



**POWER BEHIND POWER**

# **BIL ENERGY SYSTEMS LIMITED**

## **Annual Report 2012 – 2013**

**Board of Directors**

Mr. Suresh Kumar Choudhary  
 Mr. Rajendra Kumar Choudhary  
 Mr. Mrugen Shah  
 Mr. M. K. Sugathan  
 Mr. Vasudev Kulkarni

**Company Secretary & Compliance Officer**

Mrs. Astha Rathi

**Registered Office**

2nd Floor, Vikas Chambers,  
 Link & Marve Road,  
 Malad (West), Mumbai – 400 064  
 Tel – (91 22) 28885929  
 Fax – (91 22) 28811225  
 Email – info@bilenergy.com

**Manufacturing Unit**

Village – Kanchad,  
 Taluka – Wada, Dist – Thane  
 Phone – (02526) 645947  
 Fax – (02526) 235622

**Statutory Auditors**

M/s Bansal, Bansal & Co.,  
 Chartered Accountants  
 6 / 120, Sanjay Building,  
 Mittal Estate, Andheri Kurla Road,  
 Andheri (East), Mumbai – 400 059

**Registrars & Share Transfer Agents for Physical & Electronic Shares**

M/s. System Support Services  
 209, Shivai Industrial Estate, Near Logitech Park,  
 89 Andheri Kurla Road, Andheri (East),  
 Mumbai – 400 072.  
 Phone – (91 22) 2850 0835 (5 Lines)  
 Email : sysss72@yahoo.com

**Bankers****State Bank of India**

Industrial Finance Branch  
 Natraj Building, 201, 1st Floor, 194,  
 Sir M.V. Road, Western Express Highway,  
 Andheri (East), Mumbai – 400 069.

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**Important Communication to Members**

*The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to update their email address with the Company or M/s. System Support Services (RTA), to enable us to send all the documents through electronic mode in future.*

**NOTICE**

NOTICE is hereby given that the 4<sup>th</sup> Annual General Meeting of the Members of **BIL ENERGY SYSTEMS LIMITED** will be held at IJMA, 1036/37/38, 10<sup>th</sup> Floor, IJMIMA Complex, Raheja Metroplex, Link Road, Behind Goregaon Sports Club, Malad (W), Mumbai – 400 064 on Monday, 30<sup>th</sup> September, 2013 at 4.00 p.m. to transact with or without modification(s), as may be permissible, the following business:

**ORDINARY BUSINESS:-**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013, Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mrugen Shah, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:-**  
**“RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s. Bansal, Bansal & Co., Chartered Accountants, having firm registration number 100986W issued by the Institute of Chartered Accountants of India (ICAI), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors of the Company.  
**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to implement this resolution”.

**SPECIAL BUSINESS:-**

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**  
**“RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Vasudev Kulkarni, who was appointed as an Additional Director pursuant to the provisions in Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retirement by rotation under the provisions of the Articles of Association of the Company.  
**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

By Order of the Board of Directors,  
**For Bil Energy Systems Limited**  
**Astha Rathi**  
 Company Secretary

Mumbai, 13<sup>th</sup> August, 2013

**Registered Office:-** 2nd Floor, Vikas Chambers, Junction of Link & Marve Road, Malad (West), Mumbai – 400 064

**NOTES:-**

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY/PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
- c. The Company has notified closure of register of members and transfer books from 26<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (both days inclusive).
- d. Members holding shares in Physical form are requested to notify change of address, if any, to Registrar and Share Transfer Agents and those who hold shares in dematerialized form are requested to notify to their Depository participants their change in address.
- e. As per the provisions of the Companies Act, 1956, facility for making nomination is available to the shareholders in respect of the Shares held by them. Nomination Forms can be obtained from the registrar and share transfer agents of the Company.
- f. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their respective copy of the Annual Report to the Meeting and affix their signature at the place provided on the attendance slip annexed to the Proxy form and hand over the slip at the entrance to the place of the Meeting.
- g. Non – Resident Indian Members are requested to inform the Company's registrar and share transfer agents M/s. System Support Services immediately of –
  - a. The change in the residential status on return to India for permanent settlement.
  - b. The particulars of the bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- h. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of the 4<sup>th</sup> Annual General Meeting.

