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FINANCIAL HIGHLIGHTS

60077.08

Turnover (Rs. in Lakhs)

4752.79

Profit after Tax (Rs. in Lakhs)

25.00

Dividend paid per share (Rs.)

84.10

Earnings per share (Rs.)

352.99

Book value per share (Rs.)



TRANSFORMERS



PROJECTS

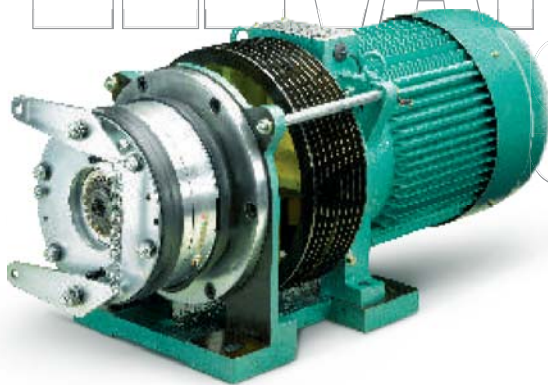


MOTORS

DRIVES



ELEVATOR



SYSTEMS



LETTER FROM THE EXECUTIVE DIRECTOR

Dear Shareholder,

It is a pleasure to address you for the first time as Executive Director of your company.

It has been three and a half years now, since I returned to India to work for Bharat Bijlee and help prepare for the next phase of growth. The business landscape has altered dramatically over the last few years and this has thrown up a number of new challenges.

Today's marketplace is complex and challenging. Customers are more critical, more informed, more sophisticated and less patient. We have realized that in order to be able to keep up with our competition we need to look into the future and prepare ourselves in advance. Thus the drive to build a scalable platform for growth. We have successfully implemented an ERP (enterprise resource planning) package and re-engineered our business processes to conform to world class standards. Simultaneously we have upgraded our information technology and communication systems. The Human Resources division has also been restructured and strengthened to provide the necessary support in order to be able to attract and retain the best talent.

The present business scenario for motors and transformers has thrown up more competition. The thirst for expansion has given rise to over capacity and this is driving prices down in the short run. We are re-working our strategies to deal with these issues. The outlook for our business will depend on the new government's commitment to implement and roll out the power sector infrastructure needed to sustain the growth that this country has experienced over the last few years.

The ongoing changes in our internal and external business environment have compelled us to have a look at our corporate identity as it is the most visible cue of what we stand for. It gives us great pleasure to present you with our new revitalized logo which can be seen on the cover of this report.

Overall, India seems poised to recover from the global recession quicker than most other parts of the world as our banks are well capitalized and our economy is still driven by large domestic demand. Integration of world markets however, makes these trends hard to predict. With an eye on events unfolding in the international arena, we must now prepare ourselves for the next surge in growth.



Shome Danani
Executive Director

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 Harkison Dass

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

Mr. Shome N. Danani
(Executive Director w.e.f. 28th January, 2009)

REGISTERED OFFICE

Electric Mansion, 6th Floor,
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai 400 025
Tel. No. : 022-24306237
Fax No. : 022-24370624

WORKS

No. 2, MIDC,
Thane Belapur Road,
Airoli,
Navi Mumbai 400 708
Maharashtra.
Tel. No. : 022-27637200
Fax No. : 022-27637443

AUDITORS

Messrs Dalal & Shah

SOLICITORS

Messrs Malvi Ranchoddas & Co.

BANKERS

Bank of India
IDBI Bank Limited
Citibank N.A.
Standard Chartered Bank
HDFC 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

Western Regional Office

No. 2, MIDC,
Thane Belapur Road,
Airoli,
Navi Mumbai 400 708
Maharashtra.
Tel. No. : 022-27637200
Fax No. : 022-27637443

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.: 080-25592646
Fax No.: 080-25592823

REGISTRAR & SHARE TRANSFER AGENTS**Link Intime India Pvt. Ltd.**

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg,
Bhandup (W),
Mumbai 400 078
Tel. No. : 022-25963838
Fax No. : 022-25946969

NOTICE

Notice is hereby given that the 62nd 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 Thursday, 2nd July, 2009 at 3.00 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, 2009 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. Prakash V. Mehta, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sanjiv N. Shah, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Jairaj C. Thacker, 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.

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 Thursday, 25nd June, 2009 to Thursday, 2nd July, 2009 (both days inclusive).
- C) 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.

- D) 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, 1996 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, 2002 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 31-3-2003 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 Thursday, 2nd July, 2009 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 Wednesday, 24th June, 2009 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, Thursday, 25th June, 2009.
- F) The Registrar and Transfer activity of shares held in physical and demat form continues to be carried out by our Registrars, M/s Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078, Phone No. 25963838.

The Register of Members continues 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. Bombay Stock Exchange Limited
Pheroze Jeejeebhoy Towers
Dalal Street,
Mumbai 400 001
2. National Stock Exchange of India Ltd.
Exchange Plaza
Bandra Kurla Complex,
Bandra, Mumbai 400051

The listing fee for the period 1-4-2009 to 31-3-2010 to the above Exchanges has been paid.

REQUEST TO THE MEMBERS

1. Members desiring any information on the Accounts at 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 & Senior General Manager
Legal

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

Dated: 15th May, 2009

PROFILES OF DIRECTORS BEING REAPPOINTED AS REQUIRED BY CLAUSE 49 VI(G) OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

Item Nos. 3, 4 & 5 of the Notice

Mr. Prakash V. Mehta :

Mr. Prakash V. Mehta obtained a Bachelors Degree in Law from the University of Bombay in 1963, thereafter qualified as a Solicitor in 1966 and since then has been practicing as a Solicitor. He is a partner of M/s. Malvi Ranchoddas & Co.,

a renowned firm of Solicitors. He has considerable experience in the field of Law and is also an expert in Corporate Law, Acquisitions, Joint Ventures and Foreign Collaborations. He has been a Director on the Board of the company since August 7, 1990

He is on the Board of the following companies :

1. Advani Hotels & Resorts (I) Ltd.
2. Ciba India Ltd.
3. Hikal Ltd.
4. India Safety Vaults Ltd.
5. Mukund Engineers Ltd.
6. Mukund Ltd.
7. Omega Management Services
8. PCS Technology Ltd.
9. W.H. Brady & Co. Ltd.
10. JBF Industries Ltd.
11. Rajasvi Properties Holdings Pvt. Ltd.
12. Tulsidas Khimji Pvt. Ltd.
13. Arthamanthan Properties & Finvest Pvt. Ltd.
14. Iris Investments Pvt. Ltd.
15. Joshua Properties & Finvest Pvt. Ltd.
16. Kartouche Properties & Finvest Pvt. Ltd.
17. Rihayi Properties & Finvest Pvt. Ltd.
18. Shopping Centre Management Services Pvt. Ltd.
19. Vault India Media Services Pvt. Ltd.

Mr. Mehta holds 325 equity shares of the Company representing 0.0058% of the Issued and Subscribed Equity share Capital of the Company.

Mr. Sanjiv N. Shah :

Mr. Sanjiv N. Shah holds a degree (B.A.) in Economics and Statistics from the University of Mumbai, a degree (B.Sc.) in Economics from the London school of Economics, is a Chartered Accountant from England and Wales and a fellow member of the Institute of Chartered Accountants of India. He was a partner of M/s. S.B. Billimoria & Company, a renowned firm of Chartered Accountants and is presently a partner in M/s. Sanjiv N. Shah & Co., Chartered Accountants. He specialized in the Financial Services Industry and has been a member of the Board since June 27, 2002.

He is on the Board of the following Companies :

1. Nimesh Shah Investments Pvt. Ltd.
2. SNS Consulting Pvt. Ltd.
3. Andhra Pradesh Tanneries Ltd.
4. Chowgule Steamships Ltd.

Mr. Shah holds 4,560 equity shares of the Company representing 0.0807% of the Issued and Subscribed Equity share Capital of the Company.

Mr. Jairaj C. Thacker :

Mr. Jairaj C. Thacker is a well known Industrialist and Educationist. He holds a Degree in Commerce and is a Director on the Board of the following Companies :

1. M/s. Golden Chemicals Pvt. Ltd.
2. Narsee Monjee Investments and Trading Co. Pvt. Ltd.
3. Nirant Investments and Trading Co. Pvt. Ltd.
4. Gold Chem (India) Pvt. Ltd.

He is also the Managing Trustee of the prestigious Shri Narsee Monjee Educational Trust and Jamnabai Narsee Public Charitable Trust, Executive and Governing Council Member of Dr. Balabhai Nanavati Hospital, Vile Parle and Executive Committee Member of Vile Parle Kelavani Mandal. He has been a member of the Board since June 27, 2002.

Except for 500 equity shares held jointly as qualification shares, Mr. Thacker does not hold any other shares in the Company.

By Order of the Board

D.N. NAGARKAR

Company Secretary & Senior General Manager
Legal

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

Dated: 15th May, 2009

REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors have pleasure in presenting the 62nd Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

	Year ended 31st March, 2009	Year ended 31st March, 2008
	Rupees in lakhs	Rupees in lakhs
Sales & Service	60077.08	63789.81
Less: Excise Duty	5607.55	7550.49
	54469.53	56239.32
Other Income	299.23	336.26
	54768.76	56575.58
Profit before Interest & Financial Charges,		
Depreciation, and Tax	8499.68	11822.51
Less: Interest & Financial Charges	449.34	261.11
Less: Depreciation	708.38	392.68
Profit Before Tax	7341.96	11168.72
Less: Provision for taxes	2555.86	3840.12
Profit after tax	4786.10	7328.60
Short (-) / Excess Provision of tax for earlier years	(33.31)	(79.42)
Profit after Taxation	4752.79	7249.18
Add: Profit brought forward from previous year	1363.28	1597.71
Profit available for Appropriation	6116.07	8846.89
APPROPRIATION :		
Proposed Equity Dividend	1412.89	1695.47
Tax on proposed Equity Dividend	240.12	288.14
General Reserve	2000.00	5500.00
Profit Carried Forward	2463.06	1363.28

Previous year's figures have been regrouped for comparison with current year's presentation.

DIVIDEND

The Directors recommend a Dividend of Rs. 25/- per Equity Share for the year ended 31st March, 2009, on 56,51,560 Equity share of Rs.10/- each. The Dividend pay-out including Dividend Tax of Rs. 240.12 lakhs will be Rs. 1653.01 lakhs as compared to Rs. 1983.61 lakhs in the previous year.

OPERATIONS

After a number of years of robust growth, the Indian electrical equipment industry experienced significant

deceleration during the year under review. The simultaneous global financial crisis and economic slowdown inevitably affected domestic markets, with consequential adverse effects on demand and margins.

During the year under review, the revenue from Sales and Services was marginally lower at Rs. 544.70 crores compared to Rs. 562.40 crores in the previous year. The PBT before exceptional items dropped from Rs. 111.69 crores to Rs. 73.42 crores. This was predominantly caused by lower volumes and realizations, and by higher input costs.

Orders received during the year were lower at Rs. 618 Crore as compared to Rs. 635 crores in the previous year, a decline of Rs. 17 crores. However, unexecuted orders stood at Rs. 391.90 crores compared to Rs. 318.90 crores in the previous year i.e. an increase of Rs. 73 crores.

Earnings per share (face value Rs.10/-) decreased from Rs.128.27 to Rs. 84.10 per share.

NEW PRODUCTS

During the year the Company has introduced two new products, AC Variable Speed Drives under an exclusive Distribution and Service agreement with KEB of Germany, and Synchronous Permanent-Magnet Gearless machines for Elevators which is now being manufactured in collaboration with Permagsa S.A. of Spain.

Significant synergies are expected between the AC Drives and the Motors business, and the Company intends to focus on specific verticals in the industrial segment. There is a trend within the elevator industry towards gearless machines, and as the first Indian manufacturer of this product, the Company hopes to establish itself as a preferred supplier to the industry.

OTHER INITIATIVES

During the year under review, SAP 6.0 was implemented across the organization following a systematic Business Process Re-Engineering exercise. An Enterprise Risk Management project was also initiated with the intention of developing a formal risk-mitigation framework.

The changing business scenario has thrown up many new challenges. Increased competition and customer awareness have engendered a need to differentiate ourselves from our competitors, and our new logo and corporate identity are intended to enable us to achieve our goals more effectively.

FINANCE

The average working capital deployed was higher

compared to the previous year due to the tighter liquidity conditions prevalent. Financing the increase in working capital, and the capital expenditure of Rs. 30 crores incurred during the year increased the financing costs from Rs. 2.61 crores to Rs. 4.49 crores, though still less than 1% of sales. The effort to control working capital and costs continues.

