

POWER BEHIND POWER



BILPOWER
LIMITED

The Company, **M/s. BILPOWER LIMITED** is a leading Power Engineering Company in India established in the year 1989. The key business of **BILPOWER Limited** is manufacturing of Electrical Lamination, Stampings, ready to assemble cores for distribution transformers, Transformers and trading of CRGO, CRNGO and transformer accessories.

The modern Management practices & our concern for environment are the distinguishing characteristics of the Company. Our strength lies in our excellent infrastructure, network and our remarkable after sales customer care services. Our manufacturing plants are equipped with the latest state of art technology and our efficient planning and communication system has resulted in "on time deliveries of goods" by the company, which has given us an edge over our competitors. The Company, over a decade has been catering the needs of Global Markets are also catered since millennium year 2000. With our commencing Exports of Electrical Lamination and stampings, **country's export is expected to grow @ 40% annually**, which is remarkable in the industry. The company is having its Units & Branches at Baroda, Silvassa, Chennai, Mumbai and at other Prominent Location and all the Manufacturing Units of the company are Fully operational. The Charm of the Company lies in its efficient working capabilities, which resulted in capturing 7% of the Global Market in our product line with Annual Sales turnover exceeding USD - 20 Million. The Company is proudly listed with **the Mumbai Stock Exchange**, where its Equity Shares are regularly traded.

STAMPINGS

Our Lamination and Stamping Processing Plant is equipped with state of the art technology which ensures minimum quality losses throughout the Lamination and Stamping process. Excellent infrastructure ensures smooth and speedy flow of production. Our plant has an annual capacity of 3000 MT (Metric Tonnes.) The raw materials are processed using modern annealing furnace machines in order to achieve optimum results. Our latest technology slitting machines can slit the raw materials upto 1200 mm with accuracy and precision. Finally we test our laminations and stampings for iron losses, insulation, resistance, etc. Using Hi-Tech testing equipments according to the International standards and norms. Our lamination and stamping processing plant is in the process of being **ISO 9002** Certified by October 2002.



LAMINATION



E&I

Our Transformers are designed for uninterrupted long service and minimum operating costs. State of the art technology ensures optimum efficiency and resistance against any system abnormality. In our transformers to minimise power losses and to achieve maximum reliability and durability

Finally our Transformers are tested at our test laboratory using the latest technology testing equipments according to the International standards and norms. We have successfully tested and obtained certification for our Transformers at the Indian Government approved laboratories of CPRI (Central Power Research Institute) and ERDA (Electrical Research And Development Authority) as per Indian Standard Institute (ISI) which is equivalent to any World Standard. We are also in the process of getting certification from European standard bureau. (CE)

BILPOWER LIMITED

Fifteenth Annual Report

2003 - 2004

BOARD OF DIRECTORS & COMPANY INFORMATION

BOARD OF DIRECTORS

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

REGISTERED OFFICE :

201-204, Vikas Chambers, 2nd Floor,
Junction of Link & Marve Road,
Malad (West), Mumbai 400 064
Tel 28885929 / 28887597 Fax 28811225
Mail Id info@bilpower.com

BRANCH OFFICES / UNITS

BARODA OFFICE:

19, R.C. Patel Industrial Estate
Akota, Baroda 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
Phone (0260) 2646 836

SALES DEPOT:

R 707, T.T.C. Industrial Area
Rabale, Thane 400 701
Phone 2769 6264 / 65

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 (East), Mumbai 400 059

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

209, Shivai Industrial Estate
Next to Parke Davis, Saki Naka
Andheri Kurla Road, Mumbai 400 072
Phone 2850 0835

MAIN BANKERS

Central Bank of India
Corporate Finance Branch
MMO Building, 1st Floor, M. G. Road,
Fort, Mumbai 400 023

BILPOWER LIMITED

Contents	Page No.
Board of Directors & Company Information	1
Notice	3-4
Director's Report	5-6
Corporate Governance Report	7-12
Management Discussion & Analysis	13-14
Auditor's Report	15-17
Balance Sheet	18
Profit & Loss Account	19
Schedule to Account	20-27
Balance Sheet Abstract & Company's General Business Profile	28
Cash Flow Statement	29
Attendance Slip & Proxy Form	31



