

# BILPOWER LIMITED



*Fourteenth Annual Report*

**2002 • 2003**

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## BOARD OF DIRECTORS &amp; COMPANY INFORMATION

**BOARD OF DIRECTORS**

Shri Naresh Kumar Choudhary  
 Shri Rajendra Kumar Choudhary  
 Shri Anuj Govindhari Chaudhary  
 Shri Abhishek Choudhary

**REGISTERED OFFICE :**

201-204, Vikas Chambers, 2<sup>nd</sup> Floor,  
 Junction of Link & Marve Road,  
 Malad (West), Mumbai - 400 064.  
 Tel.: 2888 5929 / 7597 Fax: 2881 1225  
 Mail Id - info@bilpower.com

**BRANCH OFFICES / UNITS****BARODA OFFICE :**

19, R.C. Patel Industrial Estate,  
 Akota, Barodra - 390 020. (Gujarat)  
 Phone : (0265) 2344 773 / 2310 437  
 Fax : (0265) 2339 629

**EXPORT UNIT :**

447, G.I.D.C Industrial Estate,  
 POR, Ramangamdi,  
 Baroda - 391 243.

**BARODA FACTORY :**

446, G.I.D.C. Industrial Estate,  
 POR, Ramangamdi, Baroda - 391 243.  
 Phone : (0265) 2830 824  
 Telefax : (0265) 2830 929

**KARAD UNIT :**

Unit No - 5, 2/2/2  
 Madhuban Dam Road,  
 Village - Karad  
 Silvassa, D & NH, Ph. : (0260) 264 1438

**SALES DEPOT :**

R - 707, T.T.C. Industrial Area  
 Rabale, Thane - 400 701.  
 Phone : 2769 6264

**AMLI UNIT :**

Gala No. C-9, Ami Najar Industrial Estate,  
 66, KVA Road, Amli, Silvassa  
 D & NH - 396 230

**AUDITORS**

**Messers : Ashok Bansal & Co.**

Chartered Accountants  
 26, Kakad Corner, Kondivita Lane,  
 J.B. Nagar, Andheri (E), Mumbai - 59.

**BANK OF THE COMPANY****Central Bank**

Corporate Finance Branch,  
 MMO Building, 1<sup>st</sup> Floor, M.G. Road,  
 Fort, Mumbai - 400 023.

**REGISTRARS & SHARE TRANSFER AGENTS****FOR PHYSICAL SHARES****System Support Services**

209, Shivai Industrial Estate,  
 Next to Parke Davis, Saki Naka  
 Andheri Kurla Road, Mumbai - 400 072.  
 Tel.: 2850 0835

**FOR DEMAT SHARES****Adroit Corporate Services Pvt. Ltd.**

19, Jaferbhoy Industrial Estate,  
 1<sup>st</sup> Floor, Makwana Road,  
 Marol Naka, Mumbai - 400 059.

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## : : NOTICE OF THE MEETING : :

**NOTICE** is hereby given that the Fourteenth Annual General Meeting of the members of **BILPOWER Limited** will be held at Company's Registered Office at - 201 - 204, 2<sup>nd</sup> Floor, Vikas Chambers, Junction of Link & Marve Road, Malad (West), Mumbai - 400 064 on Thursday, 4<sup>th</sup> September 2003 at 11.00 a.m. to transact the following business -

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at - 31st March 2003 and 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 Shri. Anuj Govindhari Chaudhary, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the Next Annual General Meeting and to fix their remunerations.

### **SPECIAL BUSINESS**

4. To consider and if thought fit to pass with or without modifications the following resolutions as Ordinary Resolution.

"RESOLVED THAT Shri. Abhishek N. Choudhary who was appointed as an Additional Director w.e.f. from 15<sup>th</sup> October, 2002 and who holds office as such up to the date of this meeting and is eligible for re-appointment as Director in respect of whom notice u/s 257 of the Companies Act, 1956 has been received, be and is hereby appointed as a Director of the Company retiring by rotation."

