	66.29
(iii) Balances with a Non-scheduled Bank: The Municipal Co-op. Bank Ltd.:			
(a) In Current A/c. (Maximum Balance during the year Rs. 5.88 lakhs – previous year Rs. 6.59 lakhs)		5.47	1.69
(b) In Fixed Deposit (Maximum balance during the year Rs. 0.10 lakh – previous year Rs. 0.10 Lakh)		0.10	0.10
		2210.91	752.47
(d) Loans and Advances, good:			
Secured:			
Loans to employees (includes loan to an Officer Rs. 0.62 lakh – previous year Rs. 0.87 lakh – maximum balance during the year Rs. 0.87 Lakh – previous year Rs. 1.12 lakhs)		16.25	25.36
Unsecured:			
(i) Advances recoverable in cash or in kind or for value to be received (includes loan to an Officer Rs. 0.23 lakh – previous year Rs. 0.38 lakh) (maximum balance during the year Rs. 0.38 lakh - previous year Rs. 0.53 lakh)		555.56	516.68
(ii) Sundry Deposits (including National Plan Savings Certificates of the face value of Rs. 0.38 lakh matured but not encashed deposited with Government Departments and Semi-Government Authorities – previous year Rs. 0.48 lakh)	0.38		0.48
Other Deposits (including interest accrued Rs. 1.35 lakhs – previous year Rs. 1.36 lakhs)	124.16		214.12
		124.54	214.60
(iii) Balance with Central Excise Department		0.79	0.54
(iv) Advance payments of tax and tax deducted at source (net of provision for taxation)		106.66	44.22
		803.80	801.40
(e) Other Current Assets			
(i) Interest accrued on Investment		0.55	0.55
(ii) Instruments held under an arrangement (Refer Note 10)			
(a) 990 Bond "A" of original face value of Rs. 50,000 each of M/s Tiger Elevator Pvt. Ltd.	495.00		—
(b) 660 Bond "B" of original face value of Rs. 50,000 each of M/s Tiger Elevator Pvt. Ltd.	330.00		—
		825.00	—
(2,47,50,000 Pref. Shares of Rs. 10 each of M/s Tiger Elevator Pvt. Ltd. were allotted & redeemed during the year)			
		825.55	0.55
		14162.48	12507.86

SCHEDULES (Contd.)

SCHEDULE I

CURRENT LIABILITIES AND PROVISIONS:	Rupees in Lakhs	31st March, 2005 Rupees in Lakhs	31st March, 2004 Rupees in Lakhs
(a) Current Liabilities:			
(i) Acceptances		3473.16	3388.17
(ii) Advances from Customers		770.60	1094.10
(iii) Sundry Creditors			
(a) Small Scale and Ancillary Industrial Suppliers	113.30		120.93
(b) Others	2612.49		4658.12
		2725.79	4779.05
(iv) Staff Security Deposits		0.29	0.46
(v) Interest accrued but not due, on Loans		38.84	26.72
(vi) Unclaimed Dividends		3.22	2.19
		7011.90	9290.69
(b) Provisions:			
(i) Gratuity (Refer Note 9)		460.55	27.20
(ii) Unutilised Leave encashment		180.18	177.76
(iii) Warranties and Claims		78.91	—
(iv) Proposed Dividend on Equity Shares		508.64	226.06
(v) Tax on Proposed Equity Dividend		71.34	28.96
		1299.62	459.98
		8311.52	9750.67

SCHEDULE J

MISCELLANEOUS EXPENDITURE:

(To the extent not written off or adjusted)

Voluntary Retirement Scheme		461.66	620.25
Deduct: Written off during the year		158.59	158.59
		303.07	461.66

SCHEDULE K

SALES AND SERVICES:

	Rupees in Lakhs	Year ended 31st March, 2005 Rupees in Lakhs	Year ended 31st March, 2004 Rupees in Lakhs
Sales	27473.71		15641.90
Less: Excise Duty	2894.81		1611.31
		24578.90	14030.59
Services		38.95	1204.25
Works & Construction Contracts		—	5236.16
		24617.85	20471.00
Deduct: Returns		33.54	40.67
		24584.31	20430.33

SCHEDULES (Contd.)

