

POWERED BY TRUST

64TH ANNUAL REPORT 2010-11

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Financial Highlights

25.00

Dividend paid per share (Rs.)

76299.48

Turnover (Rs. in Lakhs)

130.10

Earning per share (Rs.)

7352.53

Profit after Tax (Rs. in Lakhs)

497.82

Book value per share (Rs.)

Powering Industries for over 60 years.

ELEVATOR SYSTEMS

- Permanent Magnet Gearless Machines for Elevators
- PMSM Gearless Machines for Home Elevators



TRANSFORMERS

- Sub-station Transformers
- Generator Transformers
- Unit Auxiliary Transformers (UAT)
- 132/25 KV Single Phase Traction Transformer



DRIVES

- B6
- Basic
- Compact
- Multi
- Field Oriented Control
- Servo Control
- Programmable Multi Axis Controller
- Completely engineered Drive panel using KEB Drives and Automation solution



MOTORS

- Three Phase AC Induction Motors
- Special Motors
- Pumps

PROJECTS

- Setting the standards for excellence in Turnkey Project Management

Powered by Trust™

Letter from the Executive Director

Dear Shareholders,

The financial year 2010-11 for your company has been a mixed one. We have faced and overcome a number of hurdles in our businesses and simultaneously achieved certain key milestones to bolster our progress.

Our thrust to upgrade, re-vamp, and stay abreast of changes in the business environment have led to some challenging initiatives. The Transformer division executed a carefully planned shutdown of one of its plants. This shutdown was necessary though unfavourable for us, as it had to be carried out in the last quarter of the financial year thus affecting our overall profitability. However, this impediment has fructified into a new, upgraded, state of the art facility that will also be used to meet strict export norms. The Motor business too has faced the challenge of ramping up its range in a short span of time. Over the last 3 years we have tripled the maximum rating of the LT Motor product offering enabling us to quote for larger

projects where the extended range is a pre-requisite.

Besides our two largest businesses there have been some encouraging developments in our other divisions as well. A significant achievement of the Projects business was receiving our first prestigious order from Power Grid Corporation. This project is under execution now and we hope to make further inroads into this space. The Drives business has successfully signed an agreement with KEB (Germany) to assemble a certain range of products in India. This will help us to be more cost effective and increase penetration in target market segments. Our Elevator Systems division has tripled sales and remains market leader for gearless machines in the domestic market.

As the “manufactured in India” tag becomes more visible and credible it is important for us to note the opportunities that come with this development. Export

opportunities are on the rise and we are structuring our efforts to tap key markets in a phased manner.

The outlook for the Indian power sector is buoyant but increased competition is putting substantial pressure on margins. The government must do more to see the completion rate of the infrastructure projects rise at a steady and sustainable pace. If this does not happen, the unpredictability that results will lead to harsh cycles of demand supply mismatches in the short run. The long run outlook is positive, and the potential of this sector is exciting. Though challenging, we look forward to embrace the opportunity this provides us.



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. Shome N. Danani
(Executive Director)

Mr. Jaisingh R. Danani

Mr. Mukul Harkisondass

Mr. Prakash V. Mehta

Mr. Anand J. Danani

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

Mr. Sanjiv N. Shah

Mr. Jairaj C. Thacker

Mrs. D. Vijayalakshmi
(Appointed as Additional Director
w.e.f. 22nd July, 2010)

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 Offices

Swastik Chambers, 5th Floor,
Junction of Sion Trombay Road and C.S.T. Road,
Chembur, Mumbai 400 071.
Tel. No. : 022-61457200
Fax No. : 022-61457255

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 64th Annual General Meeting of Bharat Bijlee Limited will be held at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai 400 020 on Friday, 24th June, 2011 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, 2011 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. Bansi S. Mehta, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jaisingh R. Danani, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Prakash V. Mehta, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s. Dalal & Shah, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors and or its Audit Committee to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mrs. D. Vijayalakshmi who was appointed as Additional Director of the Company by the Board of Directors with effect from 22nd July, 2010 under Section 260 of the Companies Act, 1956 and who holds office as such upto the date of this Annual General Meeting but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing her for the office of Director under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation."

NOTES:

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

(B) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 20th June, 2011 to Friday, 24th June, 2011 (both days inclusive).

(C) The Profiles of the Directors being reappointed under Item Nos. 3, 4, 5 & 7 of the Notice as required under Clause No. 49 of the Listing Agreement with Stock Exchanges are 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, 2004 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 31-3-2004 and onwards are requested to lodge their claim immediately with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report.

(E) The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid after Friday 24th June, 2011 to those members whose names stand registered on the Company's Register of Members :

- (a) as Beneficial owners as at the end of business on Saturday, 18th June, 2011

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, Monday, 20th June, 2011.

- (F) The Registrar and Transfer activity of shares held in physical and demat form continue 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 continue to be maintained at the Registered Office of the Company.

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

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

1. 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 1-4-2011 to 31-3-2012 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: 9th May, 2011

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. Bansi S. Mehta :

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

He is on the Board of the following prominent companies :

1. Atul Ltd.
2. Century Enka Ltd.
3. Ceat Ltd.
4. Housing Development Finance Corpn. Ltd.
5. IL & FS Investment Managers Ltd.
6. JB Chemicals & Pharmaceuticals Ltd.
7. Pidilite Industries Ltd.
8. Procter and Gamble Hygiene and Healthcare Ltd.
9. Sudarshan Chemical Industries Ltd.
10. Clariant Chemicals (India) Ltd.
11. Gillette India Ltd.
12. Sasken Communications Technologies Ltd.
13. SBI Capital Markets Ltd.
14. National Securities Depository Ltd.

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

He is also an Alternate Director in

1. Uhde India Pvt. Ltd.

Mr. Mehta is on the following Committees:

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

Mr. Mehta is not related to any Director on the Board of the Company.

Mr. Jaisingh R. Danani :

Mr. Jaisingh R. Danani has been a Director on the Board of the Company since 27th August 1955 and was one of the Managing Directors of the Company from March 18, 1963 to March 31, 1990.

Mr. Danani along with the late Mr. Prahlad C. Mehta nurtured the Company for over 35 years with his entrepreneurial skill, dedication, high ethical standards and vision to create strong core values and principles which have helped the Company to withstand a highly competitive environment for well over 50 years.

Mr. Danani has over 50 years of experience in the electrical Engineering Industry and it was under his guidance that the Company entered

the lift business 30 years ago and successfully established its "Olympus" brand of lifts in India. Mr. Danani jointly holds 1,85,080 equity shares representing 3.28% of the Issued and Subscribed Equity Share Capital of the Company.

Mr. Danani is related to Mr. Nikhil J. Danani, Vice Chairman & Managing Director, Mr. Shome N. Danani, Executive Director and Mr. Anand J. Danani, Director.

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. Hikal Ltd.
3. India Safety Vaults Ltd.
4. Mukand Engineers Ltd.
5. Mukand Ltd.
6. PCS Technology Ltd.
7. W.H. Brady & Co. Ltd.
8. JBF Industries Ltd.
9. Rajasvi Properties Holdings Pvt. Ltd.
10. Tulsidas Khimji Pvt. Ltd.
11. Iris Investments Pvt. Ltd.
12. Shopping Centre Management Services Pvt. Ltd.

Mr. Mehta holds 325 equity shares of the Company representing 0.0068% of the Issued and Subscribed Equity Share Capital of the Company.

Mr. Mehta is not related to any Director on the Board of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 7 of the Notice**

Mrs. D. Vijayalakshmi was appointed as Additional Director of the Company by the Board of Directors with effect from 22nd July, 2010. In terms of Section 260 of the Companies Act, 1956 and Article 161 of the Articles of Association of the Company, she holds office as Director only till the date of the forthcoming Annual General Meeting but is eligible for reappointment for the office of Director in the Company. Notice has been received from a member under Section 257 of the Companies Act, 1956 signifying their intention to propose the candidature of Mrs. D. Vijayalakshmi for the office of Director liable to retire by rotation. The Board of Directors of the Company are confident that her vast knowledge and experience will be of great value to the Company and hence recommend the Resolution of No. 7 for approval of the members.

Mrs. D. Vijayalakshmi holds a Masters Degree in Arts (MA) and is the Executive Director – Investment-Risk Management & Research of M/s. Life Insurance Corporation of India (LIC) and has vast experience in Insurance, management of

human resources and industrial relations. Mrs. D. Vijayalakshmi is also a Director on the Board of M/s. High Energy Batteries (I) Ltd. and a member of its Remuneration Committee. She jointly holds 500 equity shares of the Company with M/s. Life Insurance Corporation of India representing 0.0088% of the issued and subscribed equity share capital of the Company.

Mrs. Vijayalakshmi is not related to any Director on the Board of the Company.

Excepting Mrs. D. Vijayalakshmi who is interested in the resolution, none of the Directors are concerned or interested in the resolution.

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: 9th May, 2011

REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors are pleased to present herewith the 64th Annual Report of the Company together with Audited Accounts for the financial year ended 31st March 2011.

FINANCIAL PERFORMANCE

	Year Ended 31st March 2011 (₹ in Lakhs)	Year Ended 31st March 2010 (₹ in Lakhs)
Income from Sales & Service	76299.48	70608.64
Less: Excise Duty	6595.05	5094.35
	69704.43	65514.29
Other Income	1463.35	1167.72
	71167.78	66682.01
Profit before Interest, Finance Charges, Depreciation, Exceptional Items and Tax	7647.70	7537.95
Less: Interest & Finance Charges	896.84	605.28
Less: Depreciation	893.35	836.71
Profit before Exceptional Item and Tax	5857.51	6095.96
Add: Exceptional Item	3380.67	–
Profit before Tax	9238.18	6095.96
Less: Provision for Taxes	1885.62	2007.09
Profit after Tax	7352.56	4088.87
Short (Excess) Provision of tax for earlier years	0.03	(33.48)
Profit after Taxation	7352.53	4122.35
Add: Profit brought forward from previous year	2937.86	2463.06
Profit available for appropriation	10290.39	6585.41
APPROPRIATION :		
Proposed Equity Dividend	1412.89	1412.89
Tax on Proposed Equity Dividend	229.21	234.66
General Reserve	5000.00	2000.00
Profit Carried Forward	3648.29	2937.86

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

DIVIDEND

The Directors recommend a Dividend of ₹ 25 per Equity Share for the year ended 31st March, 2011 on 56,51,560 Equity Shares of ₹ 10/- each. The Dividend payout, including Dividend Tax of ₹ 229.21 lakhs, will be ₹ 1642.10 lakhs compared to ₹ 1647.55 lakhs in the previous year.

OPERATIONS

Although the Indian economy in general, and the electrical equipment industry in particular, displayed growth and buoyancy, the overhang of built-up capacities coupled with inflation, surging commodity prices, and higher financing costs kept market conditions fiercely competitive and exerted relentless pressure on margins. Further, upgradation of one of the transformer plants affected production and deliveries during the last two months of the year under review.

Against this backdrop, the Company was able to increase Income from Sales and Service from ₹ 706 crores to ₹ 763 crores, a growth of 8% over the previous year. The motors, drives, elevator systems and projects businesses contributed significantly to the turnover growth.

The PBT from operations and before exceptional items decreased marginally, by ₹ 2 crore to ₹ 59 crore.

OTHER INITIATIVES

During the year one of the transformer plants was upgraded and modernised to cater to international business and to enhance production capacity of higher ratings up to 220 KV.

Specialised design software for transformers up to 500 KV, installed under a turnkey contract with an international high-voltage research institute, will enhance design capabilities by improving predictability, optimization and cost-effectiveness.

The ongoing distributorship arrangement for AC drives with KEB, Germany, was strengthened by an agreement under which the Company will assemble drives of ratings above 45 KW. This is expected to improve market share by enabling specific application segments to be more effectively addressed. Production from the new facility at the Airoli works is expected to begin during the second half of this year.

A comprehensive end-to-end project to streamline the supply chain for motors was initiated during the year. This is expected to significantly improve both customer responsiveness and the

effectiveness of operations, and to establish a robust platform for continued growth.

There is ongoing emphasis on value engineering, product development, cycle time reduction, and process and system scalability.

FINANCE

The Company continues to focus on efficient management of short-term and long-term funds through rigorous monitoring of deployment for working capital, a critical evaluation and negotiation of proposals for capital expenditure, and optimising terms from fund providers. This enabled the Company to restrict net financing cost (net of income from cash surplus) – notwithstanding increased interest rates – to 0.45% (previous year: 0.41%) of sales.