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution :-

"RESOLVED THAT pursuant to section 269, 309, 311 and other applicable provisions, if any of the Companies ACT, 1956, THE COMPANY HEREBY APPROVES THE Re-appointment and terms of remunerations of Shri. Rajendra Kumar Choudhary, Whole Time Director of the Company for the period of five years with effect from October 1<sup>st</sup> 2002. Upon terms and conditions set out in the draft agreement submitted to this meeting and for identifications signed by a Director thereof, which agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said reappointment and / or agreement in such manner as may be agreed to between the Directors and Shri. Rajendra Kumar Choudhary."

## : : NOTES FOR THE MEMBER'S ATTENTION : :

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.**
- b. The Register of Members and Share Transfer Books of the Company will be closed from Monday 1<sup>st</sup> September 2003 to Wednesday, 3<sup>rd</sup> September 2003 both days inclusive.

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- c. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant Share Certificates to the Company's Registered Office or the Company's Registrar and Share Transfer Agent M/s. System Support Services, 209, Shivai Industrial Estate, Next to Park Davis, Saki Naka, Andheri-Kurla Road, Mumbai - 400 072.
- d. Members are request to notify Change in Address, if any, immediately quoting their Folio Numbers to the Company at its Registered Office.
- e. The Members are advised that SEBI made compulsory Dematerialization in Rolling Settlement with effect from 02.01.2002 and in compliance whereof, your company is having connectivity with the Depositories for trading of Shares in Demat Form. The Members who hold the Shares in Physical Form are requested to get their Shares converted in Demat Form.
- f. As per the Provisions of the Companies Act, 1956, facility for making Nominations is available to the Share Holders in respect of the Shares held by them. Nomination forms can be obtained from the Share Registrars of the Company.
- g. Members, who hold Shares in Dematerialized Form are requested to bring their Client Id and DP Id Number for easy identification of attendance at the Meeting.
- h. As per the provisions of Section 205C of the Companies Act, 1956, unclaimed dividend amounts declared at the Annual General Meeting held on 30.09.1997 shall be transferred to 'Investor Education and Protection Fund' on expiry of seven years from the date it became payable and no claim will be entertained thereafter from the company.

The Members are therefore requested to expeditiously put their claims for unclaimed dividends, if the same are not received / claimed by them.

**By order of the Board**

**Naresh Kumar Choudhary**  
Managing Director

Mumbai,  
**Registered Office :-**  
201-204, Vikas Chambers,  
Junction of Link & Marve Road,  
Malad (West), Mumbai - 400 064.

## **ANNEXURE TO NOTICE**

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.

### **Item No. - 4**

The Board of Directors of the Company has appointed Shri. Abhishek Choudhary as the Directors of the Company w.e.f. 15<sup>th</sup> October 2002. He has got good exposure in Corporate Administration and Marketing. Since, the said appointment were made by the Board of Directors, he is to hold office up to the date of this Annual General Meeting in

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terms of the provisions contained in section 260 of the Companies Act, 1956. The Company has received a notice from a member proposing the candidature of Mr. Abhishek Choudhary for the office of Director of the company.

The Board of Directors is of the view that the appointments of above Director will be beneficial to the Company and is in line with Company's policy to adhere to various provisions Companies (Amendments) Act, 2000 and Corporate Governance being introduced. The broad basing of the Board of Directors shall ensure implementation of Corporate Governance in correct perspective.

The Board of Directors recommends the above resolution for your approval.

None of the Director other than Shri Abhishek Choudhary, is interested or concerned in the above resolution.

**Item No. - 5**

Shri. Rajendra Kumar Choudhary has been re-appointed as Whole Time Director of the Company for a period of five years w.e.f. 1<sup>st</sup> October 2002 subject to approval of the Share Holders. The Draft agreement between the Company and Shri. Rajendra Kumar Choudhary contains the following terms and conditions :-

The proposed remuneration payable to Shri. Rajendra Kumar Choudhary is as follow :-

Salary - Rs. 9,000 per month

Commission - Payable based on the Net Profits of the Company subject to the overall ceilings laid down in section 198 and 309.

Other benefits as per rules of the Company.

The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors as it may in its discretion, deem fit, within the maximum amounts payable to managing and whole time directors in accordance with schedule XIII to the Act, or any amendments made hereafter in this regard.