As on 31st March, 2009, the Company had Fixed Deposits aggregating to Rs. 1163.35 lakhs. Out of the Fixed Deposits which matured for payment prior to 31st March, 2009, 34 deposits aggregating to Rs. 10.80 lakhs were neither renewed nor claimed till 31st March, 2009. Of these 3 deposits aggregating to Rs. 0.90 lakhs have since been renewed or refunded on receipt of requests from the deposit holders. The balance of 31 deposits aggregating to Rs. 9.90 lakhs have been neither claimed nor renewed till date of this Report, despite the Company's intimation to the deposit holders. There has been no default or delay in meeting any maturity payment obligations.

During the year Rs. 55,365 was transferred to the Investor Education and Protection Fund.

HUMAN RESOURCE DEVELOPMENT

The current industrial scenario and the long term vision of the Company pose unique challenges to the Human Resource function. Systems and processes are being developed with the intention of building a performance-oriented and customer-focused culture that enhances organizational capability, excellence and vitality, while fostering an enabling and empowering work environment.

The Company places on record its appreciation of the collective efforts and dedication of all its employees in delivering superior customer and shareholder value. The Company's commitment to building harmonious and congenial employee relations was evident in that the year under review had no loss of man days.

The long term wage agreement with the Union expired on 31st December, 2008 and the new agreement is due from January 2009.

Employee strength as on 31st March, 2009 was 1302 compared to 1300 in the previous year.

CORPORATE GOVERNANCE

A separate report on Corporate Governance along with Auditor's Certificate on its compliance, is set out in Annexure "A".

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- i) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2009, and the profit for that period.
- iii) Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding of assets of the Company and for preventing and detecting frauds and other irregularities.
- iv) The Directors have prepared Annual Accounts on a going concern basis.

DIRECTORS

Mr. Prakash V. Mehta, Mr. Sanjiv N. Shah and Mr. Jairaj C. Thacker retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Mr. Shome N. Danani has been appointed as Whole Time Director (Designated as 'Executive Director') w.e.f. 28th January, 2009 by the Shareholders whose approval was sought by means of a Postal Ballot.

Information on the Directors eligible for reappointment as required under Clause 49 of the Listing Agreement with Stock Exchanges is disclosed in the profiles of the Directors under item Nos.3, 4 and 5 forming part of the Notice dated 15th May, 2009 circulated along with the Annual Report 2009.

AUDITORS

M/s. Dalal & Shah, Auditors of the Company, retire at the ensuing Annual General Meeting, and being eligible offer themselves for reappointment. This item of business is covered under Item 6 of the accompanying notice.

COST AUDITORS

M/s. P. M. Nanabhoy & Co. has been appointed by the Board as Cost Auditors of the Company, for electric motors, for the Financial Year ending 31st March, 2010 subject to the approval of the Central Government.

PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956, read with Company's (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 Department of Companies Affairs is presented on Page 13 of this Annual Report.

APPRECIATION

The Directors wish to place on record their Appreciation towards the contribution made by all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors, financial institutions and share holders for their continued support and confidence in the Company.

For and on behalf of the Board of Directors

Bansi S. Mehta
Chairman

Date : 15th May, 2009

ADDITIONAL INFORMATION

[In terms of Section 217 (1)(e) of the Companies Act, 1956 and Companies' (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988]

A. Conservation of Energy :

- 1) Measures :
 - Carried out energy audit for complete Transformer Plant by external energy auditors and
 - Installed new screen compressors with efficiency of 99%
 - Air line system upgraded to achieve leakage < 3%
 - Replaced conventional chokes for metal halide lamps by electronics chokes.
 - All new winding machines and new cranes are equipped with A C Drive.
 - In the Motor Plant
 - Installation of translucent roof sheets
 - Conventional machine lamps replaced with CFL lamps
 - Energy efficient tube light fittings to replace 250W metal halide lamps for street lighting.
 - Tube lights replaced with metal halide lamps on the shop floor.
 - Inverter based regenerative full load testing of motors commissioned in New Type Test Field.
- 2) Impact of Measures :
 - Energy conservation and saving
 - Energy saving of 20% in compressor consumption
 - Energy saving of 33% in shop floor lighting
 - Energy saving of 15% in winding machines consumption
- 3) Measures Planned :
 - Installation of additional 500KVAR capacitor bank to achieve power factor of > = 0.99
 - Installation of energy saver for AC in office area
 - Replacement of conventional chokes of fluorescent tube light by electronic chokes

B. Technology, Absorption, Adaptation and Innovation :

- 1) Efforts made :
 - Use of CTC for disc winding

- Upgradation of T1 bay for manufacturing of 50MVA 220KV transformers
 - Installed 250T capacity tandem beam for lifting of 160 MVA transformers with oil
 - Induction heating process for heat shrinking of rotor packets
 - VFD panel fitted on 6 nos. EOT cranes in Motor plant
 - Refrigerated type air dryer for compressed air system in Motor Plant
 - State of art automated vertical storage system for component storage
 - Flame proof motor range extended up to 200KW
- 2) Benefits derived :
 - Reduction of cycle time for winding
 - Elimination of constraint. Uniform production flow
 - Reduction of cycle time due to avoiding removal of oil in every operation before shifting. This helped in making Powerlex Test Room available for testing of next job immediately
 - Smooth operation and reduction in down time
 - Reduction in maintenance/replacement cost of pneumatic tools
 - 3) Environment Health and Safety :
 - Paper filtration system on grinding machine
 - 75HP diesel engine driven pumping system for fire hydrant
 - 4) Technology imported during the last five years :
 - The Company has entered into a Technology Transfer Agreement with M/s. Permanent Magnets S.A., Spain, for manufacture and sale of Gearless Permanent Magnet Synchronous Motors.

C. Foreign Exchange earnings and outgo :

- 1) Export Activities :
 - Direct exports exported through registered Dealers to continue. Transformers have also been sold as deemed export to internationally aided projects. These orders were obtained against international competition.
- 2) Foreign Exchange earned :

	Rs. Lakhs
– Deemed exports with export benefits	9811.69
– Direct Exports	104.78
- 3) Foreign Exchange used :

	3693.85
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CORPORATE GOVERNANCE REPORT - ANNEXURE A

1. Company's Philosophy on Corporate Governance:

The practices, methodologies, framework and mechanism of Corporate Governance in Bharat Bijlee since its inception are based on principles of fairness, accountability, transparency and integrity; and the business operations are conducted and controlled accordingly. Thus all the business transactions are conducted in an open, transparent and honest manner which ensures high degree of legal compliance and ethical standards.

Bharat Bijlee Limited believes that principles of good governance should be more by way of self regulation rather than by way of compliance with law.

Compliance of provision of Clause No. 49 of the Listing Agreements with Stock Exchanges, Code of Internal procedures and conduct for Prevention of Insider Trading and Code of Conduct for all Board members and senior management of the company are implemented strictly.

2. Board Of Directors & Board Meetings :

a. Composition :

The Board has 12 Directors, of whom one (1) is an Alternate Director. The Board consists of seven (7) Non-Executive Independent, two (2) Non-Executive and three (3) Executive Directors. The Chairman is an Independent Non-Executive Director. He is not a promoter nor related to promoters or to persons occupying management positions at Board level or at one level below the Board. The Non-Executive Directors account for 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 three Executive Directors, Mr. Nikhil J. Danani, Mr. Nakul P. Mehta (Managing Directors) and Mr. Shome N. Danani (Executive Director).

Mr. Shome N. Danani, was appointed as a Whole Time Director (Designated as Executive Director) with effect from 28th January, 2009 by the Board of Directors at their Meeting held on 28th January, 2009 and thereafter approved by the Shareholders through Postal Ballot on 25th March, 2009 .

Except Mr. Nikhil J. Danani and Mr. Nakul P. Mehta, Managing Directors and Mr. Shome N. Danani, Executive Director, all other Directors are liable to retire by rotation.

Mr. Jaising R. Danani, Mr. Nikhil J. Danani Mr. Shome N. Danani and Mr. Anand J. Danani are related to each other. None of the other Directors is related to any other Director.

b. Board Meetings:

In the Financial Year 2008-2009, Five (5) Board of Directors' meetings were held on the following dates:

1. 9th May, 2008
2. 26th June, 2008
3. 31st July, 2008
4. 23rd October, 2008
5. 28th January, 2009

c. Attendance/Sitting fees of Directors:

Sr. No.	Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships	Membership of other Committees		Sitting Fees for Board/ Committee meetings Rs.	No. of Equity Shares Held
						As Members	As Members		
1.	Mr. Bansi S. Mehta – Chairman	Independent Non-Executive	5	YES	16**	8@	5	50000/-	-
2.	Mr. Nikhil J. Danani – Managing Director	Executive	4	YES	1*	-	-	-	1,49,484
3.	Mr. Nakul P. Mehta- Managing Director	Executive	5	YES	2*	-	-	-	1,85,830
4.	Mr. Jaisingh R. Danani	Non-Executive	4	YES	-	-	-	70000/-	1,85,080
5.	Mr. Mukul Harkison Dass	Independent Non-Executive	5	YES	1*	-	-	150000/-	500
6.	Mr. Prakash V. Mehta	Independent Non-Executive	4	YES	19*	10@	1	130000/-	325
7.	Mr. Anand J. Danani	Non-Executive	-	NO	-	-	-	-	46,650
8.	Mr. Deepak S. Parekh – Alternate to Mr. A.J. Danani	Independent Non-Executive	-	NO	17 \$	4***	5	-	-
9.	Mr. Sanjiv N. Shah	Independent Non-Executive	4	YES	4*	2	-	90000/-	4,560
10.	Mr. Jairaj C. Thacker	Independent Non Executive	3	YES	4*	-	-	70000/-	-
11.	Mr. Meghendra Kumar	Independent Non-Executive	5	YES	1	-	-	50000/-	-
12.	Mr. Shome N. Danani (w.e.f. 28-01-2009)	Executive	-	N.A..	1	-	-	-	2,898
							Total	610000/-	

@ includes membership in Remuneration/Compensation committee in 3 companies.

* Includes Directorship in Pvt. Ltd. companies.

** includes Alternate Directorship in 1 company and Directorship in a Body Corporate incorporated outside India.

*** Includes membership in 2 Remuneration Committees.

\$ includes Alternate Directorship in 3 companies

d. Information placed before the Board

- Review of annual operating plans of businesses, capital budgets, and any 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 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.
- Significant development on the human resources and industrial relations front.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- 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.

e. Code of Conduct :

The Company has adopted a Code of Conduct for its Board Members and Senior Management and has posted on the website of the Company in terms of clause 49(D)(i) of the Listing Agreement with Stock Exchanges. The Managing Directors in terms of Clause 49(D)(ii) affirm the compliance of the Code of Conduct by the Board Members and Senior Management for the year under review. A declaration to this effect signed by the Managing Director, Mr. Nikhil J. Danani forms part of this report.

3. Audit Committee:

The Audit Committee of the Company comprises the following five (5) members :

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

All members of the Audit Committee are financially literate and Mr. Sanjiv N. Shah, a Chartered Accountant has the relevant accounting and related financial management expertise.

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

The Managing Directors, Vice President:Finance, Dy. General Manager :Internal Audit, and Senior General Manager : Finance attend Audit Committee meetings by invitation. Statutory Auditors and Cost Auditors are also invited to attend the meetings.

a. Meetings & Attendance:

The Audit Committee meetings were held on:

1. 9th May, 2008
2. 31st July, 2008
3. 23rd October, 2008
4. 28th January, 2009

Mr. Mukul Harkisondass, the chairman was present in all the meetings.

Mr. Jaisingh R. Danani, Mr. Prakash V. Mehta and Mr. Sanjiv N. Shah attended three (3) meetings each while Mr. Jairaj C. Thacker attended (two) 2 meetings.

b. Power/Role/Review of Information of Audit Committee :

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 statutory auditors appointment / reappointment / replacement / removal / remuneration and payment of fees for any other services rendered by them.
- Review with management the quarterly, half yearly and annual financial statements before submission to the Board, including disclosure of Related Party transactions.
- 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 and review with internal auditors of any significant findings, suspected fraud, irregularity, failure of the Internal Control Systems and follow-up thereon.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion regarding areas of concern.
- Reviewing the Company's financial and risk-management process.
- Review defaults if any, in payments to 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 :

The Remuneration Committee of the Company comprises the following four (4) members :

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

The Remuneration Committee meetings were held on :

1. 9th May, 2008
2. 26th June, 2008
3. 28th January, 2009

Mr. Mukul Harkisondass and Mr. Prakash V. Mehta were present in all the three meetings, While Mr. Sanjiv N. Shah and Mr. Jairaj C. Thacker were present in two meetings each.

