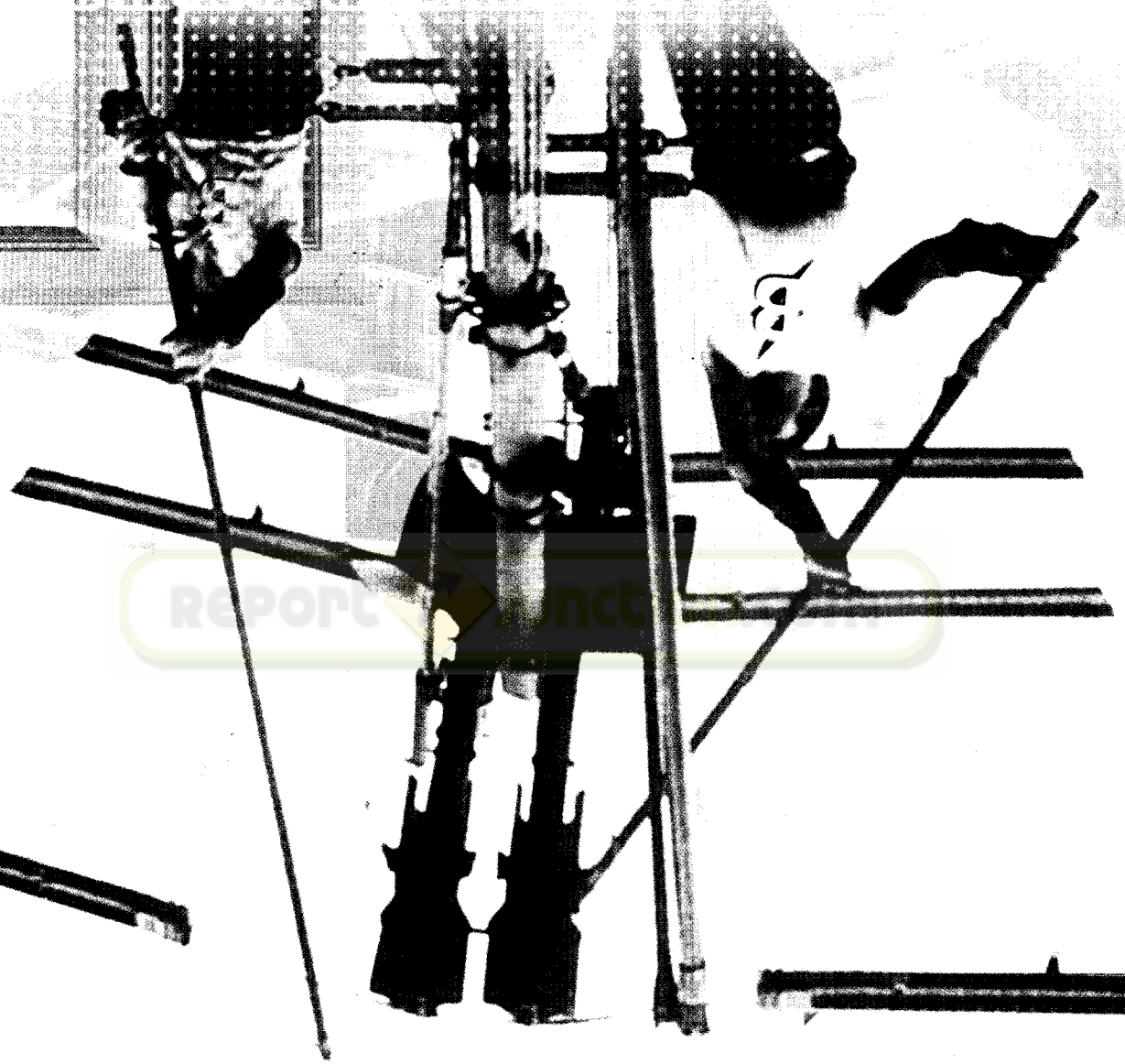


# BILPOWER LIMITED

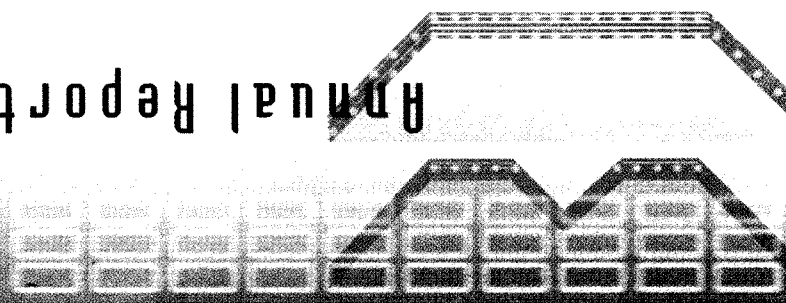
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Report Junction

BIL

Annual Report 2005-2006



*Our respectful homage to*



*Late Shri Anandilal Bansidhar Choudhary*  
*founder of the Group*  
*(1935 - 2005)*



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**BOARD OF DIRECTORS**

Mr. Suresh Kumar Choudhary (Chairman)  
 Mr. Naresh Kumar Choudhary (Managing Director)  
 Mr. Rajendra Kumar Choudhary (Whole Time Director)  
 Mr. Vinod Kumar Agrawal (Independent & Non Executive Director)  
 Mr. Anil M Raika (Independent & Non Executive Director)  
 Mr. Jethmal N Agrawal (Independent & Non Executive Director)

**CHIEF EXECUTIVE OFFICER**

Mr. Ashish M Bhagra

**REGISTERED OFFICE**

Vikas Chambers, 2<sup>nd</sup> Floor, Junction of Link & Marve Road,  
 Malad (West), Mumbai - 400 064  
 Tel: (91 22) 2888 5929 / 2888 7597 Fax: (91 22) 2881 1225  
 Email: 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

**BARODA UNIT**

440- 441- 446, G.I.D.C. Industrial Estate,  
 POR, Ramangamdi, Baroda - 391 243  
 Phone: (0265) 2830 824 Telefax: (0265) 2830 929

**EXPORT UNIT**

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

**KARAD UNIT**

Unit No 4 & 5, Survey No. 2 / 2 / 2, Madhuban Dam Road,  
 Village - Karad, Silvassa, D & NH  
 Phone: (0260) 3254 970

**UTTARANCHAL UNIT**

Unit D-10&11, Raipur Notified area, Bhagwanpur,  
 Roorkee, Haridwar, Uttaranchal

**AUDITORS**

M/s 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**

M/s. System Support Services  
 209, Shivai Industrial Estate  
 Next to Parke Davis, Saki Naka, Andheri Kurla Road,  
 Mumbai - 400 072, Phone (91 22) 2850 0835

**BANKER**

State Bank of India  
 Industrial Finance Branch  