SCHEDULE L	Rupees in Lakhs	Year ended 31st March, 2005 Rupees in Lakhs	Year ended 31st March, 2004 Rupees in Lakhs
OTHER INCOME:			
Interest Gross (Tax deducted at source Rs. 4.44 Lakh – previous year Rs. 0.41 Lakh)		70.31	10.48
Dividend		42.16	35.21
Miscellaneous Income		35.67	33.29
Surplus on sale of Assets		0.15	2.20
Shared Services under an Agreement		169.33	—
Bad Debt recoveries		21.04	—
Excess Provision written back		102.18	40.12
		<u>440.84</u>	<u>121.30</u>

SCHEDULE M

MATERIALS:

A. Raw Materials and Components Consumed:

Stock at Commencement	1636.44		1440.70
Less: Transferred under Scheme of Arrangement	248.66		—
	<u>1387.78</u>		<u>1440.70</u>
Purchases	15566.54		11948.68
Processing Charges	287.25		319.77
		<u>17241.57</u>	<u>13709.15</u>
Deduct: Scrap Sales	160.73		127.92
Stock at close	1370.68		1636.44
		<u>1531.41</u>	<u>1764.36</u>
		<u>15710.16</u>	<u>11944.79</u>
Packing Materials, Stores, Spare Parts and Tools consumed		453.02	321.80
Fuel consumed (excluding for own power generation)		32.93	22.65
Purchases for resale		666.10	730.36
		<u>16862.21</u>	<u>13019.60</u>

B. Variation in Work-in-Progress and Finished Goods:

Work-in-Progress:			
Stock at commencement	1910.40		1460.75
Less: Transferred under Scheme of Arrangement	902.26		—
	<u>1008.14</u>		<u>1460.75</u>
Deduct: Stock at close	1100.90		1910.40
		<u>(92.76)</u>	<u>(449.65)</u>
Finished Goods:			
Stock at Commencement	603.47		713.20
Deduct: Stock at close	869.66		603.47
		<u>(266.19)</u>	<u>109.73</u>
		<u>16503.26</u>	<u>12679.68</u>

SCHEDULE N

PERSONNEL:

Salaries, Wages, Bonus etc.		1699.10	2096.38
Workmen and Staff Welfare Expenses		332.98	366.66
Contribution to Provident and Other Funds		222.95	318.09
		<u>2255.03</u>	<u>2781.13</u>

SCHEDULES (Contd.)

SCHEDULE O	Rupees in Lakhs	Year ended 31st March, 2005 Rupees in Lakhs	Year ended 31st March, 2004 Rupees in Lakhs
OTHER EXPENDITURE:			
Sub-Contract Charges		301.96	575.32
Power (including fuel for own generation)		147.57	129.33
Repairs to Buildings		72.43	17.77
Repairs to Machinery (excluding Spare Parts)		32.64	34.23
Other Repairs		11.53	12.51
Insurance		34.79	35.13
Rent		24.90	46.92
Rates and Taxes		23.52	26.70
Taxes and Levies by Government and Local Authorities		398.53	197.80
Excise Duty Expense		329.27	319.97
Royalty and Technical Service Fees		4.93	2.29
Post and Telecommunication Charges		59.95	103.56
Travelling, Conveyance and Motor Vehicle Expenses		182.19	242.57
Freight and Forwarding Charges (Net)		331.06	292.58
Discount & Allowances on Sales		115.05	157.60
Product Advertisement and Publicity		7.29	9.25
Printing and Stationery		49.06	53.89
Data Processing Charges		25.77	12.09
Audit Fees		6.99	2.97
Professional Charges		141.36	81.60
Commission		119.42	251.09
Bank Charges		184.91	199.27
Miscellaneous		374.94	311.56
Directors' Fees		4.85	0.93
Managing Directors' Remuneration		91.33	67.75
Amount written off against Leasehold Land		0.12	0.13
Loss on Assets sold/scrapped		3.61	3.43
Loss on Redemption of Investment		—	8.81
Provision for Doubtful Debts	5.66		64.80
Less: Provision for Doubtful debts no longer required	13.65		202.59
		(7.99)	(137.79)
Bad Debts		3.32	227.81
Short Provision for Expenses		0.80	0.42
Expenses/Debits Related relating to previous year		—	0.01
Forex loss (Net)		4.12	0.08
		<u>3080.22</u>	<u>3287.58</u>

SCHEDULE P

INTEREST AND FINANCIAL CHARGES:

Interest			
on Fixed Loans	218.71		223.27
on Others	152.05		170.49
		<u>370.76</u>	<u>393.76</u>
Discounting Charges		8.38	14.98
		<u>379.14</u>	<u>408.74</u>

SCHEDULES (Contd.)

SCHEDULE Q

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

A. Significant Accounting Policies

1. System of Accounting:

The Company follows the mercantile system of accounting in general except in case of significant uncertainties. Dividends are accounted when received.