The Company sold 3,90,000 equity shares of Siemens Ltd. during the year through the open market at an average price of ₹ 874 with the objective of part financing contemplated expansions of the motors and transformers businesses. This generated exceptional income (free of both Capital Gains Tax and MAT) of ₹ 34.10 crore, and is reflected as such in the Accounts.

The Company's free reserves as on March 31, 2011 increased by ₹ 5711 lakhs to ₹ 27570 lakhs.

As on 31st March, 2011, the Company had Fixed Deposits aggregating to ₹ 1955.93 lakhs. Out of the Fixed Deposits which matured for payment prior to 31st March, 2011, 32 deposits aggregating to ₹ 5.56 lakhs were neither renewed nor claimed till 31st March, 2011. Of these 4 deposits aggregating to ₹ 0.56 lakh have since been renewed or refunded on receipt of requests from the deposit holders. The balance of 28 deposits aggregating to ₹ 5.00 lakhs have been neither claimed nor renewed till date of this Report, in spite of the Company's intimation to the deposit holders. There has been no default or delay in meeting any maturity payment obligations.

During the year ₹ 1.16 lakhs was transferred to the Investor Education and Protection Fund.

HUMAN RESOURCES AND EMPLOYEE RELATIONS

The Company remains committed to developing and fostering a culture of participation, engagement and accountability, and takes pride in the initiative and team-work, and in the spirit of

excellence, demonstrated by all its employees; they have displayed exemplary team-work, result-orientation, and motivation; and also a sense of accomplishment from their contribution to the Company's goals.

The work environment was cordial throughout the year and in an atmosphere of harmonious Industrial Relations, the year under review was peaceful, with no loss of man-days. The long term wage settlement, settled amicably, was signed on 29th June 2010, and is valid until 31st December 2011.

The employee strength as of 31 March, 2011 was 1317, compared to 1298 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 2011, 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 going concern basis.

DIRECTORS

Mr. Bansi S. Mehta, Mr. Jaisingh R. Danani and Mr. Prakash V. Mehta retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Mrs. D. Vijayalakshmi was appointed as Additional Director by the Board of Directors with

effect from 22nd July, 2010. In terms of Section 260 of the Companies Act, 1956 and Article 161 of the Articles of Association of the Company she holds office as Director only till the date of the forthcoming Annual General Meeting but is eligible for reappointment for the office of Director in the Company. Notice has been received from a member under Section 257 of the Companies Act, 1956 signifying their intention to propose the candidature of Mrs. D. Vijayalakshmi for the office of Director liable to retire by rotation. The Board of Directors of the Company are confident that her vast knowledge and experience will be of great value to the Company and hence recommends the Resolution No. 7 of the Notice dated 9th May, 2011 for approval of the members.

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, 5 and 7 forming part of the Notice dated 9th May, 2011 circulated along with the Annual Report 2010-11.

AUDITORS

The Company's auditors, M/s. Dalal & Shah, bearing Firm Registration No. 102021W, hold office till the date of the ensuing Annual General Meeting and, being eligible, are recommended for reappointment. This item of business is covered under Item No. 6 of the accompanying notice.

COST AUDITORS

M/s. P. M. Nanabhoy & Co. an independent firm of Cost Accountants having an arms length relationship with the Company and who are free from any disqualification as specified under Section 233B(5) read with Section 224 and sub-section 3 and sub section 4 of Section 226 of the Companies Act, 1956, have been appointed by the Board as Cost Auditors of the Company,

for the Financial Year ending 31st March, 2012, subject to the approval of the Central Government. Their appointment is in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

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 14 & 15 of this Annual Report.

ACKNOWLEDGEMENTS

The Directors accept and convey their sincere appreciation to all employees of the Company for their continued dedication and commitment to achieving the results of the Company. The Directors also acknowledge and are grateful to the Bankers, Government Authorities, Shareholders, Vendors and other Stakeholders for their continued support, confidence and co-operation in the performance of the Company.

For and on behalf of the Board of Directors

Bansi S. Mehta
Chairman

Date : 9th May, 2011

ADDITIONAL INFORMATION

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

A. Conservation of Energy :

(1) Measures :

- Implementation of localized heating of large stator bodies instead of conventional ovens.
- Two existing cranes fitted with VF drives and a new 6T crane installed with VF Drive and anti sway feature.
- Maintained 1000 kVAR Capacitor bank and achieved average 99% power factor.
- Feasibility study for replacement of existing metal halide lamp with latest cost effective technology (Magnetic & LED) lamps done.
- Replaced conventional ballast for metal halide lamps by electronic ballast.
- Replaced compressed air piping for tools with leak proof piping.
- Installed timers for automatic switching on and switching off of street lights.
- VDP2 oven heating coils were replaced by new heating coils.
- Provision of transparent sheets on roof top to utilize natural lighting.
- Use of variable frequency drive "KEB" make for 750 kW testing motor generator set.
- Improvement in chilled water pipe line, thermopac and ovens insulation.

(2) Impact of Measures :

- Effective stator pressing process.
- Energy savings of 3% in monthly billing by improving power factor.
- Energy savings of approx. 10% in lighting, crane and compressed air consumption.
- Improved heating and vacuum system of oven resulting in better quality of transformers.
- Soft start and meet the requirement of No Load Loss test i.e. constant frequency by MG Set.

(3) Measures Planned :

- Replace Metal Halide Lamps with Magnetic Induction Lamps.
- Replace existing derated inefficient motors with new high efficiency motors.
- Lay new compressed air piping with latest available technology for use of large compressed air requirement.
- Insulation of Winding section roof to reduce impact of heat during summer.

B. Technology Absorption, Adaptation and Innovation :

(1) Efforts made :

- Vertical machining center (TVC400) installed in Motor Production.
- Installation of short head room cranes in motor assembly area.
- PLC's retrofitted on additional machines.
- Replacement of conventional coolant filtration system with paper filtration system.
- Development of Insulation systems for MV motors upto 6.6 kV
- Finalization of new MV and Traction motor winding shop for rectangular conductors with a new VPI plant suitable for epoxy resins.
- Development of TEFC MV motors from 355 Frame to 450L.
- 450L frame motors introduced with outputs extended to 1250 kW.
- RDSO approved 30 kW 2 pole motor for Transformer oil cooling application (Blower unit under testing) for 3 phase locos as per new requirement of CLW.
- Alternate materials implemented for cost reduction.
- Separate Bay for T1 Dispatch with 25T EOT crane.
- Existing Vacuum Drying Plant VDP2 refurbished to achieve better drying result.

(2) Benefits derived :

- Increase in manufacturing capacity.
- Modernization of old machines.

- Extended life of coolant and reduced effluent discharge.
 - MV motors being offered upto 450L frame 6.6 kV.
 - Increased market for LT motors.
 - Increased business with CLW and import substitution.
 - Increased working area to cater increased load of production and reduce cycle time for dispatch.
 - Reduction in cycle time with improved quality.
- (3) 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.

- The Company has also entered into a 10 year Technical Assistance & Licence Agreement to manufacture and sell products designated as "KEB Combivert" (Drives) in India, Sri Lanka, Nepal and Bangladesh with technical information and assistance from M/s. Karl E. Brinkmann, GmbH, Germany.

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 :

	₹ Lakhs
— Deemed exports	1030.57
— Direct Exports	595.19

(3) Foreign Exchange used : 2522.31

CORPORATE GOVERNANCE REPORT – ANNEXURE A

1. Company's Philosophy on Corporate Governance :

Since inception, the Company is committed to executing sustainable business practices and creating long term value for all its stakeholders.

To pursue this objective, the Company conducts all its business operations on principles of transparency, fairness, integrity, accountability, empowerment and trusteeship while maintaining high legal and ethical standards.

Compliance 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 strictly implemented.

2. Board of Directors & Board Meetings :

(a) Composition :

The Board of Directors has 12 Directors, of which 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. Independent Directors constitute more than half of the total strength of the Board as against one third required when the Chairman is a Non Executive Director. 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 (both Managing Directors), and Mr. Shome N. Danani (Executive Director).

Mrs. D. Vijayalakshmi, Executive Director, Investment – Risk Management & Research of LIC, was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956 to hold office of Director upto the date of the forthcoming 64th Annual General Meeting of the Company as a representative of LIC due to retirement of Mr. Meghendra Kumar, by the Board of Directors at the Board Meeting held on 22nd July, 2010.

Mrs. D. Vijayalakshmi holds a Masters Degree in Arts (MA) and is the Executive Director, Investment – Risk Management & Research of M/s. Life Insurance Corporation of India (LIC) and has vast experience in Insurance, management of human resources and industrial relations. Mrs. D. Vijayalakshmi is also a Director on the Board of M/s. High Energy Batteries (I) Ltd. and a member of its Remuneration Committee. She jointly holds 500 equity shares of the Company with M/s. Life Insurance Corporation of India representing 0.0088% of the issued and subscribed equity share capital of the Company.

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

Mr. Jaisingh 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 are related to any other Director.

(b) Board Meetings :

In the Financial Year 2010-2011, Five (5) Board of Directors' meetings were held on the following dates :

1. 6th May, 2010
2. 25th June, 2010
3. 22nd July, 2010
4. 27th October, 2010
5. 24th January, 2011

(c) Attendance/Sitting fees of Directors :

Sr. No.	Name of the Director	Category of Directorship	No. of Board Mtgs. attended	Attendance at last AGM	No. of Directorships of other Companies	Membership of Committees of other Companies As Member	As Chairman	Sitting Fees for Board/ Committee meetings ₹	No. of Equity Shares Held as on March 31, 2011
1.	Mr. Bansi S. Mehta – –Chairman	Independent Non-Executive	5	YES	15**	8@	5	50000	–
2.	Mr. Nikhil J. Danani – Managing Director	Executive	5	YES	1*	–	–	–	1,51,284
3.	Mr. Nakul P. Mehta – Managing Director	Executive	4	YES	2*	–	–	–	1,85,830
4.	Mr. Shome N. Danani	Executive	5	YES	1*	–	–	–	2,898
5.	Mr. Jaisingh R. Danani	Non-Executive	1	NO	–	–	–	20000	1,85,080
6.	Mr. Mukul Harkisondass	Independent Non-Executive	1	NO	1*	–	–	30000	500
7.	Mr. Prakash V. Mehta	Independent Non-Executive	5	YES	16*	9@@	1	140000	325
8.	Mr. Anand J. Danani	Non-Executive	–	NO	–	–	–	–	46,650
9.	Mr. Deepak S. Parekh – Alternate to Mr. A. J. Danani	Independent Non-Executive	1	NO	17\$	4***	5	10000	–
10.	Mr. Sanjiv N. Shah	Independent Non-Executive	5	YES	5*	3	–	130000	4,560
11.	Mr. Jairaj C. Thacker	Independent Non-Executive	3	NO	5*	–	–	70000	
12.	Mrs. D. Vijayalakshmi	Independent Non-Executive	1	–	1	1 +	–	10000	
13.	Mr. Meghendra Kumar + +	Independent Non-Executive	–	NO	–	–	–	–	–
							Total	460000	

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

@@ includes membership in Remuneration committees in 3 companies.

* Includes/ represents Directorship in Pvt. Ltd. companies.

** includes Alternate Directorship in 1 company.

*** Includes membership in 2 Remuneration Committees.

\$ includes Alternate Directorship in 4 companies.

+ Represents membership in Remuneration Committee.

+ + Retired w.e.f. 25th June, 2010.

(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 including appointment or removal of the Chief Financial Officer and the Company Secretary 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 in 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 :

(a) The Audit Committee of the Company comprises the following Five Members :

1. Mr. Sanjiv N. Shah	Chairman	Independent Non-Executive
2. Mr. Prakash V. Mehta	Member	Independent Non-Executive
3. Mr. Jaisingh R. Danani	Member	Non-Executive
4. Mr. Mukul Harkisondass	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 and Chairman since 9th May, 2011 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, Deputy General Manager: Internal Audit and Senior General Manager: Finance attend the Audit Committee meetings by invitation. Statutory Auditors and Cost Auditors are also invited to attend the meetings.

(b) Meetings & Attendance :

The Audit Committee had four (4) meetings during the Financial year 2010-11 and were held on the following dates :

1. 6th May, 2010
2. 22nd July, 2010
3. 27th October, 2010
4. 24th January, 2011

Mr. Prakash V. Mehta and Mr. Sanjiv N. Shah were present in all the meetings.

Mr. Jairaj C. Thacker attended three (3) meetings, Mr. Mukul Harkisondass and Mr. Jaisingh R. Danani attended one (1) Meeting each.

(c) **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, shareholders (in case of non-payment of dividends) and creditors.
- Decide on recommendations/audit report findings to be placed before the Board.