**Explanatory Statement**

As required under Section 173(2) of the Companies Act, 1956:-

**Item No.4:**

The Board of Directors of the Company has appointed pursuant to the provisions of Section 260 of The Companies Act, 1956 (The Act), Mr. Vasudev Kulkarni as an Additional Director of the Company with effect from 14<sup>th</sup> November, 2012.

In terms of the provisions of Section 260 of The Companies Act, 1956 Mr. Vasudev Kulkarni would hold office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member proposing the candidature of Mr. Vasudev Kulkarni for the office of Director of the Company under the provisions of Section 257 of the Act.

The Board commends the resolution set out at Item No. 4 of the Notice for your approval.

Save and except Mr. Vasudev Kulkarni, none of the other Directors of the Company is in any way, concerned or interested in the resolution.

By Order of the Board of Directors,  
**For Bil Energy Systems Limited**  
**Astha Rathi**  
 Company Secretary

Mumbai, 13<sup>th</sup> August, 2013

**Registered Office:-** 2nd Floor, Vikas Chambers, Link & Marve Road, Malad (West), Mumbai – 400 064

**DIRECTORS' REPORT**

Dear Members,

The Directors of your Company have pleasure in presenting fourth Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31<sup>st</sup> March, 2013.

**1. Financial Performance:-**

The financial performance of the Company for the Year ended 31<sup>st</sup> March, 2013 is as summarized below:-

(₹ In Lacs)

Particulars	2012-2013	2011-2012
<b>Gross Turnover &amp; Other Income</b>	<b>9788.21</b>	<b>10177.02</b>
<b>Profit before Interest, Depreciation &amp; Taxation</b>	<b>89.90</b>	<b>346.50</b>
Less – Interest	<b>841.77</b>	<b>798.33</b>
Profit / (Loss) before Depreciation & Taxation	<b>(751.87)</b>	<b>(451.83)</b>
Less – Depreciation	<b>303.41</b>	<b>297.63</b>
<b>Profit / (Loss) before tax</b>	<b>(1055.28)</b>	<b>(749.46)</b>
Less– Provision for Taxation (Incl. Deferred Tax)	<b>(463.73)</b>	<b>-</b>
<b>Net Profit / (Loss) for the year</b>	<b>(591.55)</b>	<b>(749.46)</b>
Add/ (less) – Balance brought forward from previous Year	<b>(661.53)</b>	<b>87.93</b>
Balance Carried to Balance Sheet	<b>(1253.08)</b>	<b>(661.53)</b>

**2. Performance Review:-**

For the year 2012-13, the Turnover of the Company decreased and stood at ₹ 9704.44 Lakhs and Loss incurred was ₹ 591.55 Lakhs, which is mainly due to lower capacity utilization, falling margins and higher interest rates.

**3. Dividend:-**

Your Directors do not recommend any dividend for the year under review in view of losses incurred.

**4. Directors:-**

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Vasudev Kulkarni (w.e.f. 14<sup>th</sup> November, 2012) was appointed as an Additional Director of the Company and would hold Office upto the date of ensuing Annual General Meeting.

Mr. Mrugen Shah, Director, retire from the Board by rotation and being eligible has offered himself for re-appointment at the ensuing Annual General Meeting. The Notice convening the Annual General Meeting includes the proposal for his re-appointment. The Company has received notices in writing from members proposing the candidature of above directors.

Brief resumes of the above Directors, nature of their expertise in specific functional areas and names of the Public Limited companies in which they hold directorships and memberships / chairmanships of Committees of the Board and their shareholding in the Company, as stipulated under Clause 49 of the Listing Agreement are given in the Report on Corporate Governance forming part of the Annual Report.