BILPOWER LIMITED

NOTICE OF THE MEETING

NOTICE is hereby given that the Fifteenth Annual General Meeting of the members of **BILPOWER Limited** will be held at Company's Registered Office at - 201 - 204, 2nd Floor, Vikas Chambers, Junction of Link & Marve Road, Malad (West), Mumbai 400 064 on Thursday, 12th August 2004 at 10.00 a.m. to transact the following business

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004 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. Naresh Kumar Choudhary, 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 remuneration.
4. To approve the declaration of dividend @ 5% on equity shares for the year ended 31st March 2004.

SPECIAL BUSINESS

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

" IT IS RESOLVED THAT Pursuant to Section 269,309,311 and other applicable provisions, if any, of the Companies Act, 1956, the company hereby approves the appointment of Shri. Abhishek Choudhary as Whole Time Director of the company for the period of five years with effect from October 1, 2003 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 appointment and / or agreement in such manner as may be agreed to between the Directors and Shri. Abhishek 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, 9th August 2004 to Wednesday 11th August, 2004 both days inclusive for the purpose of dividend.
- c. The Dividend on Equity Shares recommended by the Board of Directors, if decided in the meeting, will be made payable to those shareholders whose names appear on the Company's register of members on Saturday, 7th August 2004.
- d. 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 Parke Davis, Saki Naka, Andheri Kurla Road, Mumbai 400 072
- e. Members are requested to notify Change in Address, if any, immediately quoting their Folio Numbers to the Company at its Registered Office.
- f. The Members are advised that SEBI has 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.
- g. 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.
- h. 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.

BILPOWER LIMITED

- i. 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 or after 30.09.2004 and no claim thereafter will be entertained by 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

Place : Mumbai,
Date : 30th June 2004

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 5

Shri Abhishek Choudhary was appointed as a Director of the Company on 15.10.2002, since then he was exclusively working with the company. In view of this, Shri Abhishek Choudhary has been elevated as Whole Time Director of the company for a period of five years w.e.f. 1st October 2003 subject to approval of the Share Holders. The Draft Agreement between the company and Shri Abhishek Choudhary contains the following terms and conditions :-

The Proposed remuneration payable to Shri Abhishek Choudhary is as follows

Salary Rs.8000/- per month

Other benefits as per rules of the Company.

The terms and conditions of the said appointment may be altered and verified 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 regards.

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

All the Directors except Anuj Choudhary, are interested or concerned in the above resolution.

By order of the Board

Naresh Kumar Choudhary
Managing Director

Place : Mumbai
Date : 30th June 2004



BILPOWER LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors hereby present their Fifteenth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March 2004.

Financial Results	2003-2004 (Rs. In Lac)	2002-2003 (Rs. In Lac)
Gross Turnover & other Income	4198.95	3228.77
Profit before Interest, Depreciation & Taxation	259.31	120.41
Interest	65.71	35.75
Profit before Depreciation & Taxation	193.60	84.66
Depreciation	13.38	9.48
Less Provision for Taxation (Including Deferred Tax)	10.63	14.54
Profit for the year	169.59	60.64
Add Surplus brought forward From previous Year	565.54	529.65
Profit available for Appropriations	735.13	590.29
Less APPROPRIATIONS		
Proposed Dividend	25.00	0.00
Tax on Proposed Dividend	3.20	0.00
Surplus Carried to Balance Sheet	706.96	590.29

REVIEW OF WORKING

Ministry of Power, Government of India has initiated number of steps and other associated schemes / programmes with outlay for Power sector during the 10th Plan period of which is about Rs. 143000 Crore and is almost double of the 9th Plan outlay. In order to achieve these ambitious objectives Government of India has further announced number of attractive facilities to the Power operators.

In the whole jargon of power system, transformer is the most important and cost intensive machine for supply of Power to consumers. It is observed that in Rural Areas, the rate of failure is about 25% which is very alarming and it calls for immediate action to improve the quality of raw material, introduction of innovative design, new material etc.. as transformer reliability and efficiency improvement has to be cost effective, since it has direct reliance on the utility performance and financial position. The Apex Bodies namely... Central Electricity Authority (CEA), Power Finance Corporation (PFC) and Rural Electrification Corporation Limited (REC) during the year worked in close connection to meet the demand and supply position and has given a fillip to the Energy Sector through progressive reforms and technical advancement in the distribution system in the country.