The Audit Committee exercises its Powers as defined in Clause No. 49 II (C) as and when the need arises and also reviews all mandatory information as required under Clause 49 II (E) from time to time.

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	—do—
3. Mr. Sanjiv N. Shah	Member	—do—
4. Mr. Jairaj C. Thacker	Member	—do—

The Remuneration Committee meeting was held on :

1. 6th May, 2010

Mr. Mukul Harkisondass, Mr. Prakash V. Mehta, Mr. Sanjiv N. Shah and Mr. Jairaj C. Thacker were present in the meeting.

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

- i. To determine the remuneration package of Executive Directors, relatives of Directors appointed u/s 314 of the Companies Act, 1956 including salary, allowances, perquisites, payment of commission, pension rights,
- ii. To recommend and oversee employee stock option scheme.
- iii. To recommend sitting fees of the Board of Directors.

(a) Remuneration of Whole Time Directors :

The total remuneration including commission payable to the Managing Directors/Executive Director for the financial year 2010-2011 is as under:

in (₹)

	Salary	Perquisites	Commission Payable for the FY 2010-2011	Total
Mr. Nikhil J. Danani	60,00,000	73,32,767	1,07,56,700	2,40,89,467
Mr. Nakul P. Mehta	60,00,000	72,70,082	1,07,56,700	2,40,26,782
Mr. Shome N. Danani	27,00,000	33,75,000	70,69,000	1,31,44,000

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 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 Director |
| 4. | Mr. Nakul P. Mehta | Member | Executive Director |

Mr. D.N. Nagarkar, Company Secretary, is the Secretary of the Committee. The Committee has met once, on 24th January, 2011, wherein all members, except Mr. Mukul Harkisondass, were present. The total number of grievances redressed and reviewed by the Committee to the satisfaction of the shareholders was 31, most of them related to non-receipt of dividend. There were no requests for share transfer/transmission/deletions of names etc. pending as on 31st March, 2011 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.

Terms of 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.

6. Other Committees :

The Company has also constituted Committees of Directors, to consider: (i) Open offer made by M/s. Siemens AG, Germany to the existing shareholders of M/s. Siemens Limited to acquire equity shares at a price of ₹ 930/- per share and (ii) To obtain valuation reports from Government approved valuers to determine Market value of immovable property and a Banking Committee to look into opening, closing and authorization for operating bank accounts of the Company.

The Board of Directors has also delegated the power of approving transfer/transmission/issue of duplicate share certificates to a Share Transfer Committee.

7. Annual General Meetings :

The last three Annual General Meetings were held as under :

Financial Year	Date	Time	Venue
2009-2010	25-6-2010	3.00 p.m.	Walchand Hirachand Hall, 4th Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020
2008-2009	02-7-2009	3.00 p.m.	-do-
2007-2008	26-6-2008	4.00 p.m.	-do-

No Special Resolutions have been passed in the last three Annual General Meetings :

8. Disclosures :

- (i) At the 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.
Risk Management – Risk identification, prioritization and mitigation plans for the top 20 risks have been finalized with the risk owners and Consultant's (Ernst & Young), as reported earlier. Draft risk policy has been formulated. A formal organisation structure for risk management and monitoring process with reporting has been concluded in March 2010 and the implementation of risk mitigation plans and their review have commenced.
- (iii) There were no instances of non-compliance on any matter related to the Capital Markets, nor were any penalties or strictures imposed on the company by SEBI or any Stock Exchanges or any statutory authority for non-compliance on any matter related to the Capital Markets during the last 3 years.
- (iv) 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.
- (v) The Company affirms that no employee has been denied access to the Audit Committee.
- (vi) The Company has complied with all mandatory requirements as stipulated in Clause 49 of the listing agreement with Stock Exchanges.
- (vii) As regards the other non-mandatory requirements, the Company has constituted a Remuneration Committee and has also moved towards a regime of unqualified statements. As regards whistle blower policy, the Board has taken cognizance of this and will consider adopting it as and when necessary.
- (viii) 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) Quarterly/half yearly/annual results and information relating to convening of Board meetings/ Annual General Meetings are published in Free Press Journal and Navshakti and are also notified to the Stock Exchanges as required under the Listing Agreement. Half yearly report is not sent to each shareholder in view of its publication in newspapers. As required by the Listing Agreement, the requisite information is transmitted 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.

- (ii) The Company has made no presentation to any Institutional Investors/Analysts during the year.
- (iii) Management Discussion and Analysis is covered as part of this Annual Report.
- (iv) 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.
- (v) The Company has its own website, www.bharatbijlee.com.
- (vi) 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 : Friday
Date : 24th June, 2011
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 in May as permitted by the Listing Agreement.

(iii) Dates of Book Closure :

Monday, 20th June, 2011 to Friday, 24th June, 2011 (both days inclusive).

(iv) Dividend Payment Date : After 24th June, 2011

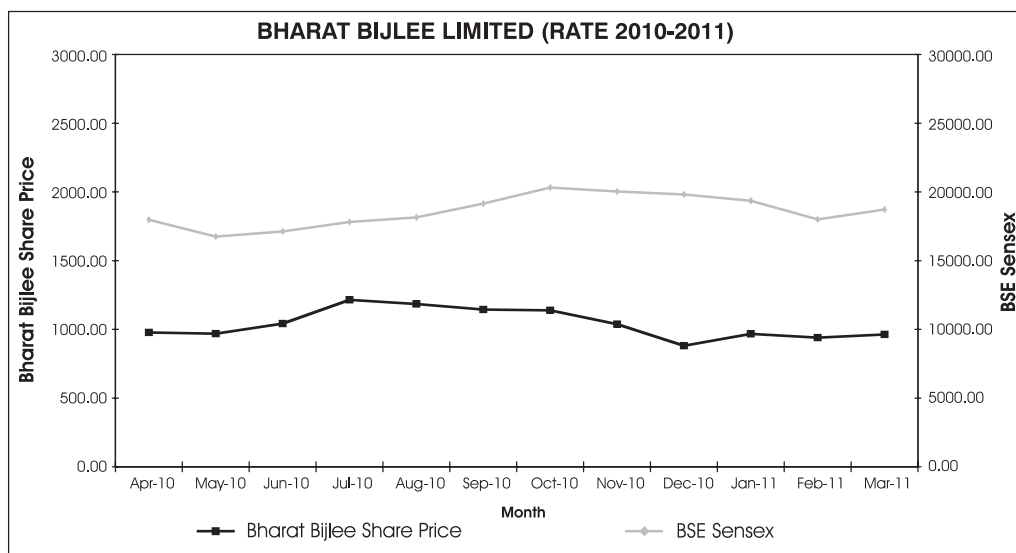
(v) Listing of Equity Shares on Stock Exchanges :

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 2011-12 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 :

Month	BSE	BSE	NSE	NSE
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2010	1,048.90	905.00	1,080.00	909.00
May, 2010	1,035.00	901.70	1,037.00	902.05
June, 2010	1,170.00	913.40	1,169.00	914.00
July, 2010	1,316.00	1,112.00	1,314.00	1,114.00
August, 2010	1,249.90	1,118.70	1,330.00	1,130.00
September, 2010	1,215.00	1,073.00	1,220.00	1,105.00
October, 2010	1,205.00	1,070.00	1,237.00	1,040.00
November, 2010	1,125.00	951.00	1,134.90	956.10
December, 2010	1,025.00	735.65	1,024.95	872.20
January, 2011	1,035.00	900.00	1,034.40	888.00
February, 2011	1,015.00	864.00	1,007.80	865.35
March, 2011	1,011.90	912.10	1,006.60	913.00

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 31-3-2011

S. No.	No. of Equity Shares held	No. of shareholders	No. of shares	% of shareholders	% of shareholding
1.	1-500	22,039	10,98,222	97.22	19.43
2.	501-1000	334	2,50,365	1.48	4.43
3.	1001-2000	145	2,03,234	0.64	3.60
4.	2001-3000	62	1,56,404	0.27	2.77
5.	3001-4000	15	54,666	0.07	0.97
6.	4001-5000	12	53,194	0.05	0.94
7.	5001-10000	19	1,30,174	0.08	2.30
8.	10001- above	44	37,05,301	0.19	65.56
Total		22,670	56,51,560	100.00	100.00

Share Holding Pattern as on 31-3-2011

S. No.	Category	No. of shares	% to total shareholding
1.	Promoters & Promoter Group	20,19,394	35.73
2.	Financial Institutions/Banks	8,60,757	15.23
3.	Mutual Funds/ UTI	5,73,030	10.14
4.	FIIS	13,920	0.25
5.	NRIS/OCBS	72,820	1.29
6.	Corporate Bodies	2,96,794	5.25
7.	Indian Public	18,14,845	32.11
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, 2011, 96.83% 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, M.I.D.C., 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, 6th Floor
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025.
Tel : 24306237
Fax : 24370624 |
|--|--|
3. 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, 2011.

For Bharat Bijlee Limited

Place : Mumbai
Date : 09th May, 2011

Nikhil J. Danani
Vice Chairman & Managing Director

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

We have examined the compliance of conditions of Corporate Governance by Bharat Bijlee Limited, for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

For **DALAL & SHAH**
Firm Registration Number 102021W
Chartered Accountants

S. VENKATESH
Partner

Mumbai, May 9, 2011

Membership Number : F-037942

MANAGEMENT DISCUSSION AND ANALYSIS – ANNEXURE B

The Indian electrical equipment industry grew by 16% during the year under review on the back of growth in the core industry sectors in which your Company operates. However, lingering over-capacity (with consequent diminution in sales realisations), competitive dynamics, and sharply increasing commodity prices, adversely affected margins.

In these market conditions, the Company performed as under:

		2010-2011 (₹ in Lakhs)	2009-2010 (₹ in Lakhs)
1.	Orders received	67307.67	65046.60
2.	Unexecuted Order Book (at year end)	36216.44	38723.74
3.	Sales	69704.43	65514.29
4.	Profit before Exceptional Items & Tax	5857.51	6095.96
5.	Exceptional Items (Profit on sale of Long Term Investments)	3380.67	–
6.	Profit before Tax	9238.18	6095.96
7.	PAT	7352.53	4122.35
8.	EPS (₹)		
	– including exceptional items	130.10	72.94
	– excluding exceptional items	70.28	72.94

SEGMENT ANALYSIS

The Company has redefined its business segments as under:

Power Systems:

This segment comprises the design, commissioning and marketing of power transformers of voltage class 33 KV to 220 KV, up to 200 MVA, EPC projects for electrical substations up to 400 KV, commissioning, erection and servicing of transformers, and marketing of maintenance products.

Due to one of the transformer plants remaining closed for upgradation for two months, production was lower than the previous year by 8%, while competitive pressure arising from over-capacity led to a slow-down in order inflow.

Nonetheless, prestigious orders (from MSETCL, RRVPNL, UPPTCL, MPPTCL, Reliance Infra., PSTCL, KPTCL, PGCIL etc.) were received during the year, and the Company was able to retain its leadership position in the 220 KV class segment.

In the field of EPC projects, orders worth 55 crore - including a fast track order from PGCIL, Rai Bareli - were received during the year. The Company has, over the years, commissioned about 130 substations for industrial customers, is approved with leading consultants across various industries, and has recently been approved with UPPTCL, APTRANSCO, and with PGCIL for turnkey projects up to 400 KV.

Industrial Systems:

This segment comprises the development, marketing and manufacture of a wide range of standard and customized electric motors, synchronous gearless machines for the elevator industry, and the engineering and supply of AC variable-speed drives and drive systems.

The motors business registered a 51% increase in order inflow, and sales – at 985 MW - grew by 32%. The newly developed large frame motors were well received by the market, and landmark orders were obtained, for infrastructure segments, from L&T, Century Pulp and Paper, JSW and ITC amongst others.

Both the drives and the elevator systems businesses recorded significant growth in sales and order inflow.

INTERNAL CONTROLS, AUDITS, RISK MANAGEMENT & IT:

The Company has an effective system of internal controls which ensures safeguarding of the Company's assets, adherence to statutory and regulatory compliances, and enables reliable, accurate and timely recording of all operational and financial transactions.

The Company's Internal Audit function conducts regular process audits, and verifies the existence, adequacy and effectiveness of controls in all business processes, recommends necessary improvements in processes, IT systems and controls, and ensures that corrective/ preventive actions are implemented by process owners on an ongoing basis.

Important Internal Audit findings, along with corrective actions taken, are periodically reviewed by top management and thereafter presented to and reviewed by the Audit Committee.

Each year the Company identifies and prioritises important business risks based upon internal and environmental factors and within a structured framework; mitigation plans are drawn up, risk-ownership assigned, and progress reviewed every quarter. This process is incorporated within the Company's comprehensive Business Planning process, with monthly and quarterly reviews.