During the year Mr. Naresh Kumar Choudhary had resigned with effect from 12<sup>th</sup> February, 2013. Your Directors wish to place on record their sincere appreciation for the invaluable services rendered by him during his tenure as Director.

**5. Sub Division of Face Value of Shares:-**

During the year the Company had sub divided the face value of its Equity Shares from ₹ 10/- each to ₹ 1/- each. In this connection, the Shareholder of the Company had passed the resolution at their extra ordinary general meeting held on 09<sup>th</sup> March, 2013.

**6. Directors' Responsibility Statement:-**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that:-

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures from the same;
- Appropriate accounting policies have been selected and applied consistently and such judgments & estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2013 and of the Profit / Loss of the Company for the accounting year ended on that date;
- Proper & sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing & detecting fraud and other irregularities; and
- The annual accounts of the Company have been prepared on a going concern basis.

**7. Auditors:-**

The present Statutory Auditors of the Company, M/s. Bansal, Bansal & Co, Chartered Accountants, Mumbai, having firm registration number 100986W issued by the Institute of Chartered Accountants of India (ICAI), retire as Statutory Auditors at the conclusion of this Annual General Meeting. They are eligible for re-appointment and the Company has received a Certificate from them that their re-appointment, if made, would be within the limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such an appointment within the meaning of sub-sections (3) and (4) of Section 226 of the Companies Act, 1956. Their reappointment is recommended by the board.

**8. Auditors' Report:-**

As regards Auditors remarks in the Audit report, comments of the Board of Directors are as under:

- The company has sent letters to customers in respect of trade receivables for confirming balances outstanding as at March 31<sup>st</sup> 2013, but in most of the cases the customers have not sent written confirmation confirming the balance outstanding as at March 31<sup>st</sup>, 2013. In the absence of confirmation any provision to be made for adverse variation in the carrying amounts of trade receivables is not quantified.

*The Board considers all outstanding balance of customers as on 31<sup>st</sup> March 2013 as good and recoverable and hence no provision has been made.*

- The company has recognized Deferred Tax Asset on account of unabsorbed losses and allowances during the year aggregating to ₹ 463.73 lacs (For year ended March 31<sup>st</sup>, 2012 – NIL) (Total amount recognized upto March 31<sup>st</sup>, 2013 ₹ 463.72 lacs). This does not satisfy the virtual certainty test for recognition of deferred tax credit as laid down in Accounting Standard 22.

*The Company had incurred huge operational loss during the year under review. In view of this the management had thought it appropriate not to make provision for deferred tax assets during the year.*

- 3) As regards Auditors' remarks in Annexure to their report under Item No. 1 (b) & 2 (a), with regard to physical verification report of fixed assets and inventories, the same are self explanatory;
- 4) As regards Auditors' remarks in Annexure to their report under Item No.7, with regard to report of internal audit, Company has in house internal audit system commensurate with the size and nature of its business and hence no formal audit report is available.

## 9. Cost Auditors:

The Ministry of Corporate Affairs (MCA) has introduced The Companies (Cost Accounting Records) Rules, 2011 published vide GSR 430(E) dated 03<sup>rd</sup> June, 2011, and Cost Audit order no. 52/26/CAB-2010 dated 24<sup>th</sup> January, 2012 which has become applicable to the Company with effect from the financial year 2011-12. Henceforth, the Company is required to maintain and keep cost records of all its units and branches. Further, the Company to which these rules apply would be required to submit a Compliance Report duly certified by a Cost Accountant, along with the Annexure to the Central Government in prescribed Form. In view of the above, based on the recommendations of Audit Committee, the Board of Directors at its meeting held on 15<sup>th</sup> May, 2012, had appointed Mr. Jayant J. Paleja, a Practicing Cost Accountant, as Cost Accountant to issue the Compliance Certificate for the financial year 2012-2013 and at the Board meeting held on 29<sup>th</sup> May, 2013, has approved his appointment for conducting cost audit of the Company for the financial year 2013-14.