2. Leasehold Land, Fixed Assets & Depreciation:

Leasehold land is carried at historical cost less amounts written off proportionate to expired lease period.

Fixed assets are carried at historical cost net of Cenvat and other setoffs and accumulated depreciation.

Depreciation is provided in accordance with the provisions of Section 205(2)(b) of the Companies Act 1956, at the rates and in the manner prescribed in the Schedule XIV of the Act.

Machinery spares of the nature of capital spares/insurance spares are capitalised. The total cost of such spares is depreciated over a period not exceeding the useful life of the fixed asset to which they relate.

3. Intangible Assets:

Expenditure on application software are amortised over a period of three years.

4. Investments:

Investments are carried at cost of acquisition.

5. Inventories:

Inventories are valued at lower of cost or net realisable value except Raw Materials and Components, Packing Materials, Stores, Spare Parts, Fuel and material in transit or in bonded warehouse which are valued at Cost to date.

Historical cost of bought items at the factory is determined using Weighted Average formula, for bought items at other locations using FIFO formula and of manufactured items at all locations are valued at standard cost adjusted for variances calculated for the period under review.

Finished goods are valued inclusive of Excise Duty.

6. Changes in Foreign Exchange Rates:

Foreign currency liabilities for fixed assets outstanding at the close of a financial year are revalued at the contracted and/or appropriate exchange rate at the close of that year.

The gain or loss due to decrease or increase in rupee liability due to fluctuation in exchange rates is adjusted to the cost of assets acquired through these loans.

Foreign exchange gain or loss arising out of transactions settled during the year is charged to the profit and loss account. Current assets and current liabilities in foreign currencies at the close of the financial year are converted at the contracted and/or appropriate exchange rates at the close of the year.

7. Deferred Revenue Expenditure:

Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme are amortised over a period of five years.

8. Retirement Benefits:

(a) Retirement benefits in the form of provident fund/pension scheme and superannuation/Annuity schemes are accounted on accrual basis and charged to the profit and loss account of the year.

(b) Liabilities in respect of Gratuity and Leave Encashment are determined and accrued on the basis of an independent actuarial valuation.

9. Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

SCHEDULES (Contd.)

SCHEDULE Q (Contd.)

10. Taxation:

Current Tax is determined at the current rates based on assessable income.

Deferred Tax is determined using the tax rates and tax laws that have been enacted or substantially enacted by the Balance sheet date, based on tax effect of timing differences between accounting income and taxable income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets are recognised and carried forward only if there is reasonable/virtual certainty of its realisation. Such assets are reviewed at each balance sheet date to reassess realisation.

11. Leases:

For premises taken/given on lease, lease rentals payable/receivable are charged/credited to the revenue.

	Rupees in Lakhs	31st March, 2005 Rupees in Lakhs	31st March, 2004 Rupees in Lakhs
B NOTES:			
1. Contingent Liabilities not provided for in respect of:			
(i) Bills Discounted		425.51	731.90
(ii) Disputed Sales Tax set-off and Demands		155.80	105.68
(iii) Disputed Excise Duty Demands		43.76	18.44
(iv) Disputed Service Tax Demands		0.00	9.36
(v) Disputed Income Tax Demands		56.92	47.54
2. M/s. Olympus Elevator Pvt. Ltd. (erstwhile Tiger Elevator Pvt. Ltd.) ("Transferee Company") has initiated arbitration proceedings against the Company in respect of disputes that have arisen between the parties with reference to the transfer of the Elevator Field Operations Division by the Company to the Transferee Company. The Company has disputed the said proceedings initiated by the Transferee Company, countered the said claims and filed certain counter claims against the Transferee Company. The amounts of claims and counter claims are not ascertainable pending appropriate adjudication.			
3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		181.66	23.65
4. Audit Fees and Professional Charges include:			
(a) To Auditors: (including Service Tax)			
(i) As Auditors Fees		6.99	2.97
(ii) For Tax Audit		1.35	1.30
(iii) For Tax matters		0.78	0.75
(iv) For Company Law and other matters		0.25	0.24
(v) For Certifications		4.67	0.95
(vi) Reimbursement of Out of Pocket Expenses		0.26	0.14
		<u>14.30</u>	<u>6.35</u>
(b) To Branch Auditors		0.00	0.86
(c) To Cost Auditor		0.28	0.27
5. Exceptional Income/(Expenses) represents:			
(a) Gratuity (Refer Note 9 below)		(431.65)	0.00
(b) Expenditure on Voluntary Retirement Scheme written off		(158.59)	(158.59)
(c) Profit from transfer of Elevator Field Operations Division		1507.86	0.00
		<u>917.62</u>	<u>(158.59)</u>

SCHEDULE Q (Contd.)