The Company continues to actively build upon and leverage its Information Technology solutions to improve business effectiveness. Implementation of extended-enterprise Dealer and Vendor Portal solutions were completed during the year; these enable real-time communication of data and transactions with business partners, and further strengthen the integration and responsiveness of the Company's supply chain. The implementation of Business Continuity Planning and Disaster Recovery planning (BCP-DRP) was also initiated during the year to mitigate the risk of loss of business in the event of an unplanned outage of the Information technology infrastructure. This

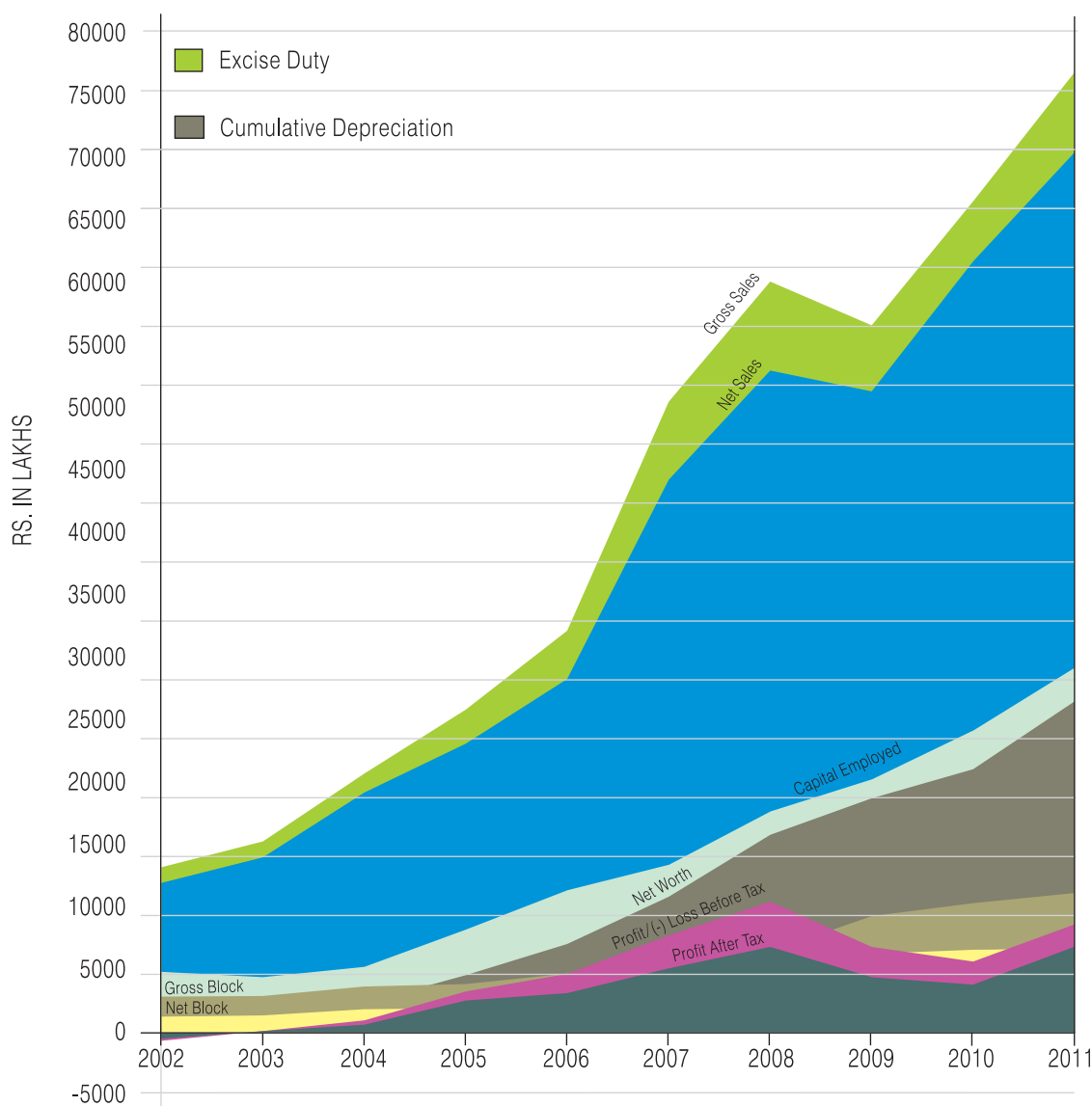
is a pro-active enterprise-wide process directed toward protection of business-critical data, and toward preventing or mitigating those risks we can, while enabling recovery from those we cannot. Disaster Recovery will be time-bound and reliable; operations continue, and costs are predictable and manageable.

RISKS AND CONCERNS

An inability to pass on the unabated input price increases, and delayed finalisation of orders, may lead to sub-optimal utilisation of capacities and continued pressure on margins.

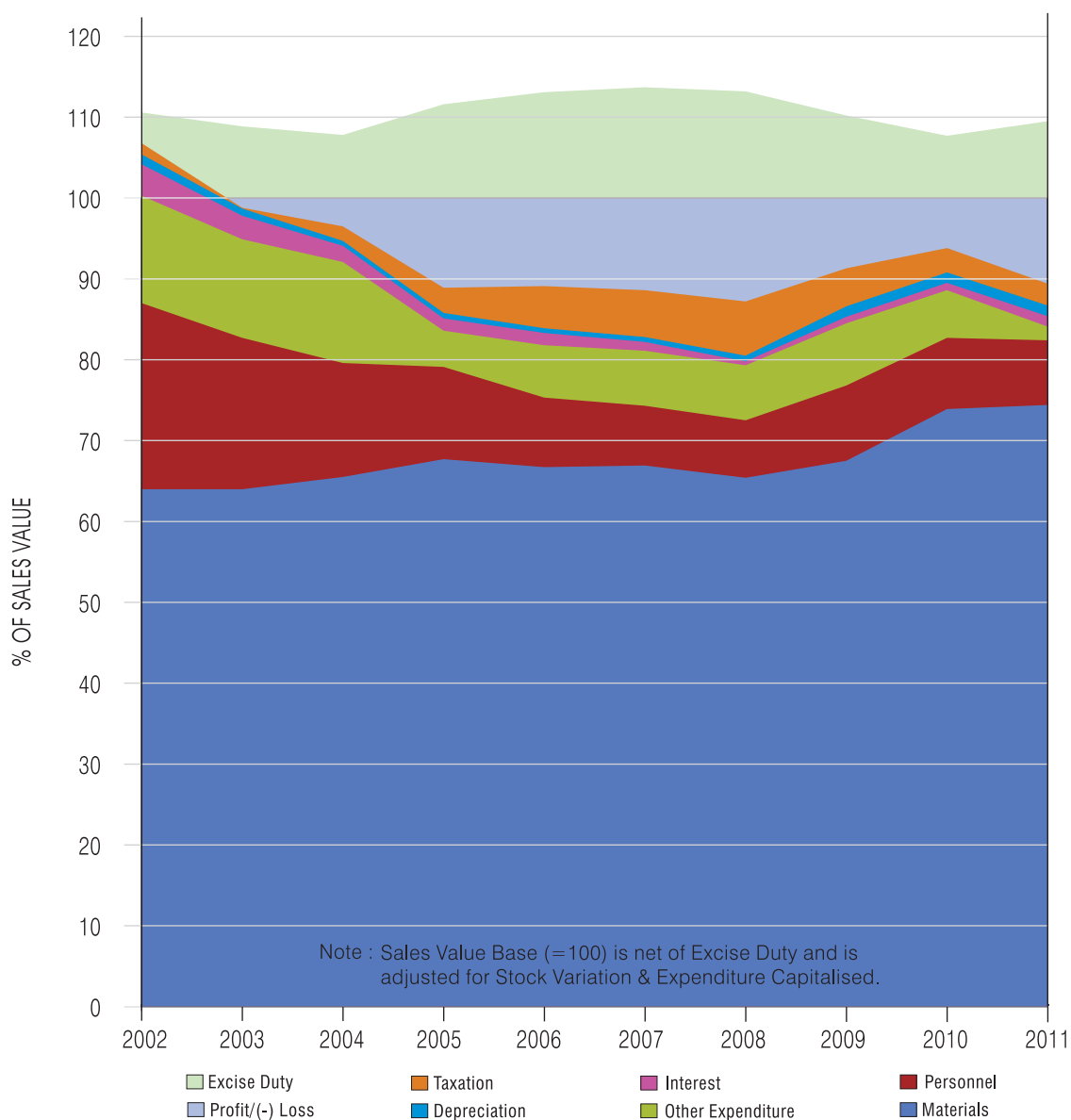
FUTURE OUTLOOK

The economic landscape generally remains uncertain. Although investments to the power sector, and to the segments in which your Company operates, are expected to materialise, continued inflation, volatile commodity prices, tight liquidity and higher financing costs will inevitably dampen sales growth and continue their adverse effect on margins.

BUSINESS TRENDS


	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Particulars										
Gross Sales	14100	16282	22042	27479	34173	53601	63790	60077	70609	76299
Net Sales	12770	14940	20430	24584	30078	46986	56240	54470	65514	69704
Cptl. Empld.	5120	4675	5546	8718	12061	14226	18776	21507	25668	30951
Net Worth	2379	1923	2573	4928	7585	11584	16850	19950	22424	28135
Gross Block	3105	3157	3966	4171	5075	5607	6940	9941	11043	11913
Net Block	1405	1521	2034	2135	2938	3383	4403	6752	7094	7124
Profit/(-) Loss Before Tax	-637	185	1101	3557	5030	8320	11169	7342	6096	9238
Profit/(-) Loss After Tax	-464	177	734	2777	3368	5508	7249	4753	4122	7353

COST TRENDS



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Particulars										
Excise Duty	10.6	8.6	7.8	11.6	13.1	13.7	13.2	10.2	7.7	9.5
Profit/(-) Loss	-3.7	1.2	3.5	11.1	10.9	11.4	12.8	8.7	6.2	10.6
Taxation	-1.4	0.1	1.8	3.1	5.2	5.8	6.7	4.7	3.0	2.7
Depreciation	1.2	0.9	0.6	0.7	0.6	0.6	0.7	1.3	1.3	1.3
Interest	3.9	2.9	2.0	1.5	1.5	1.1	0.5	0.8	0.9	1.3
Other Exp. \$	13.3	12.2	12.5	4.5	6.5	6.8	6.8	7.7	6.5	1.7
Personnel #	22.8	18.7	14.1	11.4	8.6	7.4	7.1	9.3	8.2	8.0
Materials	63.9	64.0	65.5	67.7	66.7	66.9	65.4	67.5	73.9	74.4

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

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

TEN YEARS FINANCIAL DATA

(₹ in Lakhs)

Period ended	March 2011	March 2010	March 2009	March 2008	March 2007	March 2006	March 2005	March 2004	March 2003	March 2002
SALES AND EARNINGS										
Sales	76299.48	70608.64	60077.08	63789.81	53600.79	34173.42	27479.12	22041.64	16281.89	14099.45
Profit/(-) Loss Before Taxes	9238.18	6095.96	7341.96	11168.72	8320.20	5029.64	3556.90	1101.30	184.77	-637.37
Profit/(-) Loss After Taxes Net of Adjustments	7352.53	4122.35	4752.79	7249.18	5508.05	3367.98	2776.54	729.11	175.95	-463.93
Dividends	1412.89	1412.89	1412.89	1695.47	1412.89	762.96	508.64	226.06	56.52	-
ASSETS										
Gross Block	11913.10	11043.28	9940.76	6939.82	5607.49	5075.12	4171.10	3965.77	3157.26	3105.37
Net Block	7124.42	7094.26	6752.05	4403.32	3383.03	2938.07	2135.32	2033.93	1520.72	1404.75
Investments	2238.38	5671.45	754.57	2028.97	1872.97	1834.97	284.97	283.97	302.31	302.31
Deferred Tax Liabilities (Asset)	450.23	436.34	393.66	122.70	46.02	82.63	(13.23)	102.03	(150.29)	(138.28)
Current Assets, Loans & Advances	41792.81	29643.01	27681.62	26809.63	28733.64	18048.73	15197.04	12507.86	10312.69	9670.25
Current Liabilities & Provisions	21595.49	17023.97	14188.24	15642.07	19765.11	10923.19	9346.08	9750.67	8099.05	6465.65
Net Current Assets	20197.32	12619.04	13493.38	11167.56	8968.53	7125.54	5850.96	2757.19	2213.64	3204.60
Capital Employed	30950.98	25668.31	21506.60	18776.31	14225.99	12061.46	8718.04	5546.41	4674.63	5119.72
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	27569.66	21859.23	19384.43	16284.65	11019.08	7164.04	4666.03	2469.47	1995.38	1883.19
Shareholders' Funds	28134.82	22424.39	19949.59	16849.81	11584.24	7729.20	5231.19	3034.63	2560.54	2448.35
Loan Funds	2365.93	2807.58	1163.35	1803.80	2595.73	4249.63	3500.08	2409.75	2264.38	2671.37
Earnings Per Share (₹)	*130.10	*72.94	*84.10	*128.27	*97.46	*59.59	491.29	129.01	31.13	-82.09
Equity Dividend Rate (₹ Per Share)	*25.00	*25.00	*25.00	*30.00	*25.00	*13.50	90.00	40.00	10	-
Net Worth Per Share (₹)	*497.82	*396.78	*352.99	*298.14	*204.97	*134.21	871.99	455.27	340.19	420.87
Debt/Equity Ratios+	0.07:1	0.08:1	0.06:1	0.11:1	0.16:1	0.26:1	0.39:1	0.81:1	0.55:1	0.33:1