 S.V.Road, Malad (west)  
 Mumbai 400 064.

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## NOTICE

**NOTICE** is hereby given that the 17<sup>th</sup> Annual General Meeting of the Members of **BILPOWER Limited** will be held at Goregaon Sports Club, Link Road, Malad (West), Mumbai 400 064 on Thursday, 28<sup>th</sup> September 2006 at 5.30 p.m. to transact the following business

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2006, Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of **Mr. Rajendra Kumar Choudhary**, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditor 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.

### SPECIAL BUSINESS

5. 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. Suresh Kumar Choudhary, who was appointed as an Additional Director pursuant to the provisions of Section 260 of The Companies Act, 1956 be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 198, 269, 309, 310 and Schedule XIII and all other applicable provisions, if any, of The Companies Act, 1956 and subject to such approvals and sanctions as may be necessary, the company hereby accords its approval for the appointment of Mr. Suresh Kumar Choudhary as Whole Time Director with effect from December 19<sup>th</sup>, 2005 and elevation as Chairman with effect from March 15, 2006 for the period of five years on the remuneration and perquisites as set out in the explanatory statement relating to the resolution with powers to the Board of Directors to alter and vary terms and conditions and remuneration (including minimum remuneration in case of absence or inadequacy of profits) in such manner as the Board of Directors may deem fit and is acceptable to Mr. Suresh Kumar Choudhary within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto.