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

- i. To determine the remuneration package of Executive Directors, Non-Executive Directors, relatives of Directors appointed u/s 314 of the Companies Act, 1956 including salary, allowances, perquisites, payment of commission and pension rights,

- ii. Payment of compensation and minimum remuneration, and to review and revise the remuneration package as may be required.
- iii. To recommend and oversee employee stock option scheme.
- iv. To recommend sitting fees of the Board of Directors

Remuneration of Directors:

The total remuneration including commission payable to the Managing Directors/ Whole Time Director for the financial year 2008-2009 is as under:

(Rs.)

	Salary	Perquisites	Retiral Benefits	Commission Payable for the FY 2008-2009	Total
Mr. Nikhil J. Danani	60,00,000	59,60,691	19,25,000	1,37,91,600	2,76,77,291
Mr. Nakul P. Mehta	60,00,000	59,27,992	19,25,000	1,37,91,600	2,76,44,592
Mr. Shome N. Danani *	4,80,000	4,80,000	15,07,750	Nil	24,67,750

* As Executive Director for the period 28-01-2009 upto 31-03-2009

Apart from sitting fees, the Non-Executive Directors are not paid any commission / remuneration.

5. Shareholders'/Investors' Grievance Committee :

The Shareholders'/Investors' Grievance Committee comprises the following four (4) 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 28th January, 2009, wherein all members were present. The total number of grievances redressed and reviewed by the Committee to the satisfaction of the shareholders was 26, most of them demat related. There were no requests for share transfer / transmission / deletions of names etc. pending as on 31st March, 2009 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 as per the requirement of the Listing Agreement.

During the year, 26 complaints were received from Shareholders and were resolved to the satisfaction of the shareholders.

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. Other Committees :

The Company has also constituted a Committee of Directors to review progress and future plans of the Company and a Banking Committee to look into opening, closing and authorization for operating bank accounts of the Company.

7. Annual General Meetings :

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2007-2008	26-6-2008	4.00 p.m.	Walchand Hirachand Hall, 4 th Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020
2006-2007	26-6-2007	4.00 p.m.	Walchand Hirachand Hall, 4 th Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020
2005-2006	26-6-2006	4.00 p.m.	Walchand Hirachand Hall, 4 th Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020

I Special Resolutions passed in the last three Annual General Meetings :

- a. Delisting of Securities (Equity Shares) from The Delhi Stock Exchange Association Ltd., New Delhi at the 60th Annual General Meeting held on 26.06.2007.
The Special Resolution moved at the aforesaid AGM was passed by a show of hands.
- II Ordinary Resolutions appointing Mr. Shome N Danani as Director and Whole Time Director (Designated as 'Executive Director') were passed by means of Postal Ballot circulated to the Shareholders on 17th February, 2009 and approved on 25th March, 2009.

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. All related party transactions are disclosed to the Board of Directors during each meeting. During the year there were no transactions of material nature with the Directors or the Management or relatives that had potential conflict with the interests of the Company.
- ii. Quarterly Disclosures – Results and notes thereon.
- iii. Risk Management – The Company has engaged M/s Ernst & Young as the implementing partner to strengthen the existing Risk Management process of the Company and also to assist in identifying, prioritizing and mitigating strategic and operational risks and to evolve and employ a Risk Management frame work.
- iv. 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 authority for non-compliance on any matter related to the Capital Markets during the last 3 years.
- v. No member of the Senior Management has a potential conflict with the interest of the Company at large relating to any material financial and commercial transaction.
- vi. The Company affirms that no employee has been denied access to the Audit Committee.
- vii. The Company has complied with all mandatory requirements as stipulated in Clause 49 of the listing agreement with Stock Exchanges.
- viii. As regards the other non-mandatory requirements including whistle blower policy, the Board has taken cognizance of this and will consider adopting it as and when necessary.
- ix. The shares held by the promoters have not been pledged with any Banks, Financial Institutions or with any third party.

9. Communication to Shareholders :

- i. Mr. Shome N. Danani has been appointed as Whole Time Director (Designated as 'Executive Director') w.e.f. 28th January, 2009.

Mr. Shome N. Danani holds a Bachelor's Degree in Industrial and Operations Engineering from the University of Michigan and a Masters Degree in Business Administration from INSEAD. He began his professional career with HDFC (Business Development) where he was part of the core team that launched Credit Information Bureau (India) Ltd. (CIBIL). Thereafter, he joined Bharat Bijlee Ltd. in 2002 and has been responsible for various initiatives and growth strategies. He has

been instrumental in building scalable systems and processes. This has resulted in the Company undertaking a BPR (business process re-engineering) exercise followed by the implementation of SAP (ERP package). He has contributed significantly to business strategy restructuring, re-branding, and the growth plans of the company. Mr. Danani has been leading the change management drive that is essential to the long term growth and success of the company. Mr. Danani is a Director on the Board of M/s. Danmet Chemicals Pvt. Ltd. Mr. Danani holds 2,898 (0.05%) equity shares in the Company.

- ii. Quarterly/half yearly/annual results and information relating to convening of Board meetings/Annual General Meetings are published in The Economic Times, Times of India, Free Press Journal, Navshakti and Maharashtra Times 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 required by the Listing Agreement, the requisite information is transmitted through the EDIFAR System and through Corporate Filing and Dissemination System (CFDS). All such financial results are also posted on the Company website. The Stock Exchanges are also informed of all materially significant events which have taken place during the year under review.
- iii. The Company has made no presentation to any Institutional Investors / Analysts during the year.
- iv. Management Discussion and Analysis is covered as part of this Annual Report.
- v. The Company has put in place a Model Code as prescribed under SEBI (Prohibition of Insider Trading) Regulations, 1992 and all designated employees have disclosed their holdings and dealings in the shares of the Company and have been obtaining prior approval before dealing in shares in excess of the prescribed limit under the said code.
- vi. The Company has its own website, www.bharatbijlee.com.
- vii. In terms of the revised Clause 49 of the Listing Agreement, the certification by the Managing Director and Vice President:Finance on the financial statements and internal controls relating to financial reporting has been obtained by the Board of Directors.

10. General Shareholders Information :

i. Annual General Meeting :

Day : Thursday
 Date : 2nd July, 2009
 Time : 3.00 p.m.
 Venue : Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber,
 Churchgate, Mumbai 400 020

ii. Financial Year :

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 May/June as permitted by the Listing Agreement.

iii. Dates of Book Closure :

Thursday, 25th June, 2009 to Thursday, 2nd July, 2009 (both days inclusive).

iv. Dividend Payment Date : After 2nd July, 2009

v. Listing of Equity Shares on Stock Exchanges :

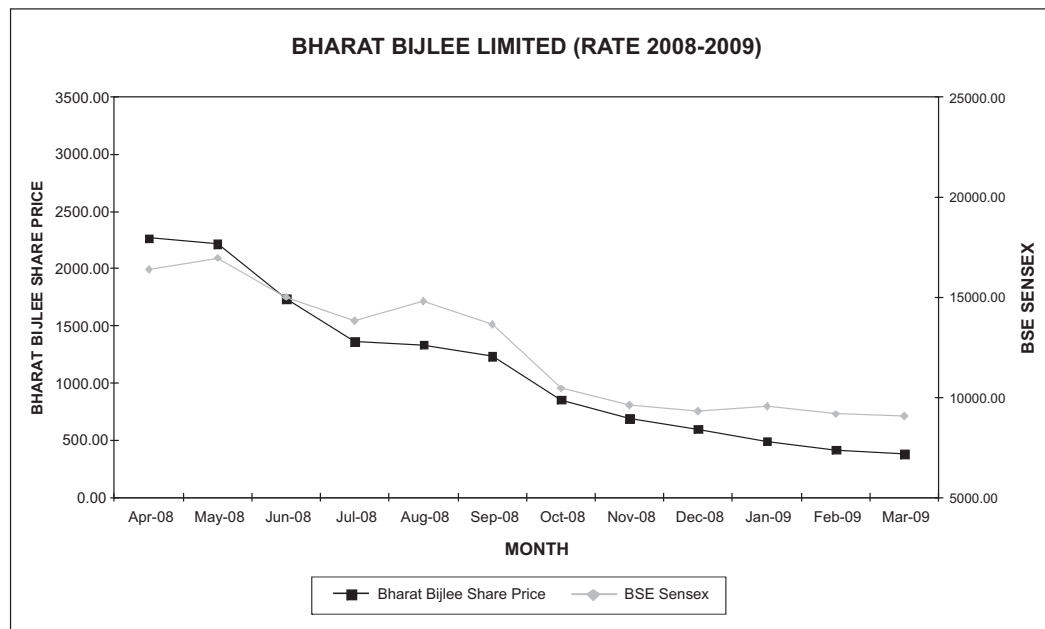
Name of Stock Exchange	Stock Code
Bombay Stock Exchange Limited (BSE)	503960
National Stock exchange of India Limited (NSE)	BBL

The listing fees for the financial year 2009-10 has been paid to both BSE & NSE.

Demat international security Identification No. in NSDL & CDSL : INE 464A01028

vi. **Stock Price data at the Stock Exchanges :**

	BSE	BSE	NSE	NSE
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2008	2,450.00	2,085.00	2,564.00	2,089.10
May, 2008	2,439.95	1,995.00	2,444.00	2,000.00
June, 2008	2,096.95	1,381.05	2,071.00	1,300.00
July, 2008	1,523.00	1,200.00	1,549.95	1,200.00
August, 2008	1,497.90	1,175.00	1,450.00	1,175.00
September, 2008	1,450.00	1,022.00	1,484.00	1,040.00
October, 2008	1,104.00	602.00	1,199.70	608.00
November, 2008	829.90	552.00	819.00	565.00
December, 2008	696.00	500.05	692.00	500.10
January, 2009	580.00	402.60	580.00	360.45
February, 2009	468.90	365.00	469.90	361.20
March, 2009	460.00	301.00	459.95	301.00

Performance of Share price in comparison with BSE Sensex :


vii. **Registrar and Transfer Agents :**

Link Intime India Pvt. Ltd.
 C-13, Pannalal Silk Mills Compound,
 LBS Marg, Bhandup (W),
 Mumbai 400 078.
 Tel : 25963838
 Fax : 25946969

viii. **Share Transfer System :**

The Board has constituted a Share Transfer Committee and has delegated the requisite power to the Committee to attend to share transfer matters. All share transfer and share related issues are approved by a share transfer committee comprising 4 Directors and Approvals are obtained at intervals not exceeding 15 days.

ix. **Distribution of Shareholding as on 31-3-2009**

S.No.	No. of Equity Shares held	No. of shareholders	No. of shares	% of shareholders	% of shareholding
1.	1-500	23,107	10,57,630	97.09	18.71
2.	501-1000	339	2,56,934	1.42	4.55
3.	1001-2000	175	2,50,996	0.74	4.44
4.	2001-3000	61	1,50,651	0.26	2.66
5.	3001-4000	24	86,244	0.10	1.53
6.	4001-5000	12	54,577	0.05	0.97
7.	5001-10000	36	2,70,120	0.15	4.78
8.	10001- above	45	35,24,408	0.19	62.36
Total		23,799	56,51,560	100.00	100.00

Share Holding Pattern as on 31-3-2009

S.No.	Category	No. of shares	% to total shareholding
1.	Promoters, Directors & relatives	20,05,994	35.50
2.	Public Financial Institutions/Banks	9,63,636	17.05
3.	Mutual Funds/ UTI	3,24,097	5.73
4.	FIIS	78,303	1.39
5.	NRIS/OCBS	61,264	1.08
6.	Private Corporate Bodies	3,16,566	5.60
7.	Indian Public	19,01,700	33.65
Total		56,51,560	100.00

x. **Dematerialization of shares and liquidity :**

Your Company's shares are traded compulsorily in electronic form and the Company has established connectivity with both the depositories. i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2009, 84.11% of shares have been held in dematerialized form and the rest are in physical form.

xi. The Company has no outstanding GDR's/ADR's/Warrants or any convertible instruments, since not issued.

xii. **Plant Location :**

No. 2, MIDC, Thane Belapur Road, Airoli, Navi Mumbai 400 708 Maharashtra.

xiii. 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. Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup (W), Mumbai 400 078 Tel : 25963838 Fax : 25946969	2. Bharat Bijlee Limited, Electric Mansion, 6 th Floor Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025. Tel : 24306237 Fax : 24370624
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2. As per the requirement of Clause 47(f) of the Listing Agreement with Stock Exchanges, the Company has created a dedicated email ID (investorcare@bharatbijlee.com) exclusively for the purpose of registering complaints of Investors and this is prominently displayed on the Company's website: www.bharatbijlee.com

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Clause 49 of the Listing Agreements with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended 31st March, 2009.