	Rupees in Lakhs	31st March, 2005 Rupees in Lakhs	31st March, 2004 Rupees in Lakhs
6. Managerial Remuneration:			
(a) Computation of Managing Directors' Commission:			
Profit before Taxation as per Profit and Loss Account		3556.90	
Add: Managing Directors' Remuneration	91.33		
Loss on Asset Sold/scrapped	3.61		
Provision for Doubtful Debts	(7.99)		
Expenditure on Voluntary Retirement Scheme written off	158.59		
		<u>245.54</u>	
		3802.44	
Less: Surplus on Sale of Assets		0.15	
Profit from transfer of Elevator			
Field Operations Division		1507.86	
Net Profit on which Commission is payable		<u>2294.43</u>	
Commission @ 1% of net profit per Managing Director		<u>22.94</u>	
Total Commission payable		<u>45.89</u>	
(b) Profit and Loss Account includes payments and provisions on account of Managing Directors' as under:			
(i) Salary		24.00	21.37
(ii) Gratuity		1.70	14.45
(iii) Commission		45.89	16.56
(iv) Contribution to Deferred Annuity Plan		6.00	5.34
(v) House Rent & Other Perquisites		13.74	10.03
		<u>91.33</u>	<u>67.75</u>
7. The names of the Small Scale Industrial undertaking to whom the Company owes a sum outstanding for more than 30 days are as follows: Danmet Chemicals Pvt. Ltd., KSH International Pvt. Ltd., La-Gajjar Machineries Ltd., Mileen Engineers, P.M. Enterprises, Shri Shanta Pumps, Century Pumps, Abak Electrofab Engg. Pvt. Ltd., Harshal Control System, Hemant Industries, Janatics (I) Pvt. Ltd., Plastrols, Precimeasure Controls Pvt. Ltd., Shree Insupac, Sundanda Engineering Works, Saifodin Hydraulics, Shining Engineers & Foundries, Unirub Techno India Pvt. Ltd., Ultra Polymers, Veena Casting & Components Pvt. Ltd., Venus Engineering Co.			
The above information regarding Small Scale Industrial undertakings has been determined to the extent such parties have been identified on the basis of the information available with the Company			
8. The major components of Deferred Tax are set out below:			
Component	As on 01.04.2004 (Rs. in Lakhs)	For the Year Ended 31.03.2005 (Rs. in Lakhs)	As on 31.03.2005 (Rs. in Lakhs)
Difference between Book and Tax Depreciation (Cumulative)	305.66	11.51	317.17
Provision for Doubtful Debts	(131.87)	10.83	(121.04)
U/s 43B of the Income Tax Act, 1961	(71.76)	(137.60)	(209.36)
Deferred Tax Liability/(Asset)	<u>102.03</u>	<u>(115.26)</u>	<u>(13.23)</u>

SCHEDULE Q (Contd.)

9. Provision for Gratuity of Rs.431.65 lakhs has been made to comply with the Accounting Standard - 15 on "Accounting for Retirement Benefits in the Financial Statement of Employers" being the difference between the actuarially determined obligation and the value of the Fund.
10. **Transfer of Elevator Field Operations Division:**
- The Hon'ble High Court, Bombay has, vide its Order dated 17th December, 2004, approved the Scheme of Arrangement between the Company and Tiger Elevator Pvt. Ltd. for the transfer of the Elevator Field Operations (EFO) Division in exchange of 2,47,50,000 0% Redeemable Preference Shares of face value of Rs.10 each since redeemed, 990 0% Bonds A of original face value of Rs.50,000 each and 660 0% Bonds B of original face value of Rs.50,000 each as the consideration.
 - In terms of the Clause No.23 of the Scheme of Arrangement, the certified copy of the Court Order sanctioning the Scheme of Arrangement was taken on record on 23rd December, 2004 i.e. "the Effective Date" by the Registrar of Companies, Maharashtra upon which date the transfer contemplated under the Scheme of Arrangement has become effective as per Section 391(3) of the Companies' Act, 1956.
 - The Company has been advised that its transfer of EFO Division is not chargeable to Capital Gains Tax. Provision for Tax has been made considering that such transfer is tax exempt. Nevertheless, the Company has made adequate investment in the specified assets under the Section 54EC of the Income Tax Act, 1961 within the stipulated period from the Effective Date i.e.23rd December, 2004.
11. The disclosures required by AS-29 on Provisions, Contingent Liabilities & Contingent Assets:

(Rs. in Lakhs)

Class of Provision	Carrying amount as on 01.04.2004	Provision made/ Increase in Provision	Amount used during the year	Carrying amount as on 31.03.2005
Warranty	—	78.91	—	78.91

12. Warranty

- Warranty is given to customers at the time of sale of Motors, Transformer & Industrial Components. Warranty Cost includes expenses in connection with repairs & free replacement of parts during warranty period.
- Expected Timing of resulting outflow:
Majority of Warranty Cost will be incurred in the next financial year.