**RESOLVED FURTHER THAT** in the event of their being loss or inadequacy of profits for the financial year, the remuneration and perquisites as set out in the aforesaid draft agreement shall be paid to Mr. Suresh Kumar Choudhary as minimum remuneration.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to schedule XIII to The Companies Act 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling and the agreement between the company and Whole Time Director cum Chairman Mr. Suresh Kumar Choudhary be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in the General Meeting

**AND THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, things and to execute any agreements, documents or instructions as may be required to give effect to the aforesaid resolution.”

6. 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. Vinod Kumar Agrawal who was appointed as an Additional Director pursuant to the provisions of Section 260 of The Companies Act, 1956 be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company”.



7. 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. Jethmal N Agrawal who was appointed as an Additional Director pursuant to the provisions of Section 260 of The Companies Act, 1956 be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company”.

8. 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. Anil M Raika who was appointed as an Additional Director pursuant to the provisions of Section 260 of The Companies Act, 1956 be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company”.

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“ RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 and Schedule XIII and all other applicable provisions, if any, of The Companies Act, 1956 and subject to such approvals and sanctions as may be necessary, the company hereby accords its approval for the re-appointment of Managing Director Mr Naresh Kumar Choudhary for the period of five years with effect from October 1<sup>st</sup>, 2006 on the remuneration and perquisites as set out in the explanatory statement relating to the resolution with powers to the Board of Directors to alter and vary terms and conditions and remuneration (including minimum remuneration in case of absence or inadequacy of profits) in such manner as the Board may deem fit and is acceptable to Mr. Naresh Kumar Choudhary within the limits specified in Schedule XIII of The Companies Act, 1956 or any amendment thereto.

**RESOLVED FURTHER THAT** in the event of their being loss or inadequacy of profits for the financial year, the remuneration and perquisites as set out in the aforesaid draft agreement shall be paid to Mr. Naresh Kumar Choudhary as minimum remuneration.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to schedule XIII to the Companies Act 1956 the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling and the agreement between the company and Managing Director Mr. Naresh Kumar Choudhary be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in the General Meeting

**AND THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, things and to execute any agreements, documents or instructions as may be required to give effect to the aforesaid resolution.”

By Order of the Board of Directors

Place: Mumbai  
Date: August 18, 2006

**Naresh Kumar Choudhary**  
Managing Director

Registered Office  
201-204, Vikas Chambers  
Junction of Link & Marve Road  
Malad (West)  
Mumbai 400064

**NOTES:**

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY 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. (1) The Company has already notified closure of register of members and transfer books from Monday, 25<sup>th</sup> September 2006 to Wednesday, 27<sup>th</sup> September 2006 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.
- (2) The dividend on equity shares, if declared at the meeting, will be paid on or after 28<sup>th</sup> September, 2006 to those members whose names shall appear on the Company's Register of Members on Saturday, 23<sup>rd</sup> September, 2006. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the depositories as at the end of the business on Saturday, 23<sup>rd</sup> September, 2006.
- d. In terms of Article 102 of the Articles of Association of the Company, Mr. Rajendra Kumar Choudhary, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Brief resume and nature of his expertise in specific functional areas and names of Companies in which he holds Directorships and memberships / chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchange is provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company commends his reappointment.
- e. Members who hold shares in physical form in multiple folios in identical name or joint accounts in the same order of names are requested to send the share certificates to the Company's registrar and share transfer agents M/s. System Support Services for consolidation into a single folio.
- f. Members are requested to notify change in address, if any, immediately, quoting their folio numbers to the Company at its registered office.
- g. The Members are advised that SEBI has made trading of equity shares of the Company compulsory in dematerialization form with effect from 02.01.2002 and in compliance whereof, your Company is having connectivity with the depositories for trading of shares in dematerialized form. The members who hold the equity shares in physical form are requested to get their shares converted in dematerialized form.
- h. 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.
- i. Members, who hold equity shares in dematerialized form, are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
- j. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
- k. Consequent upon amendment to Section 205A (5) of The Companies Act, 1956 and introduction of Section 205C by The Companies (Amendment) Act, 1999 the amount of dividend which remains unpaid or unclaimed for a period of 7 years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. **Accordingly, the Company has transferred all unclaimed / unpaid dividend in respect of financial year ended on 31<sup>st</sup> March 1997 to IEPF.**