For Bharat Bijlee Ltd.

Place : Mumbai
Date : 15th May, 2009

Nikhil J. Danani
Managing Director

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

We have examined the 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, 2009.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the 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.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the management we certify that 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 or effectiveness 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 : 15th May 2009

MANAGEMENT DISCUSSION AND ANALYSIS – ANNEXURE B

The year under review witnessed a GDP growth of less than 7% against initial estimates of 9%. The global economic slow-down, wide fluctuations in currency rates and commodity prices, and inflation had a strong adverse impact on the Indian electrical equipment industry and on the markets served by the Company's products and services. Trading conditions were highly competitive and margins came under pressure.

Against this backdrop, the performance of the Company was as under:

	(Rs. Lakhs)	(Rs. Lakhs)
	2008-2009	2007-2008
Sales	54469.53	56239.32
PBT	7341.96	11168.72
PAT	4752.79	7249.18
EPS	84.10	128.27

Segment Analysis

Industrial Products :

In this segment the Company manufactures and sells Power and Distribution Transformers, a wide range of standard and customized Low Tension Motors, and Gearless Machines for the elevator industry. It also markets Anti-Corrosion products, Submersible Pumps and AC Variable Speed Drives.

During the year, the Transformer business saw its highest ever order inflow at 10350 MVA. This included prestigious orders from MSETCL (11 Nos. 200 MVA, 220 KV) and PGCIL (7 Nos. 160 MVA, 220 KV). Production for the year was 7589 MVA compared with 8111 MVA during the previous year. The Transformer plant's capacity enhancement to 11000 MVA was completed during the year. With a reasonably robust unexecuted order book position, the Company is hopeful of utilizing the enhanced capacity during 2009-10.

The sales turnover of the Motor business was 10.54% lower than in the previous year. Industry reports have indicated a steep fall in production and sales of LT Motors during the second half of the year under review and demand continues to be depressed. However, ongoing product-range extensions, specific initiatives towards market focus and superior customer responsiveness are expected to contribute to increased sales and market share.

Internal Control, Audits & Risk Management :

The Company has internal control procedures designed to ensure safe-guarding of assets, reliability of operating and financial information and compliance with prevailing statutes.

During the year under review the Company implemented an integrated Enterprise Resource Planning (ERP) system (SAP 6.0) across the organization. This incorporates new processes specifically configured to improve business effectiveness, decision-making and to ensure appropriate controls and authorizations.

The Company has an established Internal Audit Department which continuously verifies the adequacy and effectiveness of internal controls in all areas of operations, and provides recommendations for systematic improvement.

Significant internal audit findings and recommendations are regularly reviewed by the top management and are presented to and reviewed by the Audit Committee.

As a part of its formal Risk Management process, the Company, with its risk advisory consultants Ernst & Young has identified and prioritized strategic, operational, financial and compliance risks and is in the process of developing specific mitigation plans and implementing a formal risk management framework.

Risks & Concerns :

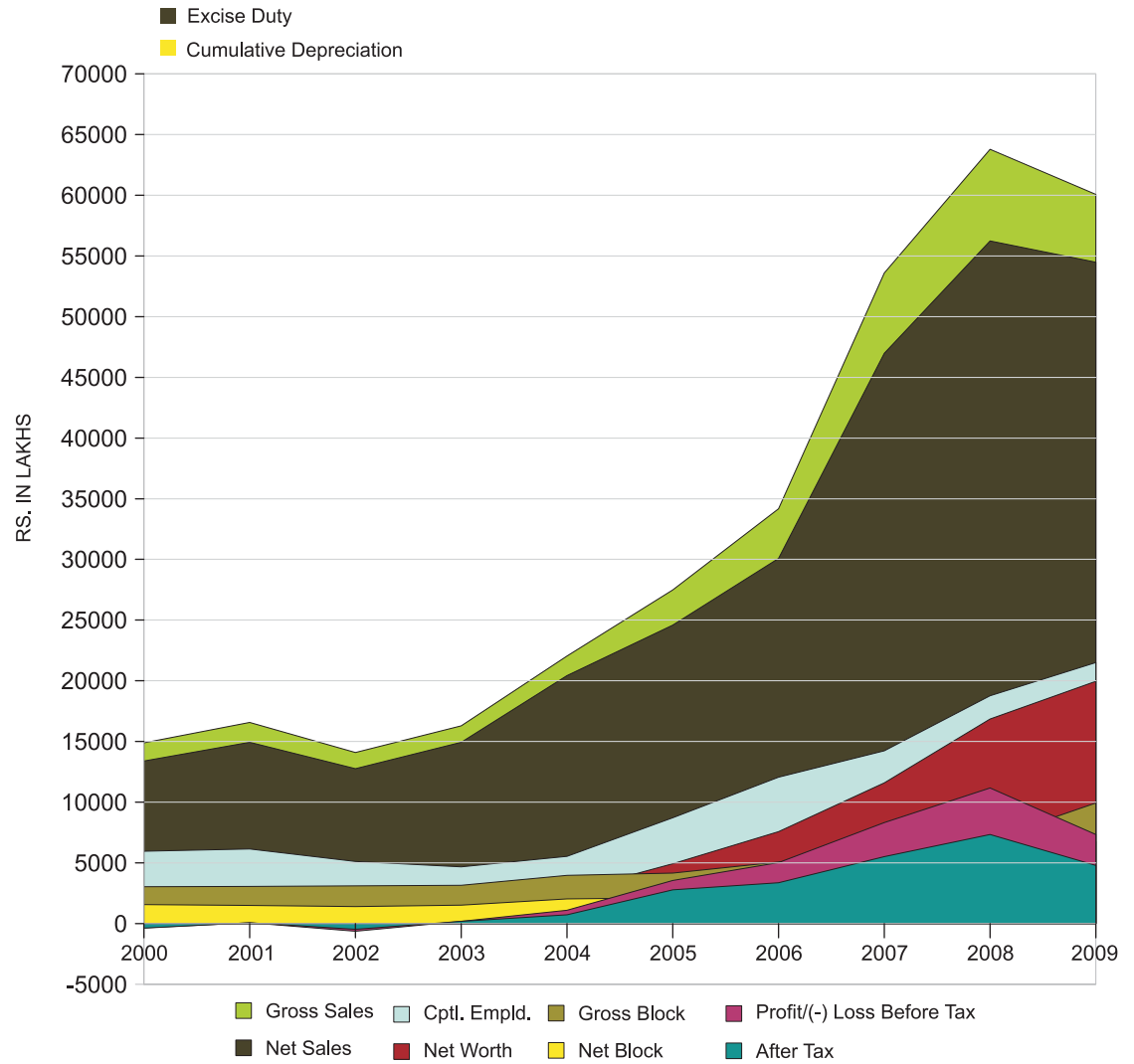
As the effect of the global economic crisis continues to adversely impact the Indian economy, new orders are being obtained under highly competitive conditions.

Depressed demand and tight liquidity have affected existing customers of the Motor business, and volumes and margins are likely to remain under pressure. In the Transformer business, significant additions to capacities by existing and new competitors are likely to have a similarly adverse impact on margins.

Future Outlook :

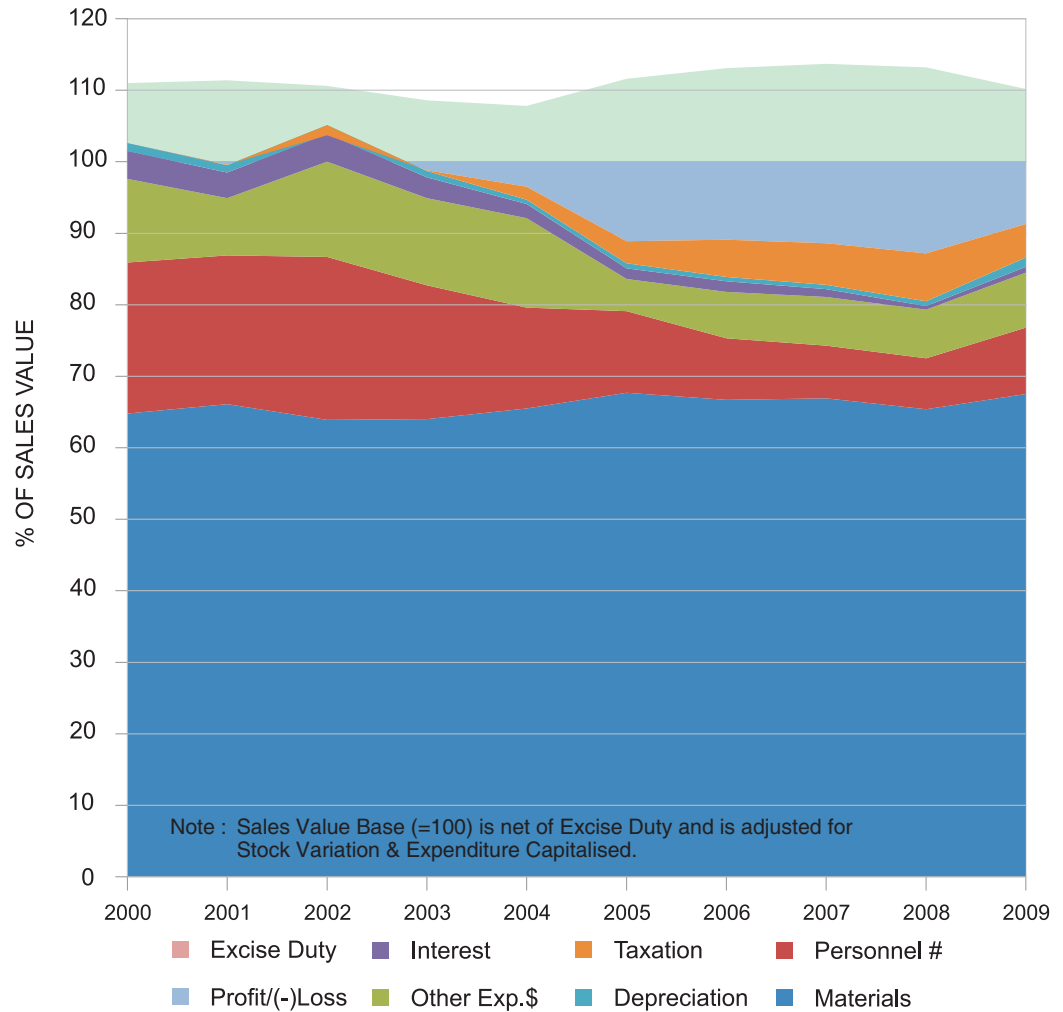
The depressed economic scenario has affected demand for Motors generally, and for Transformers in particular. The overall trend indicates pressure in terms of lower growth in Sales, reduced profit margins and increased financing costs.

BUSINESS TRENDS



Particulars	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Gross Sales	14899	16581	14100	16282	22042	27479	34173	53601	63790	60077
Net Sales	13397	14932	12770	14940	20430	24584	30078	46986	56240	54470
Cptl. Empld.	5968	6151	5120	4675	5546	8718	12061	14226	18776	21507
Net Worth	2878	2925	2379	1923	2573	4928	7585	11584	16850	19950
Gross Block	3047	3053	3105	3157	3966	4171	5075	5607	6940	9941
Net Block	1572	1490	1405	1521	2034	2135	2938	3383	4403	6752
Profit/(-) Loss Before Tax	-357	73	-637	185	1101	3557	5030	8320	11169	7342
Profit/(-) Loss After Tax	-361	63	-464	177	734	2777	3368	5508	7329	4786

COST TRENDS



Particulars	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Excise Duty	11.0	11.4	10.6	8.6	7.8	11.6	13.1	13.7	13.2	10.2
Profit/(-)Loss	-2.6	0.4	-3.7	1.2	3.5	11.1	10.9	11.4	12.8	8.7
Taxation	0.0	0.1	-1.4	0.1	1.8	3.1	5.2	5.8	6.7	4.7
Depreciation	1.1	1.0	1.2	0.9	0.6	0.7	0.6	0.6	0.7	1.3
Interest	3.9	3.6	3.9	2.9	2.0	1.5	1.5	1.1	0.5	0.8
Other Exp. \$	11.7	8.0	13.3	12.2	12.5	4.5	6.5	6.8	6.8	7.7
Personnel #	21.1	20.8	22.8	18.7	14.1	11.4	8.6	7.4	7.1	9.3
Materials	64.8	66.1	63.9	64.0	65.5	67.7	66.7	66.9	65.4	67.5

\$ Other Expenditure is adjusted for Other Income and Exceptional Income.