13. RELATED PARTY DISCLOSURES:**I. RELATED PARTIES****A. Key Management Personnel.**

Mr. Nikhil J. Danani, Vice Chairman & Managing Director

Mr. Nakul P.Mehta, Vice Chairman & Managing Director

B. Relatives of the Key Management Personnel

Mr. Jaisingh R. Danani, a non-executive Director (father of Mr. Nikhil J. Danani)

Mr. Anand J. Danani, a non-executive Director (brother of Mr. Nikhil J. Danani)

Mr. Shome N. Danani (Son of Mr. Nikhil J. Danani)

Ms. Avanti P.Mehta (sister of Mr. Nakul P.Mehta)

Ms. Sita P.Mehta (sister of Mr. Nakul P.Mehta)

C. Enterprises over which any of (A) or (B) can exercise control or significant influence

Danmet Chemicals Pvt. Ltd.

Nasivan Investments Pvt. Ltd.

Gayatri Education, Medical & Research Foundation.

Related parties relationships as stated in I (A) to I (C) above are identified by the Company as required under Accounting Standard 18 (AS-18) and relied upon by the Auditors.

SCHEDULE Q (Contd.)

II. Transactions with Related Parties

Nature of transaction	Related Parties (Rs. in Lakhs)					
	Referred in I (A) above		Referred in I (B) above		Referred in I (C) above	
	During the Year	Closing Balance Debit/(Credit)	During the Year	Closing Balance Debit/(Credit)	During the Year	Closing Balance Debit/(Credit)
Remuneration	Refer Note 6 above	— (—)	0.25 (1.90)	— (0.16)	— (—)	— (—)
Sitting Fee	— (—)	— (—)	0.80 (0.10)	— (—)	— (—)	— (—)
Purchases	— (—)	— (—)	— (—)	— (—)	148.92 (126.33)	-6.23 (-24.45)
Deposit taken	25.00 (15.00)	-25.00 (-15.00)	2.00 (2.00)	-2.00 (-2.00)	0.25 (0.25)	-0.25 (-0.25)
Interest Paid	1.60 (1.10)	— (—)	0.25 (0.25)	— (—)	0.03 (0.03)	-0.03 (-0.03)
Rent Received	— (—)	— (—)	— (—)	— (—)	1.57 (1.98)	— (0.41)

a. No amount has been written off or written back during the year ended 31.03.2005.

b. Figures in brackets are for the previous year.

14. SEGMENT INFORMATION

Particulars	Year ended 31st Mar. 2005 (Rupees in Lakhs)					Year ended 31st Mar. 2004 (Rupees in Lakhs)				
	Business Segments					Business Segments				
	Industrial Products	Works & Construction Contracts	Unallocable Corporate	Elimination	Total	Industrial Products	Works & Construction Contracts	Unallocable Corporate	Elimination	Total
Segment Revenue										
— External	—	—	—	—	—	13642.99	6787.34	—	—	20430.33
— Inter Segment	—	—	—	—	—	74.49	—	—	-74.49	0.00
— Total	—	—	—	—	—	13717.48	6787.34	—	-74.49	20430.33
Segment Results (before interest & unallocable income/expense)	—	—	—	—	—	2338.94	-47.81	—	—	2291.13
Interest expense	—	—	—	—	—	—	—	408.74	—	408.74
Interest income	—	—	—	—	—	—	—	10.48	—	10.48
Unallocable Expenses net of other income	—	—	—	—	—	—	—	791.57	—	791.57
Profit (+) / Loss(-) before Tax	—	—	—	—	—	—	—	—	—	1101.30
Segment Assets	—	—	—	—	—	7618.88	5362.15	2324.89	—	15305.92
Segment Liabilities	—	—	—	—	—	4787.08	4078.08	894.35	—	9759.51
Capital Employed	—	—	—	—	—	2831.80	1284.07	1430.54	—	5546.41
Capital Asset Investments	—	—	—	—	—	746.03	14.39	77.33	—	837.75
Depreciation	—	—	—	—	—	79.53	22.85	32.33	—	134.71

Notes : Consequent to transfer of Elevator field operations Division to M/s. Tiger Elevator Pvt. Ltd. (now known as Olympus Elevator Pvt. Ltd.) vide the Scheme of Arrangement, the Company has only one reportable segment viz. "Industrial Products" in terms of the Accounting Standard - 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

SCHEDULE Q (Contd.)