Members who have not en-cashed their dividend warrants for the financial year ended 31<sup>st</sup> March 2004 and 31<sup>st</sup> March, 2005 respectively are requested to make their claims to the Company's registrar and share transfer agents M/s. System Support Services immediately. It may be noted that unclaimed dividend amount declared at the annual general meeting held on 12<sup>th</sup> August 2004 and 5<sup>th</sup> September, 2005 shall be transferred to "Investor Education and Protection Fund" on expiry of 7 years from the date of its declaration. **It may further be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof with the Company.**



- l. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
- m. Non Resident Indian Members are requested to inform the Company's registrar and share transfer agents M/s. System Support Services immediately of -
  - (1) The change in the residential status on return to India for permanent settlement.
  - (2) 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.
- n. Members who hold shares in dematerialized form may kindly note that their bank account details, as furnished by their depositories to the Company, will be printed on their dividend warrant as per the applicable regulations of the depositories and the Company will not entertain any direct request from such members for deletion of or change in such bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the shares held in electronic form. Members who wish to change such bank account details are therefore requested to advise their depository participants about such change with complete details of bank accounts.
- o. An explanatory statement pursuant to Section 173(2) of The Companies Act, 1956 relating to the special business to be transacted at the Meeting is annexed hereto.
- p. 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 up to the date of the meeting.

#### **Explanatory Statement pursuant to Section 173(2) of The Companies Act, 1956**

##### **Item No.5**

The Board of Directors of the Company has appointed pursuant to The Provisions of Section 260 of the Companies Act, 1956 (The Act), Mr. Suresh Kumar Choudhary as an Additional Director of the Company with effect from 19<sup>th</sup> December 2005 and elevated him as Chairman with effect from March 15, 2006.

In terms of the provisions of Section 260 of The Companies Act, 1956 Mr. Suresh Kumar Choudhary would hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member proposing the candidature of Mr. Suresh Kumar Choudhary for the Office of Director of the Company under the Provisions of Section 257 of the Act.

Mr. Suresh Kumar Choudhary has, to his credit, an experience of more than 25 years in the field of manufacturing of electrical lamination, distribution and power transformers. Keeping in view his enriched expertise and knowledge, it would be in the interest of the Company that Mr. Suresh Kumar Choudhary is appointed as a Director, who, if appointed, shall be liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

A brief resume of Mr. Suresh Kumar Choudhary, nature of his expertise in specific functional areas are provided in Report of Corporate Governance forming part of the Annual Report.

The draft agreement between the company and Mr. Suresh Kumar Choudhary contains the following terms and conditions:

**Existing Remuneration:** The salary amounting to Rs.8000/- per month being paid to Mr. Suresh Kumar Choudhary prior to his appointment as a Director continues to be paid at the same rate up to 30th September 2006.

The proposed remuneration payable to Mr. Suresh Kumar Choudhary w.e.f. 01.10.2006 is as follows:

Salary Rs.40,000/- per month

**PERQUISITES AND ALLOWANCES:****CATEGORY A**

**Housing:** Chairman cum Whole Time Director shall be entitled to house rent allowance of Rs. 5000 per month, which will be suitably increased by the Board of Directors, if required.

**Medical Reimbursement / Medical Insurance:** Reimbursement of all medical expenses for self and family subject to the maximum of one month's salary per annum. Medical Insurance premium shall be paid by the Company

**Personal Accident Insurance:** Personal accident insurance as per the policy of the Company

**Entertainment Expenses:** Reimbursement of entertainment expenses on actual basis incurred during the course of the business.