Personnel Cost is adjusted for Expenditure on VRS written off and Provision for Gratuity.

TEN YEARS FINANCIAL DATA

(Rs. In Lakhs)

Period ended	March 2009	March 2008	March 2007	March 2006	March 2005	March 2004	March 2003	March 2002	March 2001	March 2000
SALES AND EARNINGS										
Sales	60077.08	63789.81	53600.79	34173.42	27479.12	22041.64	16281.89	14099.45	16580.86	14898.72
Profit/(-) Loss Before Taxes	7341.96	11168.72	8320.20	5029.64	3556.90	1101.30	184.77	-637.37	73.05	-356.82
Profit/(-) Loss After Taxes Net of Adjustments	4752.79	7249.18	5508.05	3367.98	2776.54	729.11	175.95	-463.93	62.72	-360.49
Dividends	1412.89	1695.47	1412.89	762.96	508.64	226.06	56.52	-	-	-
ASSETS										
Gross Block	9940.76	6939.82	5607.49	5075.12	4171.10	3965.77	3157.26	3105.37	3052.54	3046.99
Net Block	6752.05	4403.32	3383.03	2938.07	2135.32	2033.93	1520.72	1404.75	1490.36	1571.52
Investments	754.57	2028.97	1872.97	1834.97	284.97	283.97	302.31	302.31	302.31	320.68
Deferred Tax Liabilities (Asset)	393.66	122.70	46.02	82.63	(13.23)	102.03	(150.29)	(138.28)		
Current Assets, Loans & Advances	27681.62	26809.63	28733.64	18048.73	15197.04	12507.86	10312.69	9670.25	11088.92	10493.43
Current Liabilities & Provisions	14188.24	15642.07	19765.11	10923.19	9346.08	9750.67	8099.05	6465.65	6758.53	6429.75
Net Current Assets	13493.38	11167.56	8968.53	7125.54	5850.96	2757.19	2213.64	3204.60	4330.39	4063.68
Capital Employed	21506.60	18776.31	14225.99	12061.46	8718.04	5546.41	4674.63	5119.72	6150.64	5967.73
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	19384.43	16284.65	11019.08	7164.04	4666.03	2469.47	1995.38	1883.19	2387.22	2324.50
Shareholders' Funds	19949.59	16849.81	11584.24	7729.20	5231.19	3034.63	2560.54	2448.35	2952.38	2889.66
Loan Funds	1163.35	1803.80	2595.73	4249.63	3500.08	2409.75	2264.38	2671.37	3198.26	3078.07
Earnings Per Share (Rs.)	*84.10	*128.27	*97.46	*59.59	491.29	129.01	31.13	-82.09	11.10	-63.78
Equity Dividend Rate (Rs. Per Share)	*25.00	*30.00	*25.00	*13.50	90.00	40.00	10	-	-	-
Net Worth Per Share (Rs.)	*352.99	*298.14	*204.97	*134.21	871.99	455.27	340.19	420.87	517.52	509.21
Debt Equity Ratio ^t	0.06:1	0.11:1	0.16:1	0.26:1	0.39:1	0.81:1	0.55:1	0.33:1	0.33:1	0.41:1

^t Debt = Loan Funds less cash credit & Short-Term Loans from Banks; Equity = Shareholders' Funds

* on Equity Share of Rs. 10/- each sub-divided

TEN YEARS FUNDS FLOW

(Rs. in Lakhs)

Period ended	March 2009	March 2008	March 2007	March 2006	March 2005	Five Periods Total	Previous Five Years Total
SOURCES OF FUNDS:							
Gross profit/(loss)	8499.68	11822.51	9142.99	5682.50	4104.26	39251.94	3465.77
Deduct : Depreciation & Amortisation	708.38	392.68	293.34	184.02	168.22	1746.64	720.55
Deduct : Interest	449.34	261.11	529.45	468.84	379.14	2087.88	2380.29
Deduct : Taxation	2555.86	3840.12	2812.65	1622.28	779.91	11610.82	215.60
Profit After Tax/(Loss)	4786.10	7328.60	5507.55	3407.36	2776.99	23806.60	149.33
Add : Depreciation	708.38	392.68	293.34	184.02	168.22	1746.64	720.55
Add : Deferred Tax Debit/(Credit)	270.96	76.67	(36.61)	95.85	(115.26)	291.61	61.94
Add : Misc. Exp. / Intangible Assets w/off	-	-	144.48	172.59	180.66	497.73	412.19
Internal Generation	5765.44	7797.95	5908.76	3859.82	3010.61	26342.58	1344.01
Term Loans Raised	586.16	246.36	369.89	747.10	281.24	2230.75	3618.12
Total	6351.60	8044.31	6278.65	4606.92	3291.85	28573.33	4962.13
APPLICATION OF FUNDS:							
Fixed Assets Additions(net)	2387.25	2587.97	721.36	873.06	387.31	6956.95	1084.77
Term Loans Repaid	932.78	582.12	533.47	673.13	437.88	3159.38	2783.70
Investment Changes (net)	(1274.40)	156.00	38.00	1550.00	1.00	470.60	81.31
Misc. Exp / Intangible Assets	-	-	-	2.37	38.43	40.80	863.44
Working Capital Changes	2652.96	2734.61	3332.81	638.39	1847.25	11206.02	(169.87)
Dividends	1653.01	1983.61	1653.01	869.97	579.98	6739.58	318.78
Total	6351.60	8044.31	6278.65	4606.92	3291.85	28573.33	4962.13
WORKING CAPITAL CHANGES:							
Inventories	1161.47	1337.63	2097.33	782.56	(739.25)	4639.74	585.17
Debtors	(1062.23)	2501.26	4486.69	2961.98	108.03	8995.73	1662.25
Cash & Bank Balances & Other Current Assets	230.54	(285.02)	419.55	(2349.11)	2286.24	302.20	271.61
Loans & Advances	542.21	3776.68	3681.34	1456.26	(9.24)	9447.25	(70.01)
Sub-Total	871.99	7330.55	10684.91	2851.69	1645.78	23384.92	2449.02
Bank Loans	(293.83)	(456.16)	(1490.32)	675.57	1246.97	(317.77)	(1335.54)
Other Current Liabilities	(1070.40)	851.41	4910.44	(331.32)	(2287.63)	2072.50	3567.34
Provisions	(416.74)	4200.69	3931.98	1869.05	839.19	10424.17	387.09
Sub-Total	(1780.97)	4595.94	7352.10	2213.30	(201.47)	12178.90	2618.89
Net	2652.96	2734.61	3332.81	638.39	1847.25	11206.02	(169.87)

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of **BHARAT BIJLEE LIMITED**, as at 31st March 2009, Profit and Loss Account annexed thereto and also 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, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 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 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, 2009,

- (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 : 15th May 2009

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, 2009.

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) Disposal of fixed assets during the year were not substantial and therefore would not have an impact on the operations of the Company;
- ii) (a) The inventories have been physically verified by the management at reasonable intervals during the year and at the close of the year, except stocks lying with third parties in respect of whom confirmations have been obtained in most cases;
- (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 / 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 generally 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. There were no undisputed dues outstanding for more than six months as at 31st March, 2009.
- (b) According to the records of the Company and the information and explanations given to us upon our enquiries in this regard, 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

Rupees. in Lacs

	Statutes	FORUMS BEFORE WHOM PENDING				Total
		Commissioner Appeals	Tribunal	High Court	Supreme Court	
1	Excise	-	287.59	-	-	287.59
2	Income Tax	-	-	-	-	-
3	Sales Tax	140.61	-	-	-	140.61
4	Custom Duty	-	305.83	-	-	305.83

- x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year;
- xi) 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;
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- xiii) 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;
- xiv) 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;
- xv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments;
- xvi) As per the information and explanations given to us, the Term Loans outstanding at the beginning of the year were applied for the purposes for which the Term Loans were raised. The Company did not have any Term Loans outstanding at the end of the year;
- xvii) 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;
- xviii) The Company has not made any preferential allotment of shares to companies/ firms/ parties covered in the register maintained under section 301 of the Companies Act, 1956;
- xix) The Company did not have any outstanding debentures during the year;
- xx) 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.

For and on behalf of
DALAL & SHAH
 Chartered Accountants
SHISHIR DALAL
 Partner
 Membership No: 37310

MUMBAI : 15th May 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rupees in Lakhs	31st March, 2009 Rupees in Lakhs	31st March, 2008 Rupees in Lakhs
SOURCES OF FUNDS:				
SHAREHOLDERS' FUNDS:				
(a) Share Capital	A	565.16		565.16
(b) Reserves and Surplus	B	19384.43		16284.65
			19949.59	16849.81
LOAN FUNDS:				
(a) Secured Loans	C	0.00		574.24
(b) Unsecured Loans	D	1163.35		1229.56
			1163.35	1803.80
DEFERRED TAX LIABILITY (net) (refer note 6)			393.66	122.70
		Total	21506.60	18776.31
APPLICATION OF FUNDS:				
FIXED ASSETS:				
(a) Gross Block	E	9940.76		6939.82
(b) Deduct: Depreciation		3188.71		2536.50
(c) Net Block		6752.05		4403.32
(d) Capital Work-in-Progress		506.60		1176.46
			7258.65	5579.78
INVESTMENTS:	F		754.57	2028.97
CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories	G	8896.50		7735.03
(b) Sundry Debtors		15692.41		16754.64
(c) Cash & Bank Balances		970.50		739.96
(d) Loans and Advances		2122.21		1498.08
(e) Other Current Assets		0.00		81.92
		27681.62		26809.63
Deduct:				
CURRENT LIABILITIES AND PROVISIONS:				
(a) Current Liabilities	H	11372.03		12442.43
(b) Provisions		2816.21		3199.64
		14188.24		15642.07
NET CURRENT ASSETS:			13493.38	11167.56
		Total	21506.60	18776.31
Significant Accounting Policies and Notes forming part of the Balance Sheet	O			

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 & Senior General Manager
Legal

S. B. Godbole
Vice President
Finance

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

Shome N. Danani Executive Director

Mukul Harkisondass }
Sanjiv N. Shah } Directors

Mumbai, 15th May, 2009

Mumbai, 15th May, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Rupees in Lakhs	Year ended 31st March, 2009 Rupees in Lakhs	Year ended 31st March, 2008 Rupees in Lakhs
INCOME:				
Sales and Services (Gross)		60,077.08		63789.81
Less: Excise Duty		5,607.55		7550.49
	I		54469.53	56239.32
Other Income	J		299.23	336.26
			54768.76	56575.58
EXPENDITURE:				
Materials	K	36643.82		36932.42
Personnel	L	5105.81		4072.32
Other Expenditure	M	4519.45		3748.33
Interest and Financial Charges	N	449.34		261.11
Depreciation and Amortisation		708.38		392.68
			47426.80	45406.86
Profit Before Taxation:			7341.96	11168.72
Provision for Taxation				
Wealth Tax		5.70		5.90
Current Tax		2219.90		3709.00
Fringe Benefit Tax		59.30		48.55
Deferred Tax Debit/(Credit)		270.96		76.67
			2555.86	3840.12
PROFIT FOR THE YEAR AFTER TAXATION			4786.10	7328.60
(Short)/Excess Provision for Tax for earlier years			(33.31)	(79.42)
PROFIT AFTER TAXATION			4752.79	7249.18
Balance brought forward from previous year			1363.28	1597.71
PROFIT AVAILABLE FOR APPROPRIATION			6116.07	8846.89
Transfer to General Reserve		2000.00		5500.00
Proposed Dividend on Equity Shares		1412.89		1695.47
Provision for Tax on proposed Equity Dividend		240.12		288.14
			3653.01	7483.61
BALANCE CARRIED TO BALANCE SHEET			2463.06	1363.28
Weighted average number of equity shares outstanding during the year			56,51,560	56,51,560
Basic and Diluted earning per share (in Rs.) [nominal value Rs.10 per share]			84.10	128.27

Significant Accounting Policies and Notes forming part of the Profit and Loss Account O

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 & Senior General Manager
Legal

S. B. Godbole
Vice President
Finance

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

Shome N. Danani Executive Director

Mukul Harkisondass }
Sanjiv N. Shah } Directors

Mumbai, 15th May, 2009

Mumbai, 15th May, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	31st March, 2009 Rupees In lakhs	31st March, 2008 Rupees In lakhs
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation	7341.96	11168.72
Adjustments for :		
Depreciation	708.38	392.68
Surplus/deficit on sale of Assets(net)	(15.50)	0.07
Surplus on sale of current investments	(23.19)	(3.82)
Interest(net)	410.46	91.58
Dividend received	(116.15)	(92.32)
Provision for Gratuity during the year	(63.12)	80.64
Provision for Leave Encashment during the year	17.10	43.98
	<u>917.98</u>	<u>512.81</u>
Operating Profit Before Working Capital changes	8259.94	11681.53
Adjustments for :		
Trade and other receivables	616.25	(2250.05)
Inventories	(1161.47)	(1337.62)
Current Liabilities	(1067.70)	811.36
	<u>(1612.92)</u>	<u>(2776.31)</u>
Cash generated from Operations	6647.02	8905.22
Direct Taxes paid	(2702.58)	(4269.13)
a) Net cash from Operating activities	3944.44	4636.09
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2393.07)	(2598.92)
Sale of Fixed Assets	21.32	10.88
Purchase/Sale of Investments	1297.59	(152.18)
Interest received	38.88	170.65
Dividend received	116.15	92.32
b) Net cash in investing activities	<u>(919.13)</u>	<u>(2477.25)</u>
	3025.31	2158.84
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings (Net)	(640.45)	(791.93)
Interest paid	(469.39)	(248.94)
Dividend paid	(1684.93)	(1402.99)
c) Net cash from Financing activities	<u>(2794.77)</u>	<u>(2443.86)</u>
	<u>230.54</u>	<u>(285.02)</u>
Net increase in Cash and Cash equivalents	230.54	(285.02)
Cash and Cash equivalents at the beginning of the year	739.96	1024.98
Cash and Cash equivalents at the close of the year (refer Schedule G (c))	970.50	739.96

Note : Cash and Cash equivalents at the closure of the year include Rs 140.09 Lakhs (previous year Rs 92.59 Lakhs) which are restricted in use.