Necessary certificate and consent letter from the said Auditor has been obtained to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

## 10. Tax Provisions: –

The Company has made adequate provisions as required under the provisions of Income Tax Act, 1961 as well as other relevant laws governing taxation on the company.

## 11. Fixed Deposits: –

During the year ended on 31<sup>st</sup> March 2013, the Company has not accepted any Fixed Deposit from public under Section 58A & 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

## 12. Corporate Governance: –

We adhere to the principal of Corporate Governance mandated by the Securities and Exchange Board of India (SEBI) and have implemented all the prescribed stipulations. As required by Clause 49 of the Listing Agreement, a detailed report on Corporate Governance forms part of this Report as **Annexure II**. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached with the Corporate Governance Report.

## 13. Management's Discussion and Analysis Report: –

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management's Discussion and Analysis Report, which forms part of this Report as **Annexure – I**.

## 14. Energy Conservation and Technology Absorption: –

The nature of business of the Company is such where electricity consumption comprises of internally DG set generated electricity as well as electricity made available by MSEDCL. Since it is not possible to bifurcate accurately between these two sources, the information required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 with respect to conservation of Energy, Technology absorption is not given.

## 15. Foreign Exchange earnings and outgo:-

Your Company earned/spent foreign exchange as under during the year:

Earnings	:	₹ Nil
Outgo	:	₹ 822.79 Lacs

## 16. Particulars of Employees:-

There are no employees covered under Section 217(2A).

## 17. Acknowledgement: –

The Board wishes to place on record its sincere appreciation for the assistance and co-operation received from Bankers, Government Departments and other Business Associates for their continued support towards the conduct of operations of the Company efficiently.

The directors express their gratitude to the shareholders for their continuing confidence in the Company. The directors also acknowledge the hard work and persuasive efforts put in by the employees of the Company in carrying forward Company's vision and mission.

On behalf of the Board of Directors,  
**For Bil Energy Systems Limited**  
**Rajendra Kumar Choudhary**  
**Managing Director**

Mumbai, 29<sup>th</sup> May, 2013

## Annexure I to the Directors' Report

### MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

#### Background

Bil Energy Systems Limited manufactures Stamping Rotating Machines and Transformer core and Laminations. It is specialized in tailor-made circular stampings upto 1400 mm diameter and segmental stampings of width upto 1250 mm with focused end products for Alternators (Domestic / Industrial), Motors (Micro / HT / LT), Wind Mill Generators, Hydro Generators, Turbo Generators, Compressors for Air conditioners and Refrigerators, AC / DC Motors for Agriculture Pumps, Fans, Computer transformer and Ballasts. The Company also has a wide range of IEC frame tools to manufacture circular stampings. As regards Transformer Cores and Lamination, the Company manufactures the same in various shapes and sizes upto 1000 mm width and also rectangular shaped cores with or without holes. The facility is in place to meet customer specific requirements. Rotors are supplied either loose wire tied, welded or aluminum die-casted. Further, stampings made out of semi-processed steel is decarbed, annealed and blued at the Company's unit itself. The Company is fully equipped with continuous burn-off, decarb annealing and blueing furnace.

#### Industry Overview

In the last financial year, the Indian economy had witnessed slowdown due to global uncertainties, domestic challenges, low investment, delay in policy making, etc. This slowdown was seen in all major sectors of the economy which also include power sector. The Indian economy uses a variety of energy sources, both commercial and non-commercial. The non-commercial fuels are gradually getting replaced by the "commercial fuels" such as coal, lignite, petroleum products, natural



gas and electricity. As electricity is one of the most important inputs in the Industrial Sector, the development of a nation is generally compared by the per capita consumption of electricity. In developing countries, the indicator cannot be related directly with the average development of the nation. The use of Electricity is basically in Industrial sector, Commercial & Residential lighting and Agriculture and Irrigation. Your Company endeavours to utilize its full capacity so as to fulfill the increasing demands in the domestic market and earn profits in near future.