+ Debt = Loan Funds less cash credit & Short-Term Loans from Banks; Equity = Shareholders' Funds

* On Equity Share of ₹ 10/- each sub-divided

TEN YEARS FUNDS FLOW

(₹ in Lakhs)

Period ended	March 2011	March 2010	March 2009	March 2008	March 2007	Five Periods Total	Previous Five Years Total
SOURCES OF FUNDS:							
Gross profit/(loss)	11,026.37	7,537.95	8,499.68	11,822.51	9,142.99	48,991.23	12,188.31
Deduct : Depreciation & Amortisation	893.35	836.71	708.38	392.68	293.34	2,996.13	772.05
Deduct : Interest	894.84	605.28	449.34	261.11	529.45	2,584.08	2,181.02
Deduct : Taxation	1,885.62	2,007.09	2,555.86	3,840.12	2,812.65	13,650.11	2,604.12
Profit After Tax/(Loss)	7,352.56	4,088.87	4,786.10	7,328.60	5,507.55	29,760.91	6,631.12
Add : Depreciation	893.35	836.71	708.38	392.68	293.34	2,996.13	772.05
Add : Deferred Tax Debit/(Credit)	13.89	42.69	270.96	76.67	(36.61)	595.87	42.53
Add : Misc. Exp./Intangible Assets w/off	–	–	–	–	144.48	144.48	730.23
Internal Generation	8,259.80	4,968.27	5,765.44	7,797.95	5,908.76	33,497.39	8,175.93
Term Loans Raised	2,103.36	1,978.70	586.16	246.36	369.89	3,891.93	3,654.58
Total	10,363.16	6,946.97	6,351.60	8,044.31	6,278.65	37,389.32	11,830.51
APPLICATION OF FUNDS:							
Fixed Assets Additions (net)	2,030.81	898.43	2,387.25	2,587.97	721.36	10,114.64	2,223.75
Term Loans Repaid	2,545.01	334.47	932.78	582.12	533.47	5,526.16	2,629.91
Investment Changes (net)	(3,433.07)	4,916.88	(1,274.40)	156.00	38.00	(5,787.87)	1,532.66
Misc. Exp / Intangible Assets	–	–	–	–	–	–	861.52
Working Capital Changes	7,578.31	(850.36)	2,652.96	2,734.61	3,332.81	18,951.65	2,813.64
Dividends	1,642.10	1,647.55	1,653.01	1,983.61	1,653.01	8,584.74	1,768.73
Total	10,363.16	6,946.97	6,351.60	8,044.31	6,278.65	37,389.32	11,830.21
WORKING CAPITAL CHANGES:							
Inventories	649.66	(1,105.07)	1,161.47	1,337.63	2,097.33	6,407.56	899.44
Debtors	1,215.42	2,312.74	(1,062.23)	2,501.26	4,486.69	6,078.91	3,601.39
Cash & Bank Balances							
& Other Current Assets	4,315.07	119.84	230.54	(285.02)	419.55	4,910.68	(46.23)
Loans & Advances	5,969.65	691.34	542.21	3,776.68	3,681.34	14,512.09	1,470.65
Sub-Total	12,149.80	2,018.85	871.99	7,330.55	10,684.91	31,909.24	5,925.25
Bank Loans	–	–	(293.83)	(456.16)	(1,490.32)	(2,534.14)	26.98
Other Current Liabilities	4,593.97	2,845.32	(1,070.40)	851.41	4,910.44	8,215.02	(7.44)
Provisions	(22.48)	23.89	(416.74)	4,200.69	3,931.98	7,276.71	3,092.07
Sub-Total	4,571.49	2,869.21	(1,780.97)	4,595.94	7,352.10	12,957.59	3,111.61
Net	7,578.31	(850.36)	2,652.96	2,734.61	3,332.81	18,951.65	2,813.64

REPORT OF THE AUDITORS TO THE MEMBERS

1. We have audited the attached Balance Sheet of Bharat Bijlee Limited (the "Company") as at March 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. We conducted our audit in accordance with the 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 the 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give 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 affairs of the Company as at March 31, 2011;
 - (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 for the year ended on that date.

For and on behalf of
DALAL & SHAH

Firm Registration Number 102021W
Chartered Accountants

S. Venkatesh
Partner

Membership Number : F-037942

MUMBAI : May 9, 2011

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph 3 of the Auditors' Report of even date to the members of Bharat Bijlee Limited on the financial statements for the year ended March 31, 2011

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (e) The Company has taken unsecured loan, from a company and other parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates ₹ 1010.5 lakhs and ₹ 440.5 lakhs, respectively.
- (f) In our opinion, the rate of interest and other terms and conditions of such loans are not *prima facie* prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, 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) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the

prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally been regular in depositing the 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 material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by

us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at March 31, 2011 which have not been deposited on account of a dispute, are as follows:

₹ in Lakhs

	Statutes	FORUMS BEFORE WHOM PENDING			
		Commissioner Appeals	Tribunal	High Court	Total
1.	Excise	–	410.09	–	410.09
2.	Sales Tax	77.50	–	70.11	147.61
3.	Custom Duty	–	245.83	–	245.83

10. The Company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or banks as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

-
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
22. The other clauses, (iii) (b) to (iii) (d) of paragraph 4 of the Order, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.
- For and on behalf of
DALAL & SHAH
Firm Registration Number 102021W
Chartered Accountants

S. VENKATESH
Partner
Membership Number : F- 037942
MUMBAI : May 9, 2011.

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	₹ in Lakhs	31st March, 2011 ₹ in Lakhs	31st March, 2010 ₹ in Lakhs
SOURCES OF FUNDS:				
SHAREHOLDERS' FUNDS:				
(a) Share Capital	A	565.16		565.16
(b) Reserves and Surplus	B	27569.66		21859.23
			28134.82	22424.39
LOAN FUNDS:				
(a) Secured Loans	C	—		—
(b) Unsecured Loans	D	2365.93		2807.58
			2365.93	2807.58
DEFERRED TAX LIABILITY (net) (Refer Note 6)			450.23	436.34
Total			30950.98	25668.31
APPLICATION OF FUNDS:				
FIXED ASSETS:				
(a) Gross Block	E	11913.10		11043.28
(b) Less: Accumulated Depreciation/Amortisation		4788.68		3949.02
(c) Net Block		7124.42		7094.26
(d) Capital Work-in-Progress		1223.83		226.10
(e) Advances on Capital Account		167.03		57.46
			8515.28	7377.82
INVESTMENTS:			2238.38	5671.45
CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories	G	8441.09		7791.43
(b) Sundry Debtors		19220.57		18005.15
(c) Cash & Bank Balances		3444.52		1086.21
(d) Loans and Advances		8725.74		2753.59
(e) Other Current Assets		1960.89		6.63
		41792.81		29643.01
Less:				
CURRENT LIABILITIES AND PROVISIONS:				
(a) Current Liabilities	H	18811.32		14217.35
(b) Provisions		2784.17		2806.62
		21595.49		17023.97
NET CURRENT ASSETS:			20197.32	12619.04
Total			30950.98	25668.31

Significant Accounting Policies and Notes forming part of the Balance Sheet O

As per our attached report of even date.
For DALAL & SHAH,
Firm Registration No. 102021W
Chartered Accountants,

S. Venkatesh
Partner
Membership No. F-037942

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

S. B. Godbole
Vice President :
Finance

Nikhil J. Danani

Nakul P. Mehta

Shome N. Danani

Sanjiv N. Shah

Vice Chairmen &
Managing Directors

Executive Director

Director

Mumbai, 9th May, 2011

Mumbai, 9th May, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	₹ in Lakhs	Year ended 31st March, 2011 ₹ in Lakhs	Year ended 31st March, 2010 ₹ in Lakhs
INCOME:				
Sales and Services		76299.48		70608.64
Less: Excise Duty		6595.05		5094.35
	I		69704.43	65514.29
Other Income	J		1463.35	1167.72
			71167.78	66682.01
EXPENDITURE:				
Materials	K	51875.33		48561.09
Personnel	L	5603.95		5432.63
Other	M	6040.80		5150.34
Interest and Finance Charges	N	896.84		605.28
Depreciation and Amortisation	E	893.35		836.71
			65310.27	60586.05
PROFIT BEFORE EXCEPTIONAL ITEMS & TAXATION:			5857.51	6095.96
Exceptional Item (Profit on sale of Long Term Investments)			3380.67	—
PROFIT BEFORE TAXATION:			9238.18	6095.96
Provision for Taxation				
Wealth Tax		5.33		5.40
Current Tax		1866.40		1959.00
Deferred Tax Debit/(Credit)		13.89		42.69
			1885.62	2007.09
			7352.56	4088.87
Short/(Excess) Provision for Tax for earlier years			0.03	(33.48)
PROFIT AFTER TAXATION			7352.53	4122.35
Balance brought forward from previous year			2937.86	2463.06
PROFIT AVAILABLE FOR APPROPRIATION			10290.39	6585.41
Transfer to General Reserve		5000.00		2000.00
Proposed Dividend on Equity Shares		1412.89		1412.89
Provision for Tax on proposed Equity Dividend		229.21		234.66
			6642.10	3647.55
BALANCE CARRIED TO BALANCE SHEET			3648.29	2937.86
Weighted average number of equity shares outstanding during the year			56,51,560	56,51,560
Basic and Diluted earning per share (in ₹)				
[nominal value ₹ 10 per share]				
— including exceptional items			130.10	72.94
— excluding exceptional items			70.28	72.94
(Refer Note 15)				

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

As per our attached report of even date.
For DALAL & SHAH,
Firm Registration No. 102021W
Chartered Accountants,

S. Venkatesh
Partner
Membership No. F-037942

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

S. B. Godbole
Vice President :
Finance

Nikhil J. Danani

Nakul P. Mehta

Shome N. Danani

Sanjiv N. Shah

Vice Chairmen &
Managing Directors

Executive Director

Director

Mumbai, 9th May, 2011

Mumbai, 9th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	31st March, 2011 ₹ in Lakhs	31st March, 2010 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Exceptional Items and Taxation	5857.51	6095.96
Adjustments for :		
Depreciation	893.35	836.71
Profit/(Loss) on sale of Fixed Assets (net)	(22.07)	(7.45)
Profit on redemption of current investments	(338.66)	(239.09)
Interest and Finance Charges	896.84	605.28
Interest Income	(217.68)	(71.90)
Dividend Income	(182.50)	(174.38)
	1029.28	949.17
Operating Profit Before Working Capital changes	6886.79	7045.13
Adjustments for :		
Trade and other receivables	(1247.50)	(2760.85)
Inventories	(649.67)	1105.06
Current Liabilities	4533.96	2803.10
	2636.79	1147.31
Cash generated from Operations	9523.58	8192.44
Direct Taxes paid	(1899.38)	(2354.31)
Net cash from Operating activities (A)	7624.20	5838.13
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2050.23)	(1002.10)
Proceeds from Sale of Fixed Assets	41.49	53.67
Proceeds from Sale of Long Term Investments	1696.12	—
Proceeds from Sale/(Purchase) of Current Investments (net)	3742.08	(4677.79)
Inter Corporate Deposits given	(6093.57)	—
Interest received	158.75	65.27
Dividend received	182.50	174.38
Net cash from Investing activities (B)	(2322.86)	(5386.57)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Fixed Deposits (Net)	84.07	708.51
Inter Corporate Deposits taken	1735.00	1260.00
Inter Corporate Deposits repaid	(1940.00)	(645.00)
Proceeds/(repayment) of Short Term Loans from Banks (net)	(320.72)	320.72
Interest paid	(860.36)	(579.38)
Dividend paid including Dividend Distribution Tax	(1641.02)	(1400.70)
Net cash from Financing activities (C)	(2943.03)	(335.85)
(A+B+C)	2358.31	115.71
Net increase in Cash and Cash equivalents	2358.31	115.71
Cash and Cash equivalents at the beginning of the year	1086.21	970.50
Cash and Cash equivalents at the close of the year [refer Schedule G (c)]	3444.52	1086.21

Note: Cash and Cash equivalents at the closure of the year include ₹ 105.93 Lakhs (previous year ₹ 119.05 Lakhs) which are restricted in use.