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 & Senior General Manager
Legal

S. B. Godbole
Vice President
Finance

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

Shome N. Danani Executive Director

Mukul Harkisondass }
Sanjiv N. Shah } Directors

Mumbai, 15th May, 2009

Mumbai, 15th May, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE A

SHARE CAPITAL:	Rupees in Lakhs	31st March, 2009 Rupees in Lakhs	31st March, 2008 Rupees in Lakhs
Authorised:			
2,00,000 12% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 100 each		200.00	200.00
80,00,000 Equity Shares of Rs.10 each		800.00	800.00
		1000.00	1000.00
Issued and Subscribed:			
56,51,560 Equity Shares of Rs. 10 each, fully paid up		565.16	565.16
Of the above shares,			
47,05,830 Equity shares of Rs. 10 each issued as fully paid Bonus shares by capitalisaion of reserves			
3,46,230 Equity shares of Rs. 10 each issued on conversion of Convertible Bonds			
		565.16	565.16

SCHEDULE B
RESERVES AND SURPLUS:
General Reserve:

As per last Account	14921.37	9421.37
Add: Transferred from Profit & Loss Account	2000.00	5500.00
	16921.37	14921.37
Balance in Profit and Loss Account:	2463.06	1363.28
	19384.43	16284.65

SCHEDULE C
SECURED LOANS:
Working Capital Facilities from Banks:

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.

0.00	293.83
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Term Loan from Financial Institution:

Secured by oral equitable mortgage of immovable property at Mumbai and pledge of shares of a company held as investment. (Rs. Nil lakhs falling due within one year -previous year Rs. 280.00 lakhs)

0.00	280.00
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Other Term Loan:

Secured by hypothecation of certain vehicles. (Rs. Nil falling due within one year - previous year Rs. 0.41 lakhs)

0.00	0.41
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0.00	574.24
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SCHEDULE D
UNSECURED LOANS:
Fixed Deposits:

(Rs. 334.47 lakhs falling due within one year - previous year Rs. 652.37 lakhs)
(includes Rs.25 lakhs from a director - previous year Rs.25 lakhs)

1163.35	1229.56
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1163.35	1229.56
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SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE E
FIXED ASSETS :

(Rupees In Lakhs)

Description of Assets	GROSS BLOCK (AT COST)			DEPRECIATION/AMORTISATION				NET BLOCK		
	As At 31.03.2008	Additions	Deductions	As At 31.03.2009	As At 31.03.2008	For the year	On Deductions	As At 31.03.2009	As At 31.03.2009	As At 31.03.2008
TANGIBLE ASSETS										
Buildings Incl. Roads+ Plant & Machinery etc.	1695.45	655.42	-	2350.87	450.14	49.95	-	500.09	1850.78	1245.31
Furniture & Fixtures	4503.46	1769.73	33.84	6239.35	1702.44	376.97	32.00	2047.41	4191.94	2801.02
Office Equipment	121.01	8.72	5.05	124.68	95.58	3.10	4.77	93.91	30.77	25.43
Motor Vehicles	221.38	48.61	7.38	262.61	100.15	22.60	6.63	116.12	146.49	121.23
	133.26	2.69	15.72	120.23	51.84	11.38	12.77	50.45	69.78	81.42
INTANGIBLE ASSETS										
Leasehold Land	12.95	-	-	12.95	6.52	0.13	-	6.65	6.30	6.43
Application Software	180.42	577.76	-	758.18	115.45	229.87	-	345.32	412.86	64.97
Technical Knowhow	71.89	-	-	71.89	14.38	14.38	-	28.76	43.13	57.51
TOTAL	6939.82	3062.93	61.99	9940.76	2536.50	708.38	56.17	3188.71	6752.05	4403.32
Previous Year's Total	5607.49	1423.92	91.59	6939.82	2224.46	392.68	80.64	2536.50	4403.32	

+ Includes Rs.12,100 being the value of 236 shares in Co-operative Societies for ownership premises.

SCHEDULE F
INVESTMENTS :
31st March, 2009

31st March, 2008

Non Trade
A. Long Term - at cost
**Rupees
in Lakhs**
**Rupees
in Lakhs**
Quoted:

(All fully paid up and held in Demat mode)

28,25,160	Equity shares of Rs. 2 each of Siemens India Ltd. (Out of above 1,00,000 equity shares pledged with HDFC Ltd. The pledge is in the process of being released.)	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
3,33,333	Equity shares of Rs. 10 each of Hindustan Oil Exploration Co. Ltd.	216.50	216.50
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)

- 6.75% Tax free US64 Bonds of Rs. 100 each of Unit Trust of India (Previous Year - 24,398)	0.00	24.40
	453.47	477.87

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. - NHB Capital Gain Bonds of Rs.10,000 each (Previous Year - 15500)	1.00	1.00
		0.00	1550.00
		1.10	1551.10

B. Current - at the lower of cost and fair value
Unquoted : Units of the Mutual Funds

1,803,567	BSL Savings Fund - Institutional Plan - Growth	300.00	0.00
		300.00	0.00
	Total	754.57	2028.97

Aggregate Amount of Investments

Quoted :

Book value	453.47	477.87
Market value	9335.06	20408.97

Unquoted :

Book value	301.10	1551.10
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SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE F (Contd.)

Note : The following investments were purchased and sold /redeemed during the year :

Units of the Mutual Funds	Face Value Rs.	Nos.	Purchase Cost Rs. in Lakhs
HDFC Cash Management Fund - Savings Plan - Growth	10	4,088,330	750.00
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	10	8,983,746	1300.13
HDFC Liquid Fund - Premium Plan - Growth	10	24,791,041	4075.00

SCHEDULE G
CURRENT ASSETS, LOANS AND ADVANCES:

	Rupees in Lakhs	31st March, 2009 Rupees in Lakhs	31st March, 2008 Rupees in Lakhs
(a) A. Inventories			
(i) Raw Materials and Components		2740.49	2229.91
(ii) Packing Materials, Stores, Spare Parts and Fuel		10.99	38.32
(iii) Consumable Tools		8.58	15.50
(iv) Work-in-Progress		1799.34	3823.85
(v) Finished Goods		4278.09	1623.32
		<u>8837.49</u>	<u>7730.90</u>
B. Materials in Transit		59.01	4.13
		<u>8896.50</u>	<u>7735.03</u>
(b) Sundry Debtors, Unsecured :			
(i) Over six months : Good		673.74	711.40
Doubtful	120.22		120.51
Deduct: Provision	<u>120.22</u>		<u>120.51</u>
		0.00	0.00
(ii) Others : Good		<u>15018.67</u>	<u>16043.24</u>
		<u>15692.41</u>	<u>16754.64</u>
(c) Cash and Bank Balances:			
(i) (a) Cash on hand	7.33		7.14
(b) Cheques on hand	136.61		285.94
(c) Remittances in transit	<u>271.92</u>		<u>314.63</u>
		415.86	607.71
(ii) Balances with Scheduled Banks:			
(a) In Current Accounts		446.08	74.29
(b) In Fixed Deposits		108.56	57.96
(including kept with bank as margin Rs. 1.31 lakhs - previous year Rs.22.71 Lakhs) (including interest accrued Rs. 7.25 lakh - previous year Rs. 0.25 lakhs)			
		<u>970.50</u>	<u>739.96</u>
(d) Loans and Advances, good:			
Secured:			
Loans to employees		40.66	46.13
(including loan to an Officer Rs. Nil - previous year Rs. Nil) (maximum balance during the year Rs. Nil Lakh - previous year Rs. 0.11 Lakh)			
Unsecured:			
(i) Advances recoverable in cash or in kind or for value to be received		1624.85	1174.00
(including loan to an Officer Rs. 0.57 Lakh - previous year Rs. 0.77 Lakh) (maximum balance during the year Rs. 0.77 lakh - previous year Rs. 0.97 lakh)			

SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE G (Contd.)

CURRENT ASSETS, LOANS AND ADVANCES:	Rupees in Lakhs	31st March, 2009 Rupees in Lakhs	31st March, 2008 Rupees in Lakhs
(ii) Sundry Deposits (including National Plan Savings Certificates of the face value of Rs. 0.43 Lakh matured but not encashed deposited with Government Departments and Semi Government Authorities - previous year Rs.0.43 lakh)	0.43		0.43
Other Deposits (including interest accrued Rs.2.14 lakhs - previous year Rs.1.31 lakhs)	234.66		150.32
		235.09	150.75
(iii) Balance with Central Excise Department		0.37	2.19
(iv) Advance payments of tax and tax deducted at source (net of provision)		221.24	125.01
		2122.21	1498.08
(e) Other Current Assets			
Interest accrued on Investment		0.00	81.92
		0.00	81.92
		27681.62	26809.63

SCHEDULE H
CURRENT LIABILITIES AND PROVISIONS :
(a) Current Liabilities:

(i) Acceptances		3085.85	4071.12
(ii) Advances from Customers		2384.59	2588.59
(iii) Sundry Creditors			
(a) Dues to Micro and Small Enterprises (Refer Note 5)	0.00		53.21
(b) Dues to creditors other than Micro and Small Enterprises	5833.70		5652.11
		5,833.70	5,705.32
(iv) Staff Security Deposits		0.28	0.28
(v) Interest accrued but not due, on Loans		34.65	54.70
(vi) Unclaimed Dividends		32.96	22.42
		11372.03*	12442.43

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

(b) Provisions:

(i) Gratuity (including to the managerial personnel Rs. 191.89 lakhs - previous year Rs.170.00 lakhs)		690.14	753.26
(ii) Leave Encashment Benefit		354.84	337.74
(iii) Warranty Claims		118.22	125.03
(iv) Proposed Dividend on Equity Shares		1412.89	1695.47
(v) Tax on Proposed Equity Dividend		240.12	288.14
		2816.21	3199.64
		14188.24	15642.07

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE I		Year ended 31st March, 2009	Year ended 31st March, 2008
SALES AND SERVICES:	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
Sales	60160.03		63632.63
Less: Excise Duty	5607.55		7550.49
		54552.48	56082.14
Services		257.97	169.57
		54810.45	56251.71
Deduct: Returns		340.92	12.39
		54469.53	56239.32
SCHEDULE J			
OTHER INCOME:			
Interest Gross		38.88	169.53
(Tax deducted at source Rs.1.80 Lakhs - previous year Rs.14.72 Lakh)			
Dividend from Long Term Investments		116.15	92.32
Surplus on sale of Current Investments		23.19	3.82
Miscellaneous Income		21.70	33.80
Surplus on sale of Assets		19.17	7.74
Bad Debt recoveries		0.01	0.00
Forex Gain (net)		0.00	1.64
Provision no longer required/Sundry Credit balances appropriated		80.13	27.41
		299.23	336.26
SCHEDULE K			
MATERIALS:			
A. Raw Materials and Components Consumed			
(Including Processing charges & Subcontracting charges)		35011.66	36037.77
Packing Materials, Stores, Spare Parts and Tools consumed		732.48	887.68
Fuel consumed (excluding for own power generation)		75.54	87.12
Purchases for resale		1182.96	904.38
		37002.64	37916.95
B. Variation in Work-in-Progress and Finished Goods:			
Work-in-Progress			
Stock at commencement	3823.85		2897.38
Deduct: Stock at close	1799.34		3823.85
		2024.51	(926.47)
Finished Goods			
Stock at commencement	1623.32		1605.83
Deduct: Stock at close	4278.09		1623.32
		(2654.77)	(17.49)
Excise Duty on Finished Goods			
Stock at Close	430.37		158.93
Deduct : Stock at Commencement	158.93		199.50
		271.44	(40.57)
		36643.82	36932.42