## Operating Results of the Company

The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Accounting Standards (AS) notified by the Companies (Accounting Standard) Rules, 2006.

The salient features of the Company's performance are: –

- Total Sales of ₹ 9704.44 Lacs
- Net Loss of ₹ 591.55 Lacs

The Company has a net worth of about ₹ 4169.61 Lacs as on 31<sup>st</sup> March, 2013.

## Outlook for the Company

The Company's customers list, which includes well respected big companies and our product acceptability, give us hope to overcome the losses and post a decent top-line and bottom-line in the ensuing year.

## Internal Control and its adequacy

The Internal audit was carried out by an independent firm of Chartered Accountants which conducts the audit on the basis of Annual Audit Plan. The process includes review and evaluation of effectiveness of the existing process, controls and compliance. It also ensures adherence to policies and systems, and mitigation of the operational risk perceived for each area under audit. Significant observations including recommendations for improvement of the business process were reviewed by the Management before reporting to the Audit Committee which reviewed the status of implementation of the agreed action plan.

## Human Resources

Your Company strongly believes that employees are central to the Company's transformation agenda and that it is important to build capabilities of employees to handle both current and future needs. During the year, the Company worked extensively on identifying the needs of employees across all categories and level. The Company has built a young and vibrant team of qualified and competent professionals to meet the emerging business challenges and market competition.

## Risk and Concerns

The Company has to mainly depend on foreign suppliers for import of CRGO and CRNGO. Any delay in procurement of the same would impact the financials of the Company. However, the Company has tied up with major players and has developed a strong relationship with these suppliers. Further, increase in the prices of Electrical Steel would also have an impact on the bottom line of the company. However, it is an established pattern of the company that any escalation in the cost is passed on to the customers to ensure that margins are not affected. While this is the broad understanding with the customers, they may not absorb the increase in raw material cost to full extent at all times and it may not be with immediate effect in all situations.

## Cautionary Statement

Statements in the Management's Discussion and Analysis, describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable securities laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental/related factors.

On behalf of the Board of Directors,  
**For Bil Energy Systems Limited**  
**Rajendra Kumar Choudhary**  
 Managing Director

Mumbai, 29<sup>th</sup> May, 2013

## Annexure II to the Directors' Report

### REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of maximizing stakeholders' value and discharge of social responsibility. The Corporate Governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees etc.

In addition to these, the Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreements, the disclosure requirements of which are given below:

#### Mandatory Requirements:-

##### 1. Company's Philosophy on Corporate Governance:-

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for all its stakeholders.

##### 2. Board of Directors (Board):-

###### a) Board Composition:-

The Board of the Company should consist of optimum combination of Executive, Non Executive – Independent Directors, which should be in conformity with the requirement of Clause 49 of the Listing Agreement with Stock Exchanges.

The present strength of the Board is Five (5) Directors, comprising of two Promoter Directors and Three Independent Directors. The Board Members possess the skills, expertise & experience necessary to guide the Company.

Name of Director	Category of Directorship	Designation
Mr. Rajendra Kumar Choudhary	Promoter – Executive	Managing Director
Mr. Suresh Kumar Choudhary	Promoter – Non-Executive	Director
Mr. Mrugen Shah	Independent – Non Executive	Director
Mr. M.K. Sugathan	Independent – Non Executive	Director
Mr. Vasudev Kulkarni	Independent – Non Executive	Additional Director

**b) Board Meetings and attendance of Directors:-**

During the financial year ended on 31st March 2013, Four (4) Board Meetings were held on the following dates: – 15<sup>th</sup> May, 2012, 14<sup>th</sup> August, 2012, 14<sup>th</sup> November, 2012 and 12<sup>th</sup> February, 2013.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board members to discharge their responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as part of Agenda Papers, the same are tabled at the meeting or / and the presentations are made by the concerned managers to the Board. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The information as specified in Annexure 1A to Clause 49 of the Listing Agreement is regularly made available to the Board, whenever applicable, for discussion and consideration.