As per our attached report of even date.
For DALAL & SHAH,
Firm Registration No. 102021W
Chartered Accountants,

S. Venkatesh
Partner
Membership No. F-037942

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

S. B. Godbole
Vice President :
Finance

Nikhil J. Danani

Nakul P. Mehta

Shome N. Danani

Sanjiv N. Shah

Vice Chairmen &
Managing Directors

Executive Director

Director

Mumbai, 9th May, 2011

Mumbai, 9th May, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE A

SHARE CAPITAL:

Authorised:

		31st March, 2011 ₹ in Lakhs	31st March, 2010 ₹ in Lakhs
2,00,000	12% Non-Convertible Redeemable Cumulative Preference Shares of ₹ 100 each	200.00	200.00
80,00,000	Equity Shares of ₹ 10 each	800.00	800.00
		<u>1000.00</u>	<u>1000.00</u>

Issued and Subscribed:

56,51,560	Equity Shares of ₹ 10 each, fully paid up	565.16	565.16
Of the above shares,			
47,05,830	Equity Shares of ₹ 10 each issued as fully paid Bonus Shares by capitalisation of reserves		
3,46,230	Equity Shares of ₹ 10 each issued on conversion of Convertible Bonds		
		<u>565.16</u>	<u>565.16</u>

SCHEDULE B

RESERVES AND SURPLUS:

General Reserve:

As per last Account	18921.37	16921.37
Add: Transferred from Profit & Loss Account	<u>5000.00</u>	<u>2000.00</u>
	23921.37	18921.37
Balance in Profit and Loss Account:	<u>3648.29</u>	<u>2937.86</u>
	<u>27569.66</u>	<u>21859.23</u>

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.

—	—
<u>—</u>	<u>—</u>

SCHEDULE D

UNSECURED LOANS:

Fixed Deposits:

(₹ 608.60 lakhs falling due within one year – previous year ₹ 284.29 lakhs) (includes ₹ 25 lakhs from a director – previous year ₹ 25 lakhs)

Short Term Loans:

— Banks	—	320.72
— Inter Corporate Deposits	<u>410.00</u>	<u>615.00</u>
	410.00	935.72
	<u>2365.93</u>	<u>2807.58</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE E

FIXED ASSETS:

Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK	
	As At 01.04.2010	Additions	Deductions	As At 31.03.2011	As At 01.04.2010	For the year	On Deductions	As At 31.03.2011	As At 31.03.2011	As At 31.03.2010
TANGIBLE ASSETS										
Leasehold Land	12.95	—	—	12.95	6.78	0.12	—	6.90	6.05	6.17
Buildings Incl. Roads+	2605.83	39.49	—	2645.32	559.82	67.70	—	627.52	2017.80	2046.01
Plant & Machinery	7004.53	764.53	57.76	7711.30	2473.38	517.28	43.93	2946.73	4764.57	4531.15
Furniture & Fixtures	160.26	26.48	—	186.74	101.83	18.92	—	120.75	65.99	58.43
Office Equipment	272.30	28.30	7.37	293.23	131.22	25.59	6.23	150.58	142.65	141.08
Motor Vehicles	99.52	—	7.87	91.65	48.00	9.46	3.42	54.04	37.61	51.52
INTANGIBLE ASSETS										
Application Software	816.00	84.13	0.11	900.02	584.86	239.90	0.11	824.65	75.37	231.14
Technical Knowhow	71.89	—	—	71.89	43.13	14.38	—	57.51	14.38	28.76
TOTAL	11043.28	942.93	73.11	11913.10	3949.02	893.35	53.69	4788.68	7124.42	7094.26
Previous Year's Total	9940.76	1225.14	122.62	11043.28	3188.71	836.71	76.40	3949.02	7094.26	

+ Includes ₹ 11,850 being the value of 231 shares in Co-operative Societies for ownership premises.

SCHEDULE F

INVESTMENTS

Non Trade

A. Long Term – at cost

Quoted:

(All fully paid up)

24,35,160	Equity Shares of ₹ 2 each (Previous year 28,25,160 Equity Shares of ₹ 2 each) of Siemens India Ltd.	185.16	214.81
5,14,900	Equity Shares of ₹ 2 each (Previous year 1,02,980 Equity Shares of ₹ 10 each) of HDFC Ltd.	13.52	13.52
15,821	Equity shares of ₹ 10 each of ICICI Bank Ltd.	6.16	6.16
3,33,333	Equity Shares of ₹ 10 each of Hindustan Oil Exploration Co. Ltd.	216.50	216.50
500	Equity shares of ₹ 10 each of the HDFC Bank Ltd.	0.05	0.05
5,400	Equity shares of ₹ 10 each of Bank of India	2.43	2.43
		423.82	453.47
Unquoted:			
1,000	Equity shares of ₹ 10 each of the Saraswat Co-operative Bank Ltd.	0.10	0.10
10,000	Equity shares of ₹ 10 each of the NKGSB Co-op. Bank Ltd.	1.00	1.00
		1.10	1.10

B. Current – at the lower of cost and fair value

Unquoted:

Units in Mutual Funds

—	(Previous year 1,17,68,150) of Birla Sun Life Savings Fund – Instl – Growth	—	2057.15
—	(Previous year 1,69,04,703) of HDFC Floating Rate Income Fund – Short Term Plan – Wholesale – Growth	—	2651.49
—	(Previous year 2,96,752) of ICICI Prudential Flexible Income Plan Premium – Growth	—	508.24
12,33,355	(Previous year Nil) of Birla Sun Life Cash Manager – Instl. Plan – Growth (NAV = ₹ 202.61 lakhs)	202.61	—
76,95,327	(Previous year Nil) of Birla Sun Life Floating Rate Fund – Short Term – Growth (NAV = ₹ 1000.41 lakhs)	1000.00	—
55,223	(Previous year Nil) of UTI – Floating Rate Fund – Short Term Plan – Instl. Growth (NAV = ₹ 610.85 lakhs)	610.85	—
		1813.46	5216.88
	Total	2238.38	5671.45

Aggregate Amount of Investments

Quoted:

Book value	423.82	453.47
Market value	25944.00	24658.87

Unquoted:

Book value	1,814.56	5217.98
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SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE F (Contd..)

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

Units of the Mutual Fund	Face Value ₹	Nos.	Purchase Cost ₹ in Lakhs
Birla Sun Life Cash Manager - Instl. Plan - Growth	10	21,724,182	3414.60
Birla Sun Life Cash Plus - Instl. Prem. - Growth	10	14,028,943	2150.00
Birla Sun Life Floating Rate Fund - Short Term - Growth	10	1,256,499	202.57
Birla Sun Life Interval Income Fund - Retail-Quarterly-Series 1-Growth	10	4,006,699	500.00
Birla Sun Life Savings Fund Instl. - Growth	10	53,079,188	9380.16
Birla Sun Life Ultra Short Term Fund - Instl. Growth	10	26,067,507	2873.54
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	10	9,220,986	1884.69
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale - Growth	10	20,329,193	3202.37
HDFC Liquid Fund - Premium Plus Plan - Growth	10	9,964,747	1891.98
ICICI Prudential Blended Plan B Instl. Growth	10	30,493,438	3053.26
ICICI Prudential Flexible Income Prem. - Growth	100	2,094,934	3608.45
ICICI Prudential Floating Rate Plan D - Growth	100	2,337,061	3281.23
ICICI Prudential Interval V - Monthly Interval - Plan A Instl. Growth	10	4,951,476	500.00
ICICI Prudential Liquid Super Instl. Growth	100	3,719,324	5105.56
ICICI Prudential Long Term Floating Rate Plan C - Growth	10	14,991,155	1500.00
ICICI Prudential Ultra Short Term Plan Super Premium - Growth	10	46,182,863	4817.32
UTI Liquid Cash Plan Instl. - Growth	1,000	37,953	610.68
UTI - Floating Rate Fund - Short Term Plan - Instl. Growth	1,000	55,246	600.00

SCHEDULE G

CURRENT ASSETS, LOANS AND ADVANCES:

	₹ in Lakhs	31st March, 2011 ₹ in Lakhs	31st March, 2010 ₹ in Lakhs
(a) A. Inventories:			
(i) Raw Materials and Components		3207.71	2546.60
(ii) Packing Materials, Stores, Spare Parts and Fuel		32.57	22.87
(iii) Consumable Tools		10.38	6.96
(iv) Work-in-Progress		3207.94	3267.27
(v) Finished Goods		1896.51	1938.36
		8355.11	7782.06
B. Materials in Transit		85.98	9.37
		8441.09	7791.43
(b) Sundry Debtors, Unsecured:			
(i) Over six months : Good		996.03	914.46
Doubtful	200.74		163.41
Less: Provision	200.74		163.41
		-	-
(ii) Others : Good		18224.54	17090.69
		19220.57	18005.15
(c) Cash and Bank Balances:			
(i) (a) Cash on hand	5.47		4.88
(b) Cheques on hand	192.86		183.45
(c) Remittances in transit	298.78		248.23
		497.11	436.56
(ii) Balances with Scheduled Banks:			
(a) In Current Accounts		163.15	104.37
(b) In Cash Credit Accounts		2739.26	488.97
(c) In Fixed Deposits		45.00	56.31
(including kept with bank as margin ₹ Nil – previous year ₹ 1.31 lakhs)			
		3444.52	1086.21

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE G (Contd..)

	31st March, 2011 ₹ in Lakhs	31st March, 2010 ₹ in Lakhs
CURRENT ASSETS, LOANS AND ADVANCES:		
(d) Loans and Advances, unsecured considered good:		
(i) Advances recoverable in cash or in kind or for value to be received (including loan to an Officer ₹ 0.17 lakhs – previous year ₹ 0.37 lakhs) (maximum balance during the year ₹ 0.37 lakhs – previous year ₹ 0.57 lakhs)	1883.70	2020.33
(ii) Sundry Deposits (including National Savings Certificates of the face value of ₹ 0.36 lakhs matured but not encashed deposited with Government Departments and Semi Government Authorities – previous year ₹ 0.43 lakhs)	315.87	328.28
(iii) Inter Corporate Deposits	6093.57	–
(iv) Balance with Central Excise Department	0.47	0.47
(v) Advance payments of tax and tax deducted at source (net of provision)	432.13	404.51
	8725.74	2753.59
(e) Other Current Assets, unsecured considered good:		
(i) Interest Receivable	65.56	6.63
(ii) Receivables on Sale of Investments	1714.21	–
(iii) Gross Amount due from Customers for Construction Contracts (Refer Note 12)	181.12	–
	1960.89	6.63
	41792.81	29643.01

SCHEDULE H

CURRENT LIABILITIES AND PROVISIONS :

(a) Current Liabilities:		
(i) Acceptances	5421.85	5261.49
(ii) Advances from Customers	926.15	1907.61
(iii) Sundry Creditors		
(a) Dues to Micro and Small Enterprises (Refer Note 5)	–	–
(b) Dues to creditors other than Micro and Small Enterprises	12304.55	6935.18
	12304.55	6,935.18
(iv) Staff Security Deposits	0.28	0.28
(v) Interest accrued and not due on Loans	97.03	60.55
(vi) Unclaimed Dividends *	51.68	45.15
(vii) Unclaimed Interest on Fixed Deposits *	6.56	5.34
(viii) Unclaimed Matured Fixed Deposits *	3.22	1.75
	18811.32	14217.35
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
(b) Provisions:		
(i) For Employee Benefits (Refer Note 7)	835.88	1071.49
(ii) For Others	306.19	87.58
(iii) For Proposed Dividend on Equity Shares	1,412.89	1412.89
(iv) For Dividend Distribution Tax on Proposed Equity Dividend	229.21	234.66
	2784.17	2806.62
	21595.49	17023.97

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE I

SALES AND SERVICES:

	Year ended 31st March, 2011 ₹ in Lakhs	Year ended 31st March, 2010 ₹ in Lakhs
Sales	75950.87	70433.28
Less: Excise Duty	6595.05	5094.35
	69355.82	65338.93
Services	395.98	235.78
	69751.80	65574.71
Less: Returns	47.37	60.42
	69704.43	65514.29