By order of the Board

**Naresh Kumar Choudhary**  
Managing Director

**BILPOWER LIMITED**: : DIRECTORS' REPORT : :**TO THE MEMBERS,**

The Directors hereby present their Fourteenth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31<sup>st</sup> March 2003.

<b>FINANCIAL RESULTS</b>	<b>2002-2003 (Rs. In Lac)</b>	<b>2001-2002 (Rs. In Lac)</b>
Gross Turnover & other Income	3228.77	2829.30
Profit before interest, Depreciation & Taxation	120.41	124.17
Interest	35.75	40.51
Profit before Depreciation & Taxation	84.66	83.66
Depreciation	9.48	10.73
Less - Provision for Taxation (Including Deferred Tax)	14.54	5.64
Profit for the year	60.64	67.29
Add - Surplus brought forward From previous Year	529.65	462.36
Surplus carried to Balance Sheet	590.29	529.65

**REVIEW OF WORKING**

The Power sector is one of the most important growth engines for an economy - more so for a developing economy like India. However, the Indian power scenario continues to be plagued by a variety of ills such as perennial shortages, skewed tariffs, poor distribution and sub distribution network, high losses etc. This year saw several government initiatives to reform the Indian power Sector like - Implementation of availability based tariffs (ABT), Passage of New Electricity Bill - 2003, Accelerated Power Development and Reform Programs (APDRP), Anti Theft Legislation etc., which gave a path to growth and challenges. The reforms in the Power sector generated increased demand for the products of the Company.

The Company being pioneer for the Export of Transformer Cores & Stampings (Stator & Rotors) from India, registered its Unit No. 447 situated at Baroda as 100% E.O.U. with the Development Commissioner, Kandla Special Economic Zone, Gandhidham (Kutch), Gujarat.

The Company during the year has switched over its Banking Arrangements from Canara Bank, Baroda to Central Bank of India, Mumbai for the operational convenience. However, the company continued its operations with SBI Factors & Commercial Services Limited, Mumbai for catering its financial requirements.

**DIVIDEND**

Keeping in view the need to conserve the Company's resources and to meet the enhanced Working Capital requirement, your Directors are constrained not to recommend any Dividend for the Year under report.

**DIRECTORS**

Mr. Anuj Govindhari Chaudhary, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment as Director. The Board of Directors have appointed Mr. Abhishek Choudhary, as an additional Director w.e.f - 15.10.2002. Since, the said appointment was up to the date of this Annual General Meeting, and in terms with the provisions contained in section

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260 of the Companies Act, 1956. The Company has received a notice from a Member proposing the candidature of Mr. Abhishek Choudhary for the office of Director of the Company.

**AUDITORS' REPORT**

Comments on the remarks in auditors report are as under :-

- (A) Due to small strength of staff the actuarial valuation etc. is not warranted as per AS - 15.
- (B) At various points of time the company has taken advances from parties, some of them are listed in the register maintained u/s 301 of the Companies Act, 1956. No Interest whatsoever has been paid on such advances. To maintain cordial commercial relations, sometimes interest free advances are also given.
- (C) In view of the day to day involvement of the directors in the business of the company and policy of proper checks and controls, expenditure on Internal Audit is not warranted.

Other remarks in the Auditors' Report are self explanatory and therefore do not call for any further explanation under Section 217 (3) of the Companies Act, 1956.

**TAX PROVISIONS**

The Company has made adequate provisions under the provisions of Income Tax Act, 1961.

**CORPORATE GOVERNANCE**

As per the Listing Agreements executed with the Stock Exchange, the company has been following the Corporate Governance Code effective financial year 2002 - 2003. The Company has successfully complied with the requirements of the code of corporate Governance and a separate Report is attached to this Report as **Annexure I**.

The Corporate Governance Compliance certificate obtained from Auditors of the Company is also attached to this Report.