The attendance at the Board Meetings held during the year and attendance at the last Annual General Meeting, number of directorships in other Public Limited companies and membership in committees across various companies of which the Director is a Member / Chairman are given below: –

Name of Directors	No. of Board Meetings Attended	Attendance at last AGM held on 24 <sup>th</sup> September, 2012	# Directorship held in other Companies	Committee Memberships / Chairmanships	
				Membership	Chairmanship
Mr. Suresh Kumar Choudhary	--	Absent	- Bilpower Limited - Nik-san Engineering Company Limited - Choudhary Global Limited	-- -- --	-- -- --
Mr. Rajendra Kumar Choudhary	4	Present	- Bilpower Limited - Tarapur Transformers Limited - Choudhary Global Limited	7 -- --	2 -- --
Mr. Mrugen Shah	4	Present	- Bilpower Limited - Tarapur Transformers Limited - Unibios Laboratories Limited	2 -- --	5 -- --
Mr. M.K. Sugathan	3	Present	None	3	--
**Mr. Vasudev Kulkarni	1	Absent	None	-	-
*Mr. Naresh Kumar Choudhary	1	Absent	- Tarapur Transformers Limited - Nik-san Engineering Company Limited	-- --	-- --

# Excluding Private Companies and Companies under Section 25 of the Companies Act, 1956.

\* Resigned as Director during the year.

\*\* Appointed as an Additional Director on 14<sup>th</sup> November, 2012.

The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all companies in which they are Director. As per Clause 49 of the Listing agreement, for the purpose of reckoning the said limit, Chairmanship/ membership of the Audit Committee and the Shareholders' Grievance Committee alone shall be considered.

**c) Information of Directors' Appointment / Re-appointment:-**

The profiles of Directors who are seeking re-appointment / appointment at the Annual General Meeting are furnished below:-

Mr. Mrugen Shah, aged 34 years, designated as "Non Executive Independent Director" is a Chartered Accountant, DISA (ICAI) by qualification having an experience of over 10 years in the field of accounts, taxation & audit. He is not holding any equity shares of the Company.

Mr. Vasudev Kulkarni aged 45 years, designated as "Non Executive Independent Director" is having deep knowledge of e-Governance system in India, especially in the ULB, Municipal corporations and at district level. He possesses rich experience in co-coordination with Govt. Bodies, Social & Industrial forums. He is not holding any equity shares of the Company.

**Committees of the Board of Directors of the Company:-**
**3. Audit Committee:-**
**a) Composition and attendance:-**

The Audit Committee comprises of experts specializing in accounting / financial management. The Chairman of the Audit Committee is a Non-executive and Independent Director. The composition and attendance of Audit Committee is as follows:-

Name of the Members	Position	Category	Attendance
Mr. Mrugen Shah	Chairman	Independent & Non Executive Director	4
Mr. Rajendra Kumar Choudhary	Member	Promoter & Managing Director	4
Mr. M.K. Sugathan	Member	Independent & Non Executive Director	3

The Audit Committee is constituted in accordance with the provisions of Clause 49 of the Listing Agreement and the Companies Act, 1956. All the members of Audit Committee possess knowledge of corporate finance, accounts and company law.

During the year 2012-13, four (4) Audit Committee meetings were held on 15<sup>th</sup> May 2012, 14<sup>th</sup> August, 2012, 14<sup>th</sup> November, 2012 and 12<sup>th</sup> February, 2013.

**b) Power & Terms of Reference:-**

The Power and terms of reference of the Audit Committee are as mentioned in Clause 49 II (C), (D) & (E) of the Listing Agreement entered into with the Stock Exchanges and includes overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance issue and issues related to risk management and compliances. The Statutory Auditors are invited to the meeting.

## 4. Remuneration Committee:-

### a) Composition and attendance:-

The Remuneration Committee comprises of three (3) members. The composition of Remuneration Committee is as follows:-

Name of the Members	Position	Category
Mr. Mrugen Shah	Chairman	Independent & Non Executive Director
Mr. Vasudev Kulkarni	Member	Independent & Non Executive Director
Mr. M.K. Sugathan	Member	Independent & Non Executive Director

No meeting of the Remuneration Committee was held during the year 2012-13.