15. Detailed Information regarding Goods manufactured, Turnover, Opening Stock, Closing Stock, Raw Materials consumed etc.

(a) (i) Capacities, Production, Stock & Turnover:

Class of Goods (Unit)	Installed Capacity*	Production	Opening Stock		Turnover		Closing Stock	
			Qty.	Value Rupees in Lakhs	Qty.	Value Rupees in Lakhs	Qty.	Value Rupees in Lakhs
Electric Motors (HP in 000's)	370 (370)	638 (443)	+ 15 (27)	171.90 (325.58)	621 (447)	8660.97 (5247.58)	18 (15)	312.28 (171.90)
Transformers (MVA)	3800 (3800)	2912 (2566)	++ (133)	299.25 (292.45)	2919 (2523)	9375.30 (7552.95)	128 (135)	453.93 (299.25)
Controllers for VSD system (Nos.)	250 (250)	7 (21)	— (—)	0.38 (0.53)	6 (21)	19.02 (43.25)	— (—)	0.38 (0.38)
Pumps (Nos.)	10000 (10000)	27 (225)	114 (100)	7.96 (5.50)	84 (211)	5.72 (13.70)	57 (114)	2.30 (7.96)
Industrial Components ##						5340.59 (—)		
Spare Parts ##						281.31 (307.80)		
Services						38.95 (1204.25)		
				479.49 (624.06)		23721.86 (14369.53)		768.89 (479.49)

(ii) Works & Construction Contracts

						— (5236.16)		
				479.49 (624.06)		23721.86 (19605.69)		768.89 (479.49)

(iii) Details in respect of
Goods traded in:
Class of Goods
(Unit)

Class of Goods (Unit)	Purchases		Opening Stock		Turnover		Closing Stock	
	Qty.	Value Rupees in lakhs	Qty.	Value Rupees in Lakhs	Qty.	Value Rupees in Lakhs	Qty.	Value Rupees in Lakhs
Pumps, Motors etc. (Nos.)	4551 (5784)	169.97 (281.68)	+++ (1442)	107.19 (73.39)	4823 (5659)	245.48 (312.78)	1292 (1564)	83.52 (107.19)
Other Electrical Goods # #	— (—)	357.03 (321.45)	— (—)	0.84 (0.84)	— (—)	486.95 (396.05)	— (—)	— (0.84)
Maintenance Products/Accessories # #		139.10 (127.23)		15.95 (14.91)		163.56 (156.48)		17.25 (15.95)
		666.10 (730.36)		123.98 (89.14)		895.99 (865.31)		100.77 (123.98)
Total				603.47 (713.20)		24617.85 (20471.00)		869.66 (603.47)

Explanatory Notes :

- (1) Figures in brackets are for the previous year.
- (2) The Company's products are exempt from licencing requirements under the Industrial policy in terms of notification No. S.O. 477(c) dated 25th July, 1991.
- (3) Notations

* As certified by a Managing Director being a technical matter and accepted by the Auditors as correct.

+ Including 10 HP (previous year - 8 HP) Captive Consumption & 4HP scrapped (previous year - Nil) (in thousands).

++ 41 MVA used for captive consumption in previous year.

+++ 3 Nos. Traded Pumps scrapped in previous year.

These include many items with different quantitative units or ratings.

SCHEDULE Q (Contd.)