**Club Fees:** Fees of clubs exclusive of admission and life membership fee subject to a maximum of two clubs.

**CATEGORY B**

The contribution to superannuation fund or annuity fund, if any and if introduced by the company will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

**CATEGORY C**

Car with the chauffeur for official use, telephones, Internet and fax facility at residence. These will not be considered as perquisites.

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 Whole Time Director cum Chairman in accordance with Schedule XIII to The Act or any amendments made hereafter in this regard.

The extracts of remuneration given above shall be deemed to be the extract of remuneration required to be furnished under section 302 of The Companies Act, 1956.

The Board commends the resolution set out at Item No.5 of the Notice for your approval.

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

**Item No.6**

The Board of Directors of the Company has appointed pursuant to the provisions of Section 260 of The Companies Act, 1956 (The Act), Mr. Vinod Kumar Agrawal as an Additional Director of the Company with effect from 15th December 2005.

In terms of the Provisions of Section 260 of The Companies Act, 1956 Mr. Vinod Kumar Agrawal would hold office up to the date of this Annual General Meeting.

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

Mr. Vinod Kumar Agrawal has, to his credit, an experience of more than 18 years in the field of accounts, finance and packaging industry. Keeping in view his enriched expertise and knowledge, it would be in the interest of the Company that Mr. Vinod Kumar Agrawal is appointed as a Director, who, if appointed, shall be liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

A brief resume of Mr. Vinod Kumar Agrawal, nature of his expertise in specific functional areas are provided in Report of Corporate Governance forming part of the Annual Report.

The Board commends the resolution set out at Item No.6 of the Notice for your approval.

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



#### Item No.7

The Board of Directors of the Company has appointed pursuant to the provisions of Section 260 of The Companies Act, 1956 (The Act), Mr. Jethmal N. Agrawal as an Additional Director of the Company with effect from 6th September 2005.

In terms of the provisions of Section 260 of The Companies Act, 1956 Mr. Jethmal N. Agrawal would hold office up to the date of this Annual General Meeting.

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

Mr. Jethmal N. Agrawal has, to his credit, experience of more than 45 years in the field of banking and finance. Keeping in view his enriched expertise and knowledge, it would be in the interest of the Company that Mr. Jethmal N. Agrawal is appointed as a Director, who, if appointed, shall be liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

A brief resume of Mr. Jethmal N. Agrawal, nature of his expertise in specific functional areas are provided in Report of Corporate Governance forming part of the Annual Report.

The Board commends the resolution set out at Item No. 7 of the Notice for your approval.

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

#### Item No.8

The Board of Directors of the Company has appointed, pursuant to the provisions of Section 260 of The Companies Act, 1956 (The Act), Mr. Anil M. Raika as an Additional Director of the Company with effect from 6th September 2005.

In terms of the provisions of Section 260 of The Companies Act, 1956 Mr. Anil M. Raika would hold office up to the date of this Annual General Meeting.

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

Mr. Anil M. Raika is a professional Chartered Accountant having an experience of more than 10 years. Keeping in view his enriched expertise and knowledge, it would be in the interest of the Company that Mr. Anil M. Raika is appointed as a Director, who, if appointed, shall be liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

A brief resume of Mr. Anil M. Raika, nature of his expertise in specific functional areas are provided in Report of Corporate Governance forming part of the Annual Report.

The Board commends the resolution set out at Item No. 8 of the Notice for your approval.

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

#### Item No.9

Mr. Naresh Kumar Choudhary has been reappointed as Managing Director of the Company for a period of 5 years with effect from 1st October, 2006 subject to approval of the shareholders. The draft agreement between the Company and Mr. Naresh Kumar Choudhary contains the following terms and conditions:

The proposed remuneration payable to Mr. Naresh Kumar Choudhary is as follows:

Salary - Rs.40,000/- per month