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
SCHEDULE L

	Year ended 31st March, 2009	Year ended 31st March, 2008
PERSONNEL:	Rupees in Lakhs	Rupees in Lakhs
Salaries, Wages, Bonus etc.	4076.67	3101.22
Workmen and Staff Welfare Expenses	661.61	564.19
Contribution to and provision for Provident and Other Funds	367.53	406.91
	5105.81	4072.32

SCHEDULE M
OTHER EXPENDITURE:

Power and fuel	413.04	309.06
Repairs to Buildings	134.57	120.50
Repairs to Machinery(excluding Spare Parts)	147.35	79.78
Other Repairs	41.28	25.05
Insurance	61.77	54.63
Rent	62.02	58.64
Rates and Taxes	19.48	22.79
Taxes and Levies by Government and Local Authorities	20.10	2.27
Royalty & Technical Service Fee	3.01	3.31
Post and Telecommunication Charges	87.68	67.80
Travelling, Conveyance and Motor Vehicle Expenses	343.76	306.46
Freight and Forwarding Charges (net)	298.28	22.88
Discount & Allowances on Sales	148.24	275.46
Product Advertisement and Publicity	65.31	121.51
Printing and Stationery	79.92	69.22
Data Processing Charges	72.79	50.37
Professional Charges	380.12	196.12
Commission	472.52	458.29
Bank Charges	227.68	200.78
Miscellaneous	737.00	529.08
Directors' Fees	6.10	5.40
Managerial Remuneration	577.89	771.94
Forex Loss (net)	115.10	0.00
Loss on assets sold, demolished, discarded, and scrapped	3.67	7.81
Provision for Doubtful Debts	6.06	9.11
Less: Provision for Doubtful debts no longer required	6.34	35.31
	(0.28)	(26.20)
Bad Debts /Sundry Debit balances written off	1.05	15.38
	4519.45	3748.33

SCHEDULE N
INTEREST AND FINANCIAL CHARGES:

Interest		
(i) on Fixed Loans	138.68	163.62
[includes Rs. 2.50 lakhs to a Vice Chairman & Managing Director - previous year Rs.2.09 lakhs]		
(ii) on Others	306.07	97.49
	444.75	261.11
Discounting Charges	4.59	0.00
	449.34	261.11

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE O

A. Significant Accounting Policies

1. System of Accounting :

- a) In compliance with the accounting standards referred to in Section 211(3C) and the other relevant provisions of the Companies Act, 1956 to the extent applicable, the Company follows the accrual system of accounting in general and the historical cost convention in accordance with the generally accepted accounting principles [GAAP].
- b) The preparation of accounting statements in conformity with GAAP requires the management to make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statement and the amounts of income and expenses during the period reported under the financial statements. Any revision to the accounting estimates are recognised prospectively when revised.

2. Revenue Recognition :

- a) Revenue from sale of products is recognised on transfer of all significant risk and rewards of ownership of the product on to the customers, which is generally on despatch of goods.
- b) Sales are stated exclusive of Value Added Tax / Sales Tax, returns and discounts for the year .
- c) Service income is recognised, net of service tax, when the related services are provided.
- d) Dividend income is recognised on establishment of the right to receive the same.
- e) Interest income is recognised on the time proportion basis.
- f) Insurance and other claims are accounted as and when unconditionally admitted by the appropriate authorities.
- g) Eligible export incentives are recognised in the year of export.

3. Fixed Assets & Depreciation:

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

Depreciation is provided on straight line basis at the rates and in the manner prescribed in the Schedule XIV of the Companies' Act, 1956.

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

4. Intangible Assets:

- a) Leasehold land is stated at historical cost less amounts written off proportionate to expired lease period.
- b) Expenditure on technical know-how is amortised over the lower of the contract period and the period as per Accounting Standard (AS) 26 - Intangible Assets.
- c) Expenditure on application software is amortised over a period of three years.

5. Investments:

Long term investments are carried at cost of acquisition. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of investments. Current investments are carried at the lower of cost and fair value.

6. Inventories:

Inventories include raw materials and components, packing materials, stores, spare parts, work-in-progress and manufactured and traded finished goods.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw Materials & Components, packing materials, stores, spare parts and traded finished goods are valued at the lower of cost and net realisable value. Cost is determined on the basis of weighted average method.

Work-in-progress and manufactured finished goods are valued at the lower of cost and net realisable value.

Materials in transit and materials in bonded warehouse are valued at Cost-to-date.

Excise duty is included in the value of finished goods inventory and Custom duty is provided on the materials lying in bonded warehouse.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE O (Contd.)**7. Foreign Currency Transactions:**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

8. Employee Benefits:

A. Short Term Employee Benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

B. Retirement Benefits:

- a) Retirement benefits in the form of Provident Fund / Family Pension Fund and Superannuation Fund, which are Defined Contribution Plans, are accounted on accrual basis and charged to the profit and loss account of the year.
- b) Retirement benefits in the form of Gratuity and Leave Encashment, which are Defined Benefit Plans, are determined and accrued on the basis of an independent actuarial valuation applying the Projected Unit Credit Method.
- c) The actuarial gains / losses arising during the year are recognised in the profit and loss account of the year.

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. All other borrowing costs are recognised as an expense in the period in which they are incurred.

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 substantively enacted by the Balance Sheet date. Deferred Tax Assets are recognised and carried forward only if there is reasonable certainty of its realisation. However in case of carried forward losses and unabsorbed depreciation under the Income Tax Act, 1961, the Deferred Tax Asset is recognised if and only if there is a virtual certainty backed by convincing evidence of its realisation. Such assets are reviewed at each Balance Sheet date to reassess its realisation.

Provision for Fringe Benefit Tax (FBT) is made in accordance with the provisions of the Income Tax Act, 1961.

11. Leases :

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

12. Impairment of Assets :

- a) The carrying amount of assets, other than inventories is reviewed at each balance sheet date to assess whether there is any indication of impairment in respect of such asset or group of assets (cash generating unit). If such indication exists, the recoverable amount of such asset or group of assets is estimated.
- b) If such recoverable amount of the asset or the group of assets is less than its carrying amount, an impairment loss is reckoned by reducing the carrying amount to its recoverable amount. If there is an indication at the balance sheet date that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

13. Provisions, Contingent Liabilities and Contingent Assets:

The Company recognises a provision when there is a present obligation as a result of a past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent liabilities are disclosed by way of note to the Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognised nor disclosed.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

	31st March,2009 Rupees in Lakhs	31st March,2008 Rupees in Lakhs
B. NOTES:		
1. Contingent Liabilities not provided for in respect of		
(i) Disputed Sales Tax set-off and demands	140.61	133.53
(ii) Disputed Excise Duty demands	287.59	410.09
(iii) Disputed Custom Duty Demand	305.83	305.83
(iv) Disputed Income Tax Demands	209.39	493.80
(v) Claims against the Company not acknowledged as debts	3.56	3.56
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	340.20	1130.36
3. Professional Charges include:		
(a) To Auditors: (net of Service Tax)		
(i) As Auditors Fees	9.00	9.00
(ii) For Tax Audit	1.20	1.20
(iii) For Tax matters	0.00	0.21
(iv) For Company Law and other matters	0.23	0.23
(v) For Certifications	0.35	0.58
(vi) Reimbursement of Out of Pocket Expenses	0.31	0.25
	<u>11.09</u>	<u>11.47</u>
(b) To Cost Auditors (net of Service Tax)	0.33	0.33
4. Managerial Remuneration:		
(a) Computation of Net Profit in accordance with provisions of Section 349 of the Companies Act, 1956 :		
Profit before Taxation as per Profit and Loss Account	7341.96	11168.72
Add : Managerial Remuneration	577.89	771.94
Loss on Assets sold, demolished, discarded, and scrapped	3.67	7.81
Provision for Doubtful Debts	<u>(0.28)</u>	<u>(26.20)</u>
	581.28	753.55
	7923.24	11922.27
Less : Surplus on sale of assets	19.17	7.74
Surplus on sale of current investments	<u>23.19</u>	<u>3.82</u>
	42.36	11.56
Net Profit in terms of Section 349	<u>7880.88</u>	<u>11910.71</u>
Maximum managerial remuneration payable in accordance with Section 309(3) @ 10%	788.09	1191.07
Commission payable to managerial personnel :		
– Rs. in lakhs	275.83	416.87
– Percentage of the Net Profit computed above	3.50%	3.50%
(b) Profit and Loss Account includes payments and provisions on account of managerial remuneration for Directors as under:		
(i) Salary	124.80	120.00
(ii) Commission	275.83	416.87
(iii) House Rent & Other Perquisites	123.68	115.82
(iv) Contribution to Superannuation Fund	31.69	30.00
(v) Gratuity	21.89	89.25
	<u>577.89</u>	<u>771.94</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

5. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

- a) There are no Micro and Small enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- b) Disclosure in accordance with Section 22 of the Act read with Notification No. GSR 719(E) dated 16th November 2007 issued by the Ministry of Corporate Affairs :-

Particulars	31.03.2009 Rs. In lakhs	31.03.2008 Rs. In lakhs
a) Principal amount remaining unpaid and interest due thereon	-	53.21
b) Interest paid in terms of Sec 16	-	-
c) Interest due and payable for the period of delay in payment	-	-
d) Interest accrued and remaining unpaid	-	-
e) Interest due and payable even in the succeeding years	-	-

6. The major components of Deferred Tax Asset/(Liability) are set out below:

Component	As on 01.04.2008 (Rs. in Lakhs)	For the Year Ended 31.03.2009 (Rs. in Lakhs)	As on 31.03.2009 (Rs. in Lakhs)
Difference between Book and Tax			
Depreciation	(501.32)	(234.46)	(735.78)
Provision for Doubtful Debts	40.96	(0.10)	40.86
U/s 43B of the Income Tax Act, 1961	337.66	(36.40)	301.26
Deferred Tax (Liability)/Asset	<u>(122.70)</u>	<u>(270.96)</u>	<u>(393.66)</u>

7. Disclosure pursuant to Accounting Standard - 15 : Employee Benefits

	2008-2009 Rs. in lakhs		2007-2008 Rs. in lakhs	
A Defined Contribution Plans				
The Company has recognised the following amounts in the Profit & Loss Account for the year :				
(1) Contribution to Employees' Provident Fund/ Employees' Family Pension Fund		85.30		78.73
(2) Contribution to Employees' Superannuation Fund		139.26		108.60
B Defined Benefits Plan				
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
(I) Changes in the Present Value of the Defined Benefits Obligation				
(1) Present Value of Defined Benefit Obligation at the beginning of the year	1,395.24	337.74	1,210.38	293.76
(2) Interest Cost	111.62	27.01	96.83	23.50
(3) Current Service Cost	95.87	30.03	72.30	13.42
(4) Benefits paid	(85.25)	(26.53)	(82.43)	(23.46)
(5) Actuarial (Gain)/Loss on Defined Benefit Obligation	(32.57)	(13.41)	98.16	30.52
(6) Present Value of Defined Benefit Obligation at the end of the year	<u>1,484.91</u>	<u>354.84</u>	<u>1,395.24</u>	<u>337.74</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

	2008-2009		2007-2008	
	Gratuity	Rs. in lakhs Leave Encashment	Gratuity	Rs. in lakhs Leave Encashment
(II) Changes in the Fair Value of Plan Assets				
(1) Fair Value of Plan Assets at the beginning of the year	811.98	-	618.50	-
(2) Expected Return on Plan Assets	69.02	-	52.57	-
(3) Contributions	244.73	26.53	219.15	23.46
(4) Benefits paid	(85.25)	(26.53)	(82.43)	(23.46)
(5) Actuarial Gain/(Loss) on Plan Assets	(53.81)	-	4.19	-
(6) Fair Value of Plan Assets at the end of the year	<u>986.67</u>	<u>-</u>	<u>811.98</u>	<u>-</u>
(III) Amounts recognised in the Balance Sheet				
(1) Present Value of Defined Benefit Obligation at the end of the year	1,484.91	354.84	1,395.24	337.74
(2) Fair Value of Plan Assets at the end of the year	(986.66)	-	(811.98)	-
(3) Liability to be recognised in the Balance Sheet	<u>498.25</u>	<u>354.84</u>	<u>583.26</u>	<u>337.74</u>
(IV) Balance Sheet Reconciliation				
(1) Net liability at the beginning of the year	583.26	337.74	591.87	293.76
(2) Expense recognised as under	159.72	43.63	210.54	67.44
(3) Contributions as above	(244.73)	(26.53)	(219.15)	(23.46)
(4) Net liability at the end of the year	<u>498.25</u>	<u>354.84</u>	<u>583.26</u>	<u>337.74</u>
(V) Amounts recognised in the Profit & Loss A/c				
(1) Current Service Cost	95.87	30.03	72.30	13.42
(2) Interest Cost on obligation	111.62	27.01	96.83	23.50
(3) Expected Return on plan assets for the period	(69.02)	-	(52.57)	-
(4) Net Actuarial (Gain)/Loss	21.25	(13.41)	93.98	30.52
(5) Expense Recognised in statement of Profit & Loss A/c	<u>159.72</u>	<u>43.63</u>	<u>210.54</u>	<u>67.44</u>
(VI) Actual Return on Plan Assets				
(1) Expected Return on plan assets for the period	69.02	-	52.57	-
(2) Actuarial Gain/(Loss) on Plan Assets	(53.81)	-	4.19	-
(3) Actual Return on Plan Assets	<u>15.21</u>	<u>-</u>	<u>56.76</u>	<u>-</u>
(VII) Percentage of each category of Plan Assets to total Fair Value of Plan Assets				
(1) Insurer managed fund	100%	-	100.00%	-
(VIII) Actuarial Assumption				
(1) Discount Rate	8.00%	8.00%	8.00%	8.00%
(2) Expected Rate of Return on Plan Assets	8.50%	-	8.50%	-
(3) The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.				