The Management Discussion and ANALYSIS Report as mandated under the code of Corporate Governance, is attached to the Director's Report as **Annexure II**.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance with Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors based upon representation received from the Operating Management state that -

- A. In the preparation of Annual Accounts, the Applicable Accounting Standards have been followed and that there are no Material discrepancies.
- B. Accounting Policies have been selected and consistently applied and prudent Judgements & estimates have been made so as to give a true and fair view of the state of affairs of the Company as at - 31<sup>st</sup> March 2003 and the Profit & Loss Account of the Company for the Accounting Year ended - 31<sup>st</sup> March 2003.

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- C. Proper & sufficient care is taken for maintenance of adequate accounting records in accordance with the provisions of the Act, so as to safeguard the assets of the Company and to prevent & detect fraud and other irregularities.
- D. The Annual Accounts have been prepared on going concern basis.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE**

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 Director's) Rules, 1988, with respect to conservation of Energy, Technology outgo is not given as electricity purchased and consumption per unit of production is negligible keeping in view the nature of business of the company, which is Labour Intensive.

During the year under consideration, the Company used Foreign Exchange equivalent to Rs. 1,66,74,089.14 and earned Foreign Exchange equivalent to Rs. 2,98,37,657.70.

**FIXED DEPOSITS**

During the Year ended on 31st March 2003, the Company has not accepted any Fixed Deposits from Public under Section 58 A of the Companies Act, 1956.

**PERSONNEL**

Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, is not applicable as none of the employees is drawing a Salary of Rs. 2.00 Lac per month and / or Rs. 24.00 Lac per annum.

**ACKNOWLEDGMENTS**

Your Directors take this opportunity to place on record their warm appreciation for the valuable contributions and the spirit of dedication by the employees at all levels. The Directors also express their deep gratitude for the Business assistance, Co-operation and support extended to your Company by Customers, Suppliers, Banks and its subsidiaries, various Governmental organizations and Shareholders and look forward to their continued support and co-operation.

Other Particulars required by Law to be given in Directors Report are either null or are not applicable.

**For BILPOWER Limited**

**Director**

**Place - Mumbai**

**Date - 24th July 2003**

**ANNEXURE I - TO THE DIRECTORS' REPORT****: : CORPORATE GOVERNANCE REPORT : :**

The detailed Report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below. In this report, we confirm the compliance of Corporate Governance Criteria as required under clause 49 of the Listing Agreement.

**A) MANDATORY REQUIREMENTS****1) COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE**

The Company believes that sound corporate practices based on transparency, accountability and high level of integrity, in the functioning of the Company, is essential for the long term enhancement of the shareholders / stakeholders value and Interest. The Company believes that its actions must result in enhancing corporate performance by maximizing shareholders / stakeholders value and also result in motivated work force. We as a Company have always focused on good Corporate Governance practices, which is a key driver of sustainable corporate growth and long term value creation for our shareholders.

**2) BOARD OF DIRECTORS*****Composition and Number of Meetings held :***

The Strength of the Board of Directors is four as at - 31<sup>st</sup> March, 2003 which consist of two Executive / Whole time Directors and two Non-Executive Directors.

The meeting of the Board of Directors are normally held at the Registered Office of the Company in Mumbai. The Meetings are scheduled well in advance and Notice is given in writing to each Director about 15-21 days before the scheduled date of the Meeting. The Board meets generally once in a quarter to review the performance and financial results.

The Compliance Officer in consultation with the Managing Director and Director/s prepare detailed agenda for the Board Meetings. All the necessary papers along with annexure/s, explanatory notes etc., if any, are circulated along with the agenda to all the Directors about 7 days in advance. The Board Members are also free to recommend inclusion of any matter in the agenda for discussion.

During the year 2002-2003, 11 Board Meetings were held on 10<sup>th</sup> April 2002, 25<sup>th</sup> April 2002, 30<sup>th</sup> April 2002, 31<sup>st</sup> July 2002, 31<sup>st</sup> August 2002, 26<sup>th</sup> September 2002, 15<sup>th</sup> October 2002, 31<sup>st</sup> October 2002, 31<sup>st</sup> December 2002, 02<sup>nd</sup> January 2003 and 31<sup>st</sup> January 2003.

The composition of the Board, attendance at Board Meetings held during the year and the last Annual General Meeting, number of Directorships in other companies and Membership in committees across various companies of which the Director is a Member / Chairman are given below :-