SCHEDULE J

OTHER INCOME:

Interest Gross (Tax deducted at source ₹ 17.36 lakhs – previous year ₹ 0.17 lakhs)	217.68	71.90
Dividend from Long Term Non-trade Investments	182.50	174.38
Dividend from Current Non-trade Investments	–	5.27
Profit on redemption of Current Investments	338.66	239.09
Miscellaneous Income	33.63	27.77
Scrap Sales	602.34	590.96
Profit on sale of Fixed Assets	29.13	17.34
Exchange Gain (net)	16.42	20.27
Provision no longer required/ Credit Balances appropriated	42.99	20.74
	1463.35	1167.72

SCHEDULE K

MATERIALS:

A. Raw Materials and Components Consumed

(Including Processing charges & Subcontracting charges)	48276.49	45835.55
Packing Materials Consumed	776.43	509.69
Purchases for resale	2753.74	1512.90
	51806.66	47858.14

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

Work-in-Progress:

Stock at beginning of the year	3267.27	1799.34
Less: Closing Stock	3207.94	3267.27
	59.33	(1467.93)

Finished Goods:

Stock at beginning of the year	1938.36	4278.09
Less: Closing Stock	1896.51	1938.36
	41.85	2339.73

Excise Duty on Finished Goods:

Closing Stock	229.01	261.52
Less: Stock at beginning of the year	261.52	430.37
	(32.51)	(168.85)
	51875.33	48561.09

SCHEDULE L

PERSONNEL:

Salaries, Wages, Bonus etc.	4560.67	4240.38
Workmen and Staff Welfare Expenses	878.72	707.36
Contribution to and provision for Provident and Other Funds (Refer Note 7(B)(XI))	164.56	484.89
	5603.95	5432.63

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE M

OTHER:

	Year ended 31st March, 2011 ₹ in Lakhs	Year ended 31st March, 2010 ₹ in Lakhs
Power and Fuel	437.83	396.93
Stores, Spare Parts and Tools consumed	293.28	156.92
Fuel consumed (excluding for own power generation)	142.69	114.71
Repairs to Buildings	94.85	101.19
Repairs to Machinery (excluding Spare Parts)	93.28	198.05
Other Repairs	41.15	27.66
Insurance	54.31	46.47
Rent	80.73	74.64
Rates and Taxes	47.31	154.41
Taxes and Levies by Government and Local Authorities	63.67	40.23
Royalty & Technical Service Fee	14.33	5.56
Post and Telecommunication Charges	97.95	90.60
Travelling, Conveyance and Motor Vehicle Expenses	461.93	352.97
Freight and Forwarding Charges (net)	723.95	181.14
Discount & Allowances on Sales	182.88	201.08
Product Advertisement and Publicity	68.05	135.35
Printing and Stationery	96.23	86.52
Data Processing Charges	102.49	79.28
Professional Charges	262.14	219.34
Commission	736.76	880.00
Bank Charges	206.90	242.69
Miscellaneous	1073.38	660.58
Directors' Fees	4.60	5.70
Managerial Remuneration	612.61	640.86
Loss on Assets sold, discarded, and scrapped	7.06	9.89
Provision for Doubtful Debts	76.62	50.87
Less: Provision for Doubtful debts no longer required	39.29	7.69
	37.33	43.18
Bad Debts/Sundry Debit balances written off	3.11	4.39
	6040.80	5150.34

SCHEDULE N

INTEREST AND FINANCE CHARGES:

Interest		
(i) on Fixed Loans	522.91	393.55
[includes ₹ 2.50 lakhs to a Vice Chairman & Managing Director – previous year ₹ 2.50 lakhs]		
(ii) on Others	198.95	124.04
	721.86	517.59
Discounting Charges	174.98	87.69
	896.84	605.28

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 assumption 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 are 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) Revenue from Construction Contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and the estimated total costs. When it is estimated that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined based on the technical and other assessment of cost to be incurred.
- (c) Sales are stated exclusive of Value Added Tax / Sales Tax, Returns and Discounts for the year.
- (d) Service income is recognised, net of service tax, when the related services are provided.
- (e) Dividend income is recognised on establishment of the right to receive the same.
- (f) Interest income is recognised on the time proportion basis.
- (g) Insurance and other claims are accounted as and when unconditionally admitted by the appropriate authorities.
- (h) 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 Schedule XIV to the Companies' Act, 1956.

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

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) 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.
- (b) Expenditure on application software is amortised over a period of three years.

5. Investments :

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

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

SCHEDULES O (Contd.)

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.

7. Foreign Currency Transactions :

- (i) 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.
- (ii) In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, premium on discounts are amortised as expense or income over the life of the forward contract. Exchange difference on such forward contracts are recognised in the Profit and Loss account in the year in which exchange rate changes. Profit or Loss arising on cancellation or renewal of such forward contracts are recognised as income or expense for that year.

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 which is a defined benefit plan and the long term employee benefit in the form of Leave Encashment, 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 amount of tax payable at the applicable tax rate in respect of the estimated taxable income for the year.

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.

11. Leases :Operating Leases

For premises / vehicles, 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.

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

SCHEDULES O (Contd.)

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.

	31st March, 2011 ₹ in Lakhs	31st March, 2010 ₹ in Lakhs
B. NOTES :		
1. Contingent Liabilities not provided for in respect of :		
(i) Disputed Sales Tax demands	153.66	135.95
(ii) Disputed Excise Duty demands	410.09	410.09
(iii) Disputed Custom Duty Demand	305.83	305.83
(iv) Disputed Income Tax Demands	204.47	100.00
(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)	872.42	143.51
3. Professional Charges include :		
(a) To Auditors : (net of Service Tax)		
(i) Audit Fees	13.00	13.00
(ii) Tax Audit Fee	1.20	1.20
(iii) Company Law and other matters	0.23	0.23
(iv) Certifications	0.15	0.15
(v) Reimbursement of Out of Pocket Expenses	0.32	0.18
	<u>14.90</u>	<u>14.76</u>
(b) To Cost Auditors (net of Service Tax)	0.36	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	9238.18	6095.96
Add: Managerial Remuneration	612.61	640.86
Loss on Assets sold, discarded and scrapped	7.06	9.89
Provision for Doubtful Debts	37.33	43.18
	<u>657.00</u>	<u>693.93</u>
	9895.18	6789.89
Less: Profit on sale of assets	29.13	17.34
Profit on sale of long term investments	3380.67	—
Profit on redemption of current investments	338.66	239.09
	<u>3748.46</u>	<u>256.43</u>
Net Profit in terms of Section 349	<u>6146.72</u>	<u>6533.46</u>

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

SCHEDULES O (Contd.)

	31st March, 2011 ₹ in Lakhs	31st March, 2010 ₹ in Lakhs
Maximum managerial remuneration payable in accordance with Section 309(3) @ 10%	614.67	653.35
Commission payable to managerial personnel :		
– ₹ in lakhs	285.82	303.80
– Percentage of the Net Profit computed above	4.65%	4.65%
(b) Profit and Loss Account includes payments and provisions on account of managerial remuneration for Directors as under:		
(i) Salary	147.00	147.00
(ii) Commission	285.82	303.80
(iii) House Rent & Other Perquisites	179.43	142.90
(iv) Contribution to Superannuation Fund	0.36	36.75
(v) Gratuity	–*	10.41
	<u>612.61</u>	<u>640.86</u>

* During the year Whole-time Directors to whom Gratuity is payable are covered under the Company's Gratuity Scheme. Since the specific amount for such benefit can't be ascertained separately as the liability is determined for all employees by an independent actuarial valuation, the same has not been included above.

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

- (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, 2011. 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	31.03.2011 (₹ in Lakhs)	31.03.2010 (₹ in Lakhs)
(a) Principal amount remaining unpaid and interest due thereon	–	–
(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 31.03.2010 (₹ in Lakhs)	Charge / (Credit)	As on 31.03.2011 (₹ in Lakhs)
Difference between Book and Tax Depreciation	(805.31)	0.83	(806.14)
Provision for Doubtful Debts	54.28	(10.85)	65.13
U/s. 43B of the Income Tax Act, 1961	314.69	23.91	290.78
Deferred Tax (Liability)/Asset	<u>(436.34)</u>	<u>13.89</u>	<u>(450.23)</u>

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

7. Disclosure pursuant to Accounting Standard - 15 : Employee Benefits	2010-2011 ₹ in Lakhs	2009-2010 ₹ in Lakhs
A. <u>Defined Contribution Plans</u>		
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	96.99	86.34
(2) Contribution to Employees' Superannuation Fund	76.60	122.49
B. <u>Defined Benefit Plan - Gratuity</u>		
(I) Changes in the Present Value of the Defined Benefits Obligation		
(1) Present Value of Defined Benefit Obligation at the beginning of the year	1,468.64	1,484.91
(2) Interest Cost	121.16	118.79
(3) Current Service Cost	101.77	82.86
(4) Benefits paid	(106.91)	(157.71)
(5) Actuarial (Gain)/Loss on Defined Benefit Obligation	350.16	(60.22)
(6) Present Value of Defined Benefit Obligation at the end of the year	1,934.82	1,468.64
(II) Changes in the Fair Value of Plan Assets		
(1) Fair Value of Plan Assets at the beginning of the year	1,243.02	986.67
(2) Expected Return on Plan Assets	105.65	83.87
(3) Contributions	281.91	313.71
(4) Benefits paid	(106.91)	(157.71)
(5) Actuarial Gain/(Loss) on Plan Assets	1.18	16.48
(6) Fair Value of Plan Assets at the end of the year	1,524.85	1,243.02
(III) Amounts recognised in the Balance Sheet		
(1) Present Value of Defined Benefit Obligation at the end of the year	1,934.82	1,468.64
(2) Fair Value of Plan Assets at the end of the year	(1,524.85)	(1,243.02)
(3) Liability to be recognised in the Balance Sheet	409.97	225.62
(IV) Balance Sheet Reconciliation		
(1) Net liability at the beginning of the year	700.55 *	498.25
(2) Expense recognised as under	(8.67)	313.71
(3) Contributions as above	(281.91)	(313.71)
(4) Net liability at the end of the year	409.97	498.25
(V) Amounts recognised in the Profit & Loss A/c		
(1) Current Service Cost	101.77	82.86
(2) Interest Cost on obligation	121.16	118.79
(3) Expected Return on plan assets for the period	(105.65)	(83.87)
(4) Net Actuarial (Gain)/Loss	348.98	(76.70)
(5) Excess Provision carried forward / (written back)	(474.93)	272.63
(6) Expense Recognised in statement of Profit & Loss A/c.	(8.67)	313.71

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULES O (Contd.)
7. Disclosure pursuant to Accounting Standard - 15 : Employee Benefits (Contd.)

	2010-2011 ₹ in Lakhs	2009-2010 ₹ in Lakhs
(VI) Actual Return on Plan Assets		
(1) Expected Return on plan assets for the period	105.65	83.87
(2) Actuarial Gain/(Loss) on Plan Assets	1.18	16.48
(3) Actual Return on Plan Assets	<u>106.83</u>	<u>100.35</u>

(VII) Percentage of each category of Plan Assets to total Fair Value of Plan Assets

(1) Insurer managed fund	100%	100%
--------------------------	------	------

(VIII) Actuarial Assumption

(1) Discount Rate	8.25%	8.25%
(2) Expected Rate of Return on Plan Assets	8.50%	8.50%
(3) The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		

(IX)		₹ in Lakhs			
		For the annual periods ended			
	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
i. Present Value of Defined Benefit Obligation	1934.82	1468.64	1484.91	1395.24	1201.38
ii. Fair Value of Plan Assets	1524.85	1243.02	986.66	811.98	618.50
iii. (Surplus) / Deficit in the Plan	<u>409.97</u>	<u>225.62</u>	<u>498.25</u>	<u>583.26</u>	<u>582.88</u>

(X) * Net liability at the beginning of the year includes

- liability at the end of the previous year in excess of actuarial valuation carried forward in view of impending long term wage agreement and proposed amendment to the Payment of Gratuity Act, 1972; and
- provision for Gratuity of ₹ 202.30 lakhs payable to the Whole Time Directors calculated in earlier years on arithmetic valuation.

(XI) The difference of ₹ 290.58 lakhs between the liability carried in the books and the gap between the liability as per the actuarial valuation and the fair value of the fund has been written back during the year and the same has been netted off in "Contribution to and Provision for Provident and Other Funds" under Schedule "L" - "Personnel".