As a result of above, your company's performance during the year was to its satisfactory level, where the company managed to register increased sales and profitability. During the year, the company also concentrated much on the Manufacturing Segment, where the growth rate is found to be almost double. Looking at the opportunities generated due to power reforms, the company envisages bright future.

DIVIDEND

Keeping in view the need to conserve the Company's resources and to meet the enhanced Working Capital requirement, as also the fact that the shareholders need to be rewarded for their patience and loyalty, directors recommend a dividend of 5% for the year 2003-2004.

DIRECTORS

Mr. Naresh Kumar Choudhary, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors have elevated Mr. Abhishek Choudhary as Whole Time Director w.e.f. 01.10.2003.

AUDITORS

Shareholders are requested to appoint auditors for the current year and authorise the board to fix their remuneration. The retiring auditors, M/s. Ashok Bansal & Co, Chartered Accountants, offer themselves for re-appointing as for 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 formal 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.



BILPOWER LIMITED

CORPORATE GOVERNANCE

As per the Listing Agreements executed with the Stock Exchange, the company has been following the Corporate Governance Code effective from financial year 2003-2004. 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 judgments & estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2004 and the Profit of the Company for the Accounting Year ended 31st March 2004.
- 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 a 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 Directors) 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 has used **Foreign Exchange** equivalent to Rs. 6,40,21,565.74 and earned Foreign Exchange equivalent to Rs. 1,99,93,816.87.

FIXED DEPOSITS

During the Year ended on 31st March 2004, 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.

ACKNOWLEDGEMENTS

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, 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 nil or are not applicable.

For BILPOWER Limited

Naresh Kumar Choudhary
Managing Director

Place Mumbai

Date 30th June 2004

BILPOWER LIMITED
ANNEXURE 1 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, are essential for the long term enhancement of the shareholders' / stakeholders' value and interest. The Company believes that its action 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 31st March, 2004 which consists of three Executive / Whole time Directors and one Non Executive Director.

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 7 days before the scheduled date of the Meeting. The Board meets generally once in quarter to review the performance and financial results.

The Compliance Officer in consultation with the Managing Director and Directors/ prepare detailed agenda for the Board Meetings. All 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 2003-2004, 7 Board Meetings were held on - 30th April 2003, 8th May 2003, 24th July 2003, 31st July 2003, 31st October 2003, 7th January 2004 and 31st January 2004.

The composition of the Board, attendance at the 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 :-

Name of the Directors	Category of Directorship	Financial Year 2003-2004		As on 31 st March 2004		
		Attendance of		No of other Directorships	Committee Positions	
		Board Meeting	Last AGM Held on 04.09.2003		No. of Members	Chairman
Naresh Choudhary	Managing Director	07	Present	1	-	-
Rajendra Choudhary	Whole Time Director	07	Present	1	3	-
* Abhishek Choudhary	Whole Time Director	07	Present	-	3	3
Anuj Choudhary	Independent & Non Executive Director	07	Present	-	3	-

* Elevated as Whole Time Director w. e. f. 1st October 2003

None of the Director is a Member of more than 10 Board Committees or a Chairman of more than five such Committees as required under clause 49 of the Listing Agreement. The same is also evidenced from the above table.

None of the above referred Directors except Mr. Abhishek Choudhary (who is the Son of Managing Director, Mr. Naresh Kumar Choudhary) have any material pecuniary relationship or transactions with the Company, its promoters or with its Management, which in the judgement of the Board would affect significant transaction with its Promoters, Directors or their relatives or with the management etc. that may have potential conflict with the Interest of the Company at large.

The following information is supplied to the Board of Directors

- ◆ Annual operating plans and budgets and updates.
- ◆ Quarterly results of the company and its operating divisions or business segments.
- ◆ Minutes of Meetings of audit committee and other committee of the Board.
- ◆ The information on recruitment and remuneration of senior officers just below the board level.
- ◆ Show cause, demand, prosecution notices and penalty notices, which are materially important.
- ◆ Any material 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 substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken on adverse view regarding another enterprise that can have negative implications on the company.