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

8. The disclosures required by AS-29 on Provisions, Contingent Liabilities & Contingent Assets:

(Rs. in Lakhs)

Class of Provision	Carrying amount as on 01.04.2008	Provision made/ Increase in Provision	Amount used during the year	Carrying amount as on 31.03.2009
Warranty #	125.03	61.53	68.34	118.22

Warranty Cost includes expenses in connection with repairs and free replacement of parts during warranty period. The same is determined based on past experience and estimates and are accrued in the year of sale.

9. 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

 Mr. Shome N. Danani, Executive Director (son of Mr. Nikhil J. Danani), (w.e.f. 28th January , 2009) .

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)

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 Pvt. Ltd.

Related parties relationships as stated in I (A) to I (C) above are as identified by the Company and relied upon by the Auditors.

II. TRANSACTIONS WITH RELATED PARTIES

(Rs. in Lakhs)

Nature of transaction	Related Parties					
	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 4 above	— (—)	44.10 (61.51)	— (—)	— (—)	— (—)
Sitting Fee	— (—)	— (—)	0.70 (0.70)	— (—)	— (—)	— (—)
Purchases	— (—)	— (—)	— (—)	— (—)	138.51* (150.44)*	-13.69 (-24.15)
Deposit taken	— (25.00)	-25.00 (-25.00)	2.00 (2.00)	-2.00 (-2.00)	0.25 (0.25)	-0.25 (-0.25)
Interest Paid	2.50 (2.09)	— (—)	0.18 (0.18)	— (—)	0.03 (0.03)	-0.03 (-0.03)
Rent Received	— (—)	— (—)	— (—)	— (—)	3.20 (2.03)	— (—)

* from Danmet Chemicals Pvt. Ltd.

a. No amount has been written off or written back during the year ended 31.03.2009.

b. Figures in the brackets are for the previous year.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

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

 (a) (i) **Installed Capacities & Actual Production :**

Item	Unit	Installed Capacity (*)		Production	
		2008-09	2007-08	2008-09	2007-08
Electric Motors	000 HP	1700	1000	920	1090
Transformers	MVA	11000	8000	7589	8111
Controllers & VFD system	Nos.	250	250	33	9
Pumps	Nos.	10000	10000	-	-
Gearless Machines	Nos.	1250	1250	217	4

 (ii) **Turnover :**

Item	Unit	Quantity (\$)		Value (Rs Lacs)	
		2008-09	2007-08	2008-09	2007-08
Electric Motors	Nos.	114639	145880	14403.94	16100.46
Transformers	Nos.	141	194	37881.88	38370.18
Controllers & VFD system	Nos.	27	9	38.13	32.19
Pumps	Nos.	17	5	0.06	0.55
Gearless Machines	Nos.	186	-	170.70	-
Spare parts & Components # #		-	-	479.21	408.25
Services		-	-	257.97	169.57
Traded Pumps	Nos.	1274	2236	56.31	102.99
Traded Inverters	Nos.	66	-	34.64	-
Other Electrical Goods # #		-	-	1327.40	894.26
Maintenance Products # #		-	-	160.21	173.26
Total				54810.45	56251.71

 (iii) **Purchases in respect of Goods traded in :**

Item	Unit	Quantity		Value (Rs Lacs)	
		2008-09	2007-08	2008-09	2007-08
Traded Pumps	Nos.	1022	2187	41.22	89.20
Traded Inverters	Nos.	66	-	19.95	-
Other Electrical Goods # #				989.40	664.74
Maintenance Products # #				132.39	150.44
Total				1182.96	904.38

 (iv) **Inventories :**

Item	Unit	As of 31.03.2009		As of 31.03.2008		As of 31.03.2007	
		Quantity	Value (Rs lacs)	Quantity	Value (Rs lacs)	Quantity	Value (Rs lacs)
Electric Motors	Nos.	8297	837.35	4825	649.42	5597	645.08
Transformers	Nos.	15	3329.45	4	902.91	7	904.79
Controllers & VFD system	Nos.	9	32.02	3	15.95	3	8.66
Pumps	Nos.	22	1.48	39	1.34	44	1.85
Gearless Machines	Nos.	35	30.48	4	3.61	-	-
Traded Pumps	Nos.	475	32.09	727	37.33	776	40.96
Maintenance Products			15.22	-	12.76	-	4.49
Total			4278.09		1623.32		1605.83

Explanatory Notes :

(1) The Company's products are exempt from licensing requirement under the industrial policy in terms of notification no. S.O. 477 (c) dated 25th July, 1991.

(2) Notations :

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

\$ Includes captive consumption, write offs etc.

These include many items with different quantitative units or ratings.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

	Year ended 31st Mar, 2009		Year ended 31st Mar, 2008	
	Qty. MT.	Value Rupees in Lakhs	Qty. MT.	Value Rupees in Lakhs
(b) Raw Materials and Components Consumed:*				
Group of Items:				
Laminations	3369	8453.84	4256	10100.61
Electrolytic Copper Wires, Strips & Aluminium Ingots	2455	9662.72	2858	9775.86
Stampings	**	1733.09	**	1950.25
Hardware and Special Components	**	9641.03	**	9486.28
Others		5520.98		4724.77
		<u>35011.66</u>		<u>36037.77</u>
* Net of Scrap Sales		511.71		357.91
** 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	2012.33	2	664.76
Indigenous	94	32999.33	98	35373.01
	<u>100</u>	<u>35011.66</u>	<u>100</u>	<u>36037.77</u>
Spares:				
Imported	2	0.28	-	-
Indigenous	98	16.47	100	24.49
	<u>100</u>	<u>16.75</u>	<u>100</u>	<u>24.49</u>
(d) Value of Imports on C.I.F. basis:				
Raw Materials		3380.70		938.43
Components & Spare parts		0.42		0.24
Capital Goods		300.31		484.41
(e) Expenditure in Foreign Currency on Account of:				
Travelling		10.38		22.65
Technical Services Fees		0.98		3.31
Interest		0.00		3.95
Others		1.06		22.15
(f) Earnings in Foreign Exchange:				
Direct Exports on F O B basis		104.78		443.67
(g) Deemed Exports		9811.69		9026.85
(h) Net amount remitted during the year in Foreign Currencies on account of Dividends		Nil		Nil
Number of Non-resident Shareholders		Nil		Nil
Number of Shares held by Non-resident on which Dividend were due		Nil		Nil
Year for which due		2007-2008		2006-2007

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

11. Foreign currency exposures not hedged at the close of the year.

Nature of Transaction	Currency	31st March,2009	31st March,2008
Trade Payable	USD	922430	—
	EUR	381146	8027
Trade Receivable	USD	—	23305
	EUR	99425	—

12. The Company has only one reportable business segment viz. "Industrial Products" in terms of the Accounting Standard - 17 on "Segment Reporting". The Company mainly operates in the domestic market and hence there is no reportable secondary segment.
13. The three year wage and productivity agreement signed with the Union has expired on 31.12.2008. Provision will be made, when required.
14. Previous Year's figures have been regrouped wherever necessary.

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 & Senior General Manager
Legal

S. B. Godbole
Vice President
Finance

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

Shome N. Danani Executive Director

Mukul Harkisondass }
Sanjiv N. Shah } Directors

Mumbai, 15th May, 2009

Mumbai, 15th May, 2009

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 9	
II Capital raised during the year (Amount in Rs. Thousands)				
* Public Issue	N I L			
* Bonus Issue	N I L			
* Right Issue	N I L			
* Private Placement	N I L			
III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)				
Total Liabilities	3 5 6 9 4 8 4			
Total Asset	3 5 6 9 4 8 4			
Sources of Funds				
Paid-up Capital	5 6 5 1 6			
Reserves & Surplus	1 9 3 8 4 4 3			
Secured Loans	0 0 0 0 0			
Unsecured Loans	1 1 6 3 3 5			
Application of Funds				
Net Fixed Assets	7 2 5 8 6 5			
Investment	7 5 4 5 7			
Net Current Assets	1 3 4 9 3 3 8			
Miscellaneous Expenditure	N I L			
Accumulated Losses	N I L			
IV Performance of Company (Amount in Rs. Thousands)				
Turnover	5 4 4 6 9 5 3			
Total Expenditure	4 7 4 2 6 8 0			
+/- Profit/Loss Before Tax	+ 7 3 4 1 9 6			
+/- Profit/Loss After Tax	+ 4 7 5 2 7 9			
Earnings per Share in Rs.	8 4			
Dividend Rate %	2 5 0			
V Generic Names of Two 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 & Senior General Manager Legal S. B. Godbole Vice President Finance	<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;"> Nikhil J. Danani Nakul P. Mehta Shome N. Danani Mukul Harkisondass Sanjiv N. Shah </td> <td style="width: 5%; text-align: center;"> } } } } } </td> <td style="width: 35%; vertical-align: top;"> Vice Chairmen & Managing Directors Executive Director Directors Mumbai, 15th May, 2009 </td> </tr> </table>	Nikhil J. Danani Nakul P. Mehta Shome N. Danani Mukul Harkisondass Sanjiv N. Shah	} } } } }	Vice Chairmen & Managing Directors Executive Director Directors Mumbai, 15th May, 2009
Nikhil J. Danani Nakul P. Mehta Shome N. Danani Mukul Harkisondass Sanjiv N. Shah	} } } } }	Vice Chairmen & Managing Directors Executive Director Directors Mumbai, 15th May, 2009		



Bharat Bijlee Limited

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

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

To,
The Depository Participant Concerned

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

(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

--	--	--	--	--	--	--	--	--	--

Client ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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

4. Shareholders Address _____

5. Particulars of Bank											
Bank Name											
Branch Name & Address											
Branch Code	<table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> <p style="font-size: small;">(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).</p>										

Account type		Savings		Current		Cash Credit	
--------------	--	---------	--	---------	--	-------------	--

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

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

6. Date from which the mandate should be effective:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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 62nd ANNUAL GENERAL MEETING of the Company held at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai 400 020, on Thursday, 2nd July, 2009 at 3.00 p.m.

Folio No DP ID NO CLIENT ID NO
Name
Member/Proxy
Signature



Bharat Bijlee Limited

FORM OF PROXY

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

I/We
of

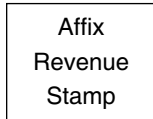
..... being a member/members of the above named Company hereby appoint

of
or failing him

of
..... as my/our proxy

to vote for me/us on my/our behalf at the 62nd ANNUAL GENERAL MEETING of the Company to be held on Thursday, 2nd July, 2009 at 3.00 p.m. and at any adjournment thereof.

Signed this day of 2009



(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.



Bharat Bijlee

Bharat Bijlee Limited

Electric Mansion, 6th Floor, Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025 Tel: 91 22 2430 6237 / 6375

Fax: 91 22 2437 0624 Web: www.bharatbijlee.com