### b) Terms of Reference:-

The broad terms of reference of the committee are to appraise the performance of Chairman, Managing Director, Whole Time Directors and Chief Executive Officer, determine and recommend to the Board compensation payable to Chairman, Managing Director, Whole Time Directors and Chief Executive Officer. The Remuneration policy of the Company is based on review of achievements. The remuneration policy is in consonance with the existing industry practice.

### c) Remuneration Policy:-

Subject to approval of the Board of Directors and subsequent approval by the members at the Annual General Meeting and such authorities as the case may be, remuneration of Chairman, Managing Director, Whole Time Directors, Chief Executive officer is fixed by the Remuneration Committee. The remuneration is decided by the Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc.

The remuneration structure comprises of basic salary, perquisites, allowances (fixed component), and contribution to provident fund, in accordance with the provisions of the Companies Act, 1956.

## 5. Shareholders' / Investors' Grievance Committee:-

### a) Composition and attendance:-

The Board has delegated the powers to approve transfer of shares etc. to this Committee of Three (3) Directors. The quorum for functioning of the committee is any two (2) Directors present. The composition and attendance of Shareholders' / Investors' Grievance Committee is as follows:-

Name of the Members	Position	Category	Attendance
Mr. Mrugen Shah	Chairman	Independent & Non Executive Director	I
Mr. Rajendra Kumar Choudhary	Member	Promoter & Managing Director	I
Mr. M.K. Sugathan	Member	Independent & Non Executive Director	I

Two Shareholders' / Investors' Grievance Committee meetings were held on 27<sup>th</sup> April, 2012 and 14<sup>th</sup> August, 2012.

### b) Terms of Reference:-

The Committee looks into redressal of Investors Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend warrants etc.

The committee deals with various matters relating to –

- Transfer / transmission of shares.
- Issue of share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.
- Consolidation / splitting of folios.
- Review of shares dematerialized and all other related matters.
- Investors' grievance and redressal mechanism and recommend measures to improve the level of investors' services.

The secretarial department of the Company and registrar and transfer agents viz. System Support Services attend expeditiously to all grievances / correspondences of the shareholders / investors, received directly or through SEBI, Stock Exchanges, Department of Corporate Affairs, and Registrar of Companies etc. The complaints are generally resolved within 15 days of receipt of letter, except in the cases that are constrained by disputes or legal impediment.

### c) Information on Investor Grievances for the period from 01st April, 2012 to 31st March, 2013:-

Brought Forward	Received Afresh	Disposed	Carried Over
Nil	Nil	Nil	Nil

### d) Compliance Officer:-

Mrs. Astha Rathi, Company Secretary, is the compliance officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreements with the BSE & NSE.

## 6. Code of Conduct and Ethics for Directors and Senior Management:-

The Company has laid down a code of conduct for all Board members and senior management personnel of the Company. A copy of the Code of conduct is available on the Company's website [www.bilenergy.com](http://www.bilenergy.com)

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Director is given below:-

"I hereby confirm that –

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management in respect of the Financial Year 2012-13"

Rajendra Kumar Choudhary

Managing Director

**7. General Body Meetings:-**
**a) Details of the last Annual General Meetings of the Company are given below:-**

Financial Year	AGM	Date	Locations	Time	No. of Special Resolutions Passed
*1 <sup>st</sup> Financial year – 4 <sup>th</sup> February, 2010 to 31 <sup>st</sup> March, 2010	1 <sup>st</sup>	30 <sup>th</sup> September, 2010	2 <sup>nd</sup> Floor, Vikas Chamber, Link & Marve Road, Malad (West), Mumbai – 400 064	3.30 p.m.	Nil
2010-11	2 <sup>nd</sup>	30 <sup>th</sup> August, 2011	1 <sup>st</sup> Floor, Landmark Building, Mith Chowky, Link Road, Malad (West), Mumbai – 400 064	4.30 p.m.	02
2011-12	3 <sup>rd</sup>	24 <sup>th</sup> September, 2012	1 <sup>st</sup> Floor, Landmark Building, Mith Chowky, Link Road, Malad (West), Mumbai – 400 064	5.30 p.m.	Nil

\* Bil Energy Systems Limited was incorporated on 4<sup>th</sup> February, 2010.