BILPOWER LIMITED

- ◆ Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- ◆ Non Compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board of Directors is routinely provided with all the information under the above referred heads, whenever applicable and materially significant. These are submitted either as a part of agenda papers or are on table in the course of the Board Meeting.

3) AUDIT COMMITTEE

Broad Terms of Reference :

The role of the Audit Committee is to review and ensures that financial statements are correct sufficient and credible with reference to the following points before submission to the Board.

- ◆ Changes in the Accounting Policies and practices.
- ◆ Qualifications in Draft Audit Report.
- ◆ Compliance with Accounting Standards.
- ◆ On-going concern assumptions.
- ◆ Material transactions with promoters or management, their subordinates or relatives with potential conflicts with the interests of the Company at large.
- ◆ Discuss with Statutory Auditors before / after the Audit on areas of concern and the adequacy of internal control systems.
- ◆ Recommendations for Auditor's appointment / removal.
- ◆ Review of Audit fee and other payments for professional services rendered by the Auditors.
- ◆ Review the Company's financial and risk management policies.

In order to effectively discharge their responsibility, Committee members have been empowered.

- ◆ To investigate any activity referred.
- ◆ To seek information from any employee of the Company.
- ◆ To obtain outside legal / professional advise.
- ◆ To secure attendance of outsiders.
- ◆ To invite Statutory Auditors.

Composition, Number of Meetings and Attendance :

During the financial year 2003-2004 under review, five Audit Committee Meetings were held on 29th April 2003, 23rd July 2003, 30th July 2003, 30th October 2003 and 30th January 2004.

The Audit Committee was reconstituted during the year pursuant to Mr. Abhishek Choudhary's elevation to the position of the Whole Time Director w. e. f. 1.10.2003 in place of Independent and Non Executive Director. The members of the Audit committee then unanimously re-elected Mr. Anuj Choudhary, as its Chairman. Mr. Anuj Choudhary, is an Independent & Non Executive Director. The constituted / re-constituted Audit Committee reviewed the reports of the Departmental Heads and discussed the policies and standards adopted in consultation with Senior Executives.

The Composition of the Audit Committee and attendance at its meetings is given hereunder :

Name of the Member	Position	Category	Attendance During The Year 2003-04
Anuj Choudhary	Chairman	Independent & Non Executive Director	5
Rajendra Choudhary	Member	Executive Director	5
Abhishek Choudhary	Member	Non Executive * / Executive Director	5

* Elevated w.e.f. 1st October 2003.

The minutes of each of the Audit Committee Meeting are placed before the Board of Directors and remarks thereon were discussed in the Board Meetings.

4) REMUNERATION COMMITTEE

Brief description of terms of reference:

The remuneration Committee comprised of the following members namely Mr. Anuj Choudhary, Mr. Abhishek Choudhary and Mr. Rajendra Choudhary. The Remuneration Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the Remuneration of the Directors and to deal with all elements of the Remuneration package of all the directors including but not restricted to the following :

- ◆ To review, assess and recommend the appointment and remuneration of Whole time Directors.
- ◆ To review the remuneration package including the retirement benefits, payable to the Directors periodically and recommends suitable revision / increments, whenever required, to the Board of Directors.

Number of Meetings and Attendance:

During the financial year 2003-2004 under review, two Remuneration Committee Meetings were held on 31st July 2003 and 1st October, 2003 wherein the Members of the Remuneration Committee were Present. The Chairman of the Remuneration Committee, Mr. Anuj Choudhary was present at the last Annual General Meeting of the Company.

Remuneration Policy:

The remuneration of the Managing Director / Whole Time Directors are decided by the Remuneration Committee based on the criteria such as industry benchmarks, the Company's performance vis-s-vis the Industry, performance and the same is reported to the Board of Directors & subsequently approved by the Share Holders. The Company pays remuneration by way of salary, perquisites and allowance (fixed component) to its Managing Directors / Whole Time Director and commission (variable components) to its Managing Directors / Whole Time Directors. No Annual increments are effected.