	Qty. M.T.	Year ended 31st Mar. 2005 Value Rupees in Lakhs	Qty. M.T.	Year ended 31st Mar. 2004 Value Rupees in Lakhs
(b) Raw Materials and Components Consumed:*				
Groups of Items:				
Stampings and Laminations	3140	3758.45	2645	2653.22
Electrolytic Copper Wires, Strips & Aluminium Ingots	1579	3032.08	1238	1929.35
Hardware and Special Components	**	6779.13	**	5686.48
Others		2140.50		1675.74
		<u>15710.16</u>		<u>11944.79</u>
*Net of Sales				
**Since the quantity denominations & type of components are dissimilar in nature, it is impracticable to disclose the quantitative information in respect thereof.				
(c) Value of Raw Materials, Spare Parts and Components consumed	%		%	
Raw Materials and Components:				
Imported	6	948.45	10	1191.33
Indigenous	94	14761.71	90	10753.46
	<u>100</u>	<u>15710.16</u>	<u>100</u>	<u>11944.79</u>
Spare parts:				
Imported	3	0.53	0	0.00
Indigenous	97	16.00	100	9.91
	<u>100</u>	<u>16.53</u>	<u>100</u>	<u>9.91</u>
(d) Value of Imports on C.I.F. basis:				
Raw Materials		594.96		633.45
Capital Goods		135.11		0.58
(e) Expenditure in Foreign Currency on Account of:				
Travelling		9.35		6.39
Technical Services Fees (Includes Capitalised Rs. 1.58 Lakhs previous year Rs. 8.53 Lakhs)		5.19		10.38
Royalty (Remittance- – Net of tax)		0.00		0.10
Interest		1.10		0.00
Others		0.83		0.17
(f) Earnings in Foreign Exchange:				
(i) Direct Exports on F. O. B. basis		55.36		180.50
(ii) Others		3.63		0.43

SCHEDULE Q (Contd.)

	Year ended 31st Mar. 2005 Value Rupees in Lakhs	Year ended 31st Mar. 2004 Value Rupees in Lakhs
(g) Deemed Exports	772.77	3783.88
(h) Net amount remitted during the year in Foreign Currencies on account of Dividends	0.02	0.02
Number of Non-resident Shareholders	1	1
Number of Shares held by Non-resident on which Dividend were due	60	160
Year for which due	2003-04	2002-03

16. Information required in terms of Part IV of Schedule VI of the Companies Act, 1956 is attached.

17. Previous Year's figures have been regrouped wherever necessary and are not comparable with current year figures on account of transfer of Elevator Field Operations Division with effect from 1st April 2004 pursuant to the Scheme of Arrangement.

As per our attached report of even date.
For and on behalf of DALAL & SHAH,
Chartered Accountants,

Shishir Dalal
Partner

D.N. Nagarkar
Company Secretary &
General Manager: Legal

S.B. Godbole
Vice President: Finance

Nikhil J. Danani

Nakul P. Mehta

Sanjiv N. Shah

} Vice Chairmen &
Managing Directors

Director

Mumbai, 29th June, 2005

Mumbai, 29th June, 2005

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005

	31st March, 2005 Rupees in Lakhs	31st March, 2004 Rupees in Lakhs
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation	3556.90	1101.30
Adjustments for:		
Depreciation	168.22	134.61
Amount w/off against Leasehold Land	0.12	0.13
Surplus/deficit on sale of Assets (net)	3.46	1.23
Interest (net)	308.83	398.26
Dividend received	-42.16	-35.21
Amortisation of Application Software	22.07	9.26
Amortisation of VRS Expenditure	158.59	158.59
Provision for Gratuity during the year	433.35	14.45
Provision for Leave Encashment during the year	2.42	35.46
	<u>1054.90</u>	<u>716.78</u>
Operating Profit Before Working Capital changes	4611.80	1818.08
Adjustments for:		
Trade and other receivables	-872.99	-1722.95
Inventories	739.25	-431.43
Current Liabilities	-2213.03	1422.66
	<u>-2346.77</u>	<u>-731.72</u>
Cash generated from Operations	2265.03	1086.36
Direct Taxes paid	-987.02	-38.11
(a) Net cash from Operating activities	<u>1278.01</u>	<u>1048.25</u>
B: CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on Application Software	-38.43	-1.21
Purchase of Fixed Assets	-420.03	-653.07
Sale of Fixed Assets	29.14	3.89
Purchase/Sale of Investments	-1.00	18.34
Interest received	70.31	12.83
Dividend received	42.16	35.21
(b) Net cash in Investing activities	<u>-317.85</u>	<u>-584.01</u>
	<u>960.16</u>	<u>464.24</u>
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings (Net)	1090.33	145.37
Interest paid	-367.02	-421.36
Dividend paid	-225.03	-56.11
(c) Net Cash from Financing activities	<u>498.28</u>	<u>-332.10</u>
	<u>1458.44</u>	<u>132.14</u>
Net increase in Cash and Cash equivalents	1458.44	132.14
Cash and Cash equivalents at the beginning of the year	752.47	620.33
Cash and Cash equivalents at the close of the year	<u>2210.91</u>	<u>752.47</u>

As per our attached report of even date.
For and on behalf of DALAL & SHAH,
Chartered Accountants,