**b) During the year One Extra Ordinary General Meeting was held on 09th March, 2013.**
**8. Subsidiary Company:-**

The Company does not have any subsidiary company in term of Clause 49 (III) of the Listing Agreement and hence, it is not required to have an independent director of the Company on the board of such subsidiary company.

**9. Compliance with other mandatory requirements:-**
**1) Disclosures:-**
**a) Materially significant related party transactions:-**

There were no materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, directors or the management, their subsidiary or relatives etc. during the year, that may have potential conflict with interest of the Company at large.

**b) Disclosure of accounting treatment:-**

In the preparation of financial statements, the Company has followed the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India to the extent applicable.

**c) Disclosure of Risk Management:-**

The Company has laid down procedure to inform Board members about the risk assessment and minimization procedure. These would be periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.

**d) CEO / CFO Certification:-**

In line with the requirements of Clause 49 (V) of the Listing Agreement, the Managing Director of the Company has submitted the CEO/CFO Certification, certifying to the Board inter alia that the Financial Statements and the Cash Flow Statements for the financial year ended on 31<sup>st</sup> March, 2013 were reviewed to the best of his knowledge and belief, that they do not contain any untrue statement, omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with applicable laws and regulations.

**e) Statutory Compliance, Penalties and Strictures:-**

The Company has complied with all requirements of the Listing Agreements entered with Stock Exchanges as well as applicable regulation and guidelines of SEBI. There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authorities for non compliance of any matter related to the capital markets during the last three years.

**10. Means of Communication:-**

Quarterly / Half yearly financial results sent to each shareholder's residence.	No, but published in the newspapers
In Which Newspapers Quarterly, half yearly & annual results were normally Published.	English: The Financial Express / Free Press Journal Marathi: Mumbai Mitra / Aapla Mahanagar
Any website, where results or official news are displayed.	<a href="http://www.bseindia.com">www.bseindia.com</a> <a href="http://www.nseindia.com">www.nseindia.com</a> <a href="http://www.bilenergy.com">www.bilenergy.com</a>
Whether Management Discussion & Analysis Report is a part of the Annual Report or not.	Yes, it is part of Annual Report – As Annexure – I

**11. General Shareholder Information:-**
**a) 4th Annual General Meeting:-**

Date	30 <sup>th</sup> September, 2013
Venue	IJMA, 1036/37/38 10th Floor, IJMIMA Complex, Raheja Metroplex, Link Road, Behind Goregaon Sports Club, Malad(W), Mumbai – 400 064
Day and Time	Monday, 04.00 p.m.

**b) Financial Calendar:-**

The Company follows the period of 01<sup>st</sup> April to 31<sup>st</sup> March, as the Financial Year.

For the Financial Year 2013-14, Financial Results will be announced as per the following tentative schedule.

1 <sup>st</sup> Quarter ending June 2013	By 13 <sup>th</sup> August, 2013
2 <sup>nd</sup> Quarter & Half Year ending September 2013	By 14 <sup>th</sup> November, 2013
3 <sup>rd</sup> Quarter ending December 2013	By 14 <sup>th</sup> February, 2014
4 <sup>th</sup> Quarter / year ending March 2014	Within 60 days from 31 <sup>st</sup> March, 2014
Annual General Meeting for the Year 2013-14	By September, 2014

**c) Book Closure Date:-**

Date of Book Closure	26 <sup>th</sup> September, 2013 to 30 <sup>th</sup> September, 2013 (both days inclusive)
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