8. Disclosure as required by AS 29 - Provisions for Others

- Provision for Others includes Warranty Cost expenses in connection with repairs and free replacement of parts during warranty period. Liability for the same is determined based on past experience and estimates and are accrued in the year of sale. The detail of the same is as under:

(₹ in Lakhs)

	Carrying amount as on 01.04.2010	Provision made/Increase in Provision	Amount used during the year	Carrying amount as on 31.03.2011
(a) Warranty	87.58	191.33	174.62	104.29
	(118.22)	(76.44)	(107.08)	(87.58)

Figures in the bracket are for the previous year.

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

SCHEDULES O (Contd.)

9. RELATED PARTY DISCLOSURES:

I. RELATED PARTIES

A. Key Management Personnel.

- A1. Mr. Nikhil J. Danani, Vice Chairman & Managing Director
A2. Mr. Nakul P. Mehta, Vice Chairman & Managing Director
A3. Mr. Shome N. Danani, Executive Director (son of Mr. Nikhil J. Danani)

B. Relatives of the Key Management Personnel

- B1. Mr. Jaisingh R. Danani, a non-executive Director (father of Mr. Nikhil J. Danani)
B2. Ms. Avanti P. Mehta (sister of Mr. Nakul P. Mehta)
B3. 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

- C1. Danmet Chemicals Pvt. Ltd.
C2. Nasivan Investments Pvt. Ltd.

Related parties' relationship 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

(₹ in Lakhs)

Nature of transaction	Related Parties														
	Referred in I(A) above					Referred in I(B) above					Referred in I(C) above				
	With	During the Year		Closing Balance Dr/(Cr)		With	During the Year		Closing Balance Dr/(Cr)		With	During the Year		Closing Balance Dr/(Cr)	
		CY	PY	CY	PY		CY	PY	CY	PY		CY	PY	CY	PY
Remuneration	A1	240.90	251.77	107.57	114.33										
	A2	240.27	251.30	107.57	114.34										
	A3	131.44	137.79	70.68	75.13										
Sitting Fee						B1	0.20	0.20							
Purchases											C1	152.88	142.45	(12.63)	(15.34)
Deposit taken	A2			(25.00)	(25.00)	B2	1.00	1.00	(1.00)	(1.00)	C2	5.50	0.25	(5.50)	(0.25)
						B3	1.00	1.00	(1.00)	(1.00)					
Loan taken											C1	1,735.00	1,260.00	(410.00)	(615.00)
Loan repaid											C1	1,940.00	645.00		
Interest Paid	A2	2.50	2.50			B2	0.10	0.10			C1	70.05	31.05	(2.76)	–
						B3	0.10	0.10			C2	0.11	0.03	(0.09)	(0.03)
Rent Received											C1	2.80	2.58		–
Asset Sold											C1	2.19		–	

a. No amount has been written off or written back during the year ended 31.03.2011.

b. CY = Current Year, PY = Previous Year

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	
		2010-11	2009-10	2010-11	2009-10
Electric Motors	000 HP	1700	1700	1314	1041
Transformers	MVA	13380	13380	11098	11553
Others	Nos.	1500	1500	670	312

(a) (ii) Turnover :

Item	Unit	Quantity (\$)		₹ In Lakhs (@)	
		2010-11	2009-10	2010-11	2009-10
Electric Motors	Nos.	164614	130711	20339.86	15228.81
Transformers	Nos.	160	184	43697.78	47147.44
Project Items ##				2493.48	1499.87
Spare parts & Components ##				1044.88	813.18
Erection & Commissioning Services				395.98	235.78
Others ##				1779.82	649.63
Total				69751.80	65574.71

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

SCHEDULES O (Contd.)

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

Item	₹ In Lakhs	
	2010-11	2009-10
Project Items ##	1917.62	1222.44
Others ##	836.12	290.46
Total	2753.74	1512.90

(a) (iv) **Inventories :**

Item	Unit	As of 31.03.2011		As of 31.03.2010	
		Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
Electric Motors	Nos.	4590	599.01	4746	613.62
Transformers	Nos.	7	1216.38	6	1206.62
Others ##			81.12		118.12
Total			1896.51		1938.36

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.

@ Turnover is gross of returns.

(b) **Raw Materials and Components Consumed :**

Group of Items:	Qty. 31st March, 2011 MT.	Year ended 31st March, 2011 ₹ in Lakhs	Qty. 31st March, 2010 MT.	Year ended 31st March, 2010 ₹ in Lakhs
Laminations	5360	8024.27	5271	11922.08
Electrolytic Copper Wires, Strips & Stampings	3497	14993.72	3761	13075.79
Hardware and Special Components	*	2682.86	*	2013.70
Others	*	13135.20	*	12253.09
		9440.44		6570.89
		48276.49		45835.55

* 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	2	901.47	3	1167.34
Indigenous	98	47375.02	97	44668.21
	100	48276.49	100	45835.55
Spare Parts:				
Imported	5	3.10	-	-
Indigenous	95	57.53	100	23.50
	100	60.63	100	23.50

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

	Qty. 31st March, 2011 MT.	Year ended 31st March, 2011 ₹ in Lakhs	Qty. 31st March, 2010 MT.	Year ended 31st March, 2010 ₹ in Lakhs
(d) Value of Imports on C.I.F. basis:				
Raw Materials		1407.60		1645.07
Components & Spare parts		0.85		–
Capital Goods		564.51		33.92
(e) Expenditure in Foreign Currency (Disclosed on payment basis)				
Travelling		18.29		14.34
Technical Services Fees		2.46		–
Royalty		4.27		1.52
Others		19.76		34.59
(f) Earnings in Foreign Exchange:				
(i) Direct Exports on F O B basis		595.00		199.12
(ii) Deputation charges		0.19		–
(g) Deemed Exports		1030.57		5552.77

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

Nature of Transaction	Currency	31st March, 2011	31st March, 2010
Trade Payable	USD	450	–
	EUR	–	37392
Trade Receivable	USD	7772	–

12. Disclosure pursuant to Accounting Standard - 7 : Construction Contracts.

	As on 31st March, 2011	As on 31st March, 2010
(a) Contract Revenue recognised for the year	3170.21	–
(b) For contracts in progress as on 31st March		
(i) Aggregate amount of cost incurred and recognised profits (less recognised losses)	3986.21	–
(ii) Amount of advances received	258.33	–
(iii) Amount of retentions	215.48	–
(c) Gross amount due from customers	181.12	–
(d) Gross amount due to customers	56.11	–

13. Disclosure pursuant to Accounting Standard - 19 : Leases

As a lessee in an Operating Lease :

Non-cancellable

The Company has hired assets under non-cancellable operating lease arrangements at stipulated rentals. The future Minimum Lease Payments (MLP) under these leases are as under :

	As on 31st March, 2011	As on 31st March, 2010
MLP due not later than one year	12.38	–
MLP due later than one year but not later than five years	33.55	–

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULES O (Contd.)
14. SEGMENT INFORMATION
BUSINESS SEGMENTS

(₹ in Lakhs)

Particulars	Power Systems		Industrial Systems		Total	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
Segment Revenue						
External Revenue	47577.26	49659.87	22127.17	15854.42	69704.43	65514.29
Inter-segment Revenue	–	–	–	–	–	–
Total Revenue	47577.26	49659.87	22127.17	15854.42	69704.43	65514.29
Segment Result	6064.67	7648.36	2487.40	1513.22	8552.07	9161.58
Unallocated Income/(Expense) (Net)					(1797.72)	(2460.34)
Interest & Finance Charges					(896.84)	(605.28)
Exceptional Items					3380.67	–
Excess/(Short) provision for tax in respect of earlier years					(0.03)	33.48
Provision for Taxation					(1885.62)	(2007.09)
Profit after Taxation					7352.53	4122.35
Other information :						
Segment Assets	24381.79	24721.51	12557.69	9014.93	36939.48	33736.44
Unallocated Assets					15606.99	8955.84
Total assets					52546.47	42692.28
Segment Liabilities	11986.97	9587.11	6903.28	4383.23	18890.25	13970.34
Unallocated Liabilities					2705.24	3053.63
Total liabilities					21595.49	17023.97
Capital Expenditure						
Segment Capital Expenditure	1576.60	581.12	189.88	175.75	1766.48	756.87
Unallocated Capital Expenditure					174.18	187.77
Total Capital Expenditure					1940.66	944.64
Depreciation and Amortisation						
Segment Depreciation and Amortisation	436.88	399.78	139.74	133.99	576.62	533.77
Unallocated Depreciation and Amortisation					316.73	302.94
Total Depreciation and Amortisation					893.35	836.71
Significant Non Cash Expenditure						
Segment Significant Non Cash Expenditure	–	–	–	–	–	–
Unallocated Non Cash Expenditure	–	–	–	–	–	–
Total Significant Non Cash Expenditure	–	–	–	–	–	–

- Segments have been identified in line with Accounting Standard AS 17 on the basis of production & distribution process and regulatory environment.
- Company has disclosed Business segments as Primary segments.
Composition of Business Segments :
 - Power Systems**
This segment comprises the design, commissioning and marketing of power transformers, EPC projects for electrical substations commissioning, erection and servicing of transformers and marketing of maintenance products.
 - Industrial Systems**
This segment comprises the development, marketing and manufacture of a wide range of standard and customized electric motors, synchronous gearless machines for the elevator industry and the engineering and supply of AC variable-speed drives and drive systems.
- Segment Revenue, Result, Assets & Liabilities include respective amounts directly attributable to each segment & other relevant amounts allocated on reasonable basis.
While presenting the segment results, common expenses, common assets & liabilities to the extent not directly identifiable with any one segment have been grouped as unallocable.
- Company does not have any secondary segments since risk & return are not significantly dependent on geographical locations.

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

SCHEDULES O (Contd.)

15. Disclosure pursuant to Accounting Standard - 20 : Earnings Per Share

₹ In Lakhs

		For the year ended 31.03.2011	For the year ended 31.03.2010
Profit after Tax	A	7352.53	4122.35
Less: Exceptional Item	B	3380.67	–
Profit after Tax excluding Exceptional Item	C=A-B	3971.86	4122.35
Weighted Average number of Equity Shares	D	56,51,560	56,51,560
Nominal Value Per Share (₹)	E	10.00	10.00
Basic & Diluted Earning per Share (₹)			
– including exceptional item	A/D	130.10	72.94
– excluding exceptional item	C/D	70.28	72.94

16. Previous Year's figures have been regrouped wherever necessary.

As per our attached report of even date.
For DALAL & SHAH,
Firm Registration No. 102021W
Chartered Accountants,

S. Venkatesh
Partner
Membership No. F-037942

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

Sanjiv N. Shah

Director

Mumbai, 9th May, 2011

Mumbai, 9th May, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td>5</td><td>0</td><td>1</td><td>7</td></tr> </table>	5	0	1	7	State Code	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td>0</td><td>1</td><td>1</td></tr> </table>	0	1	1																															
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III Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)																																									
Sources of Funds	Total Liabilities	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td></td><td></td><td></td><td>5</td><td>2</td><td>5</td><td>4</td><td>6</td><td>4</td><td>7</td></tr> </table>					5	2	5	4	6	4	7																												
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Application of Funds	Net Fixed Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td></td><td></td><td></td><td></td><td>8</td><td>5</td><td>1</td><td>5</td><td>2</td><td>8</td></tr> </table>						8	5	1	5	2	8																												
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	Net Current Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td></td><td></td><td></td><td>2</td><td>0</td><td>1</td><td>9</td><td>7</td><td>3</td><td>2</td></tr> </table>					2	0	1	9	7	3	2																												
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V Generic Names of Two Principal Products/Services of Company (as per monetary terms)																																									
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Nikhil J. Danani	}	Vice Chairmen & Managing Directors
Nakul P. Mehta		

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

Shome N. Danani Executive Director

S. B. Godbole
Vice President :
Finance

Sanjiv N. Shah Director

Mumbai, 9th May, 2011



Bharat Bijlee Limited

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

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

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

To,
The Depository Participant Concerned

(IN CASE OF ELECTRONIC 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

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

Account Type		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 OF THE AUDITORIUM

I hereby record my presence at the 64th ANNUAL GENERAL MEETING of the Company held at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai 400 020, on Friday, 24th June, 2011 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/her

of

..... as my/our proxy

to vote for me/us on my/our behalf at the 64th ANNUAL GENERAL MEETING of the Company to be held on Friday, 24th June, 2011 at 3.00 p.m. and at any adjournment thereof.

Signed this..... day of2011

Affix
Revenue
Stamp

(Signature of Member)

NOTES:

- The form should be signed across the stamp as per specimen signature registered with the Company.
- 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.
- A proxy need not be a member.

Bharat Bijlee Limited

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

T: +91 22 2430 6237 / 6071
Email: bbllcorporate@bharatbijlee.com