Shishir Dalal
Partner

D.N. Nagarkar
Company Secretary &
General Manager: Legal

S.B. Godbole
Vice President: Finance

Nikhil J. Danani

Nakul P. Mehta

Sanjiv N. Shah

Vice Chairmen &
Managing Directors

Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	Registration Details	5 0 1 7	State Code	0 1 1
	Balance Sheet Date	3 1 0 3 2 0 0 5		
II	Capital raised during the year (Amount in Rs. Thousands)			
	*Public Issue	N I L	*Rights Issue	N I L
	*Bonus Issue	N I L	*Private Placement	N I L
III	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
	Total Liabilities	1 7 0 2 9 5 6	Total Assets	1 7 0 2 9 5 6
Sources of Funds	Paid-up Capital	5 6 5 1 6	Reserves & Surplus	4 6 6 6 0 3
	Secured Loans	2 7 3 0 6 0	Unsecured Loans	7 6 9 4 8
Application of Funds	Net Fixed Assets	2 2 5 3 0 2	Investment	2 8 4 9 7
	Net Current Assets	5 8 5 0 9 6	Miscellaneous Expenditure	3 0 3 0 7
	Accumulated Losses	N I L		
IV	Performance of Company (Amount in Rs. Thousands)			
	Turnover	2 4 5 8 4 3 1	Total Expenditure	2 2 3 8 5 8 7
	+/- Profit/Loss Before Tax	+ 3 5 5 6 9 0	+/- Profit/Loss After Tax	+ 2 7 7 6 5 4
	Earnings per Share in Rs.	4 9 1	Dividend Rate %	9 0
V	Generic Names of Three Principal Products/Services of Company (as per monetary terms)			
	Item Code No.	8 5 . 0 1		
	Product Description	E L E C T R I C M O T O R S		
	Item Code No.	8 5 . 0 4		
	Product Description	E L E C T R I C T R A N S F O R M E R S		

D.N. Nagarkar
Company Secretary &
General Manager: Legal

S.B. Godbole
Vice President: Finance

Nikhil J. Danani }
Nakul P. Mehta } Vice Chairmen &
Managing Directors

Sanjiv N. Shah Director



Registered Office: Electric Mansion, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

To
Intime Spectrum Registry Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai-400 078

To,
The Depository Participant Concerned

(IN CASE OF ELECTRONIC HOLDING ONLY)

(IN CASE OF PHYSICAL HOLDING ONLY)

Dear Sir,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND (BHARAT BIJLEE LTD.)

Please fill in the information in CAPITAL LETTERS in ENGLISH only. Please TICK wherever applicable.

- 1. For Shares held in Physical Form
Master Folio No.
2. For Shares held in Electronic Form
[Shareholders holding shares in Electronic Form should forward this form to their respective Depository Participant].

DP ID [grid]

Client ID [grid]

3. Shareholder's Name Shri/Smt./Kum./Ms. _____

4. Shareholders Address: _____

5. Particulars of Bank
Bank Name
Branch Name & Address
Branch Code
(9 Digits Code Number appearing on the MICR Band of the Cheque supplied by the Bank. Please attach a xerox copy of a Cheque or a Blank Cheque of your Bank duly cancelled for ensuring accuracy of the Bank Name, Branch Name and Code Numbers).

Account Type [grid] Savings [grid] Current [grid] Cash Credit [grid]

A/c. No. (As appearing in the Cheque Book [grid])

6. Date from which the mandate should be effective: [grid]

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company/Registrars & Share Transfer Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through ECS.

Place:

Member's Signature



Bharat Bijlee Limited

Registered Office: Electric Mansion, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025

ATTENDANCE SLIP

TO BE COMPLETED AND HANDED OVER AT THE ENTRANCE TO THE AUDITORIUM

I hereby record my presence at the 58th ANNUAL GENERAL MEETING of the Company held at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai 400 020, on Friday, 12th August, 2005 at 4.00 p.m.

Folio No.

Name

Member/Proxy

Signature



Bharat Bijlee Limited

FORM OF PROXY

Folio No. DP ID NO. CLEINT ID NO. NO. OF SHARES

I/We

of

..... being a member/members of the

above named Company hereby appoint

.....

of

or failing him

of

..... as my/our proxy

to vote for me/us on my/our behalf at the 58th ANNUAL GENERAL MEETING of the Company to be held on Friday, 12th August, 2005 at 4.00 p.m. and at any adjournment thereof.

Signed this day of 2005

Affix
Revenue
Stamp

(Signature of Member)

NOTES:

- (a) The form should be signed across the stamp as per specimen signature registered with the Company.
- (b) The Companies Act, 1956, lays down that the instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time fixed for holding the meeting.
- (c) A proxy need not be a member.

