



POWER BEHIND POWER

# Bilpower Limited



ANNUAL REPORT 2008-09  
(Abridged)

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**Board of Directors**

Mr. Suresh Kumar Choudhary  
 Mr. Naresh Kumar Choudhary  
 Mr. Rajendra Kumar Choudhary  
 Mr. Ashok Bansal  
 Mr. V.K. Pandit  
 Mr. Vinod Kumar Agrawal  
 Mr. N.K. Jain  
 Mr. Rajan Menda

**Chief Executive Officer**

Mr. Ashish M Bhagra

**Company Secretary & Compliance Officer**

Mr. Bhuwnesh Bansal

**Registered Office**

Vikas Chambers, 2nd Floor,  
 Junction of Link & Marve Road,  
 Malad (West), Mumbai - 400 064  
 Tel - (91 22) 40897777  
 Fax - (91 22) 28811225  
 Email - investors@bilpower.com

**Branch Offices / Units****Baroda Office**

19, R.C. Patel Industrial Estate,  
 Akota, Baroda - 390 020  
 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 Nos - 2 - 5, Survey No. 2 / 2 / 2  
 Madhuban Dam Road, Village - Karad  
 Silvassa, D & NH  
 Phone - (0260) 3254970

**Uttaranchal Unit**

Unit D -10 / 11, Raipur Notified area,  
 Bhagwanpur, Roorkee, Dist - Haridwar  
 State - Uttaranchal  
 Phone - (0133) 2235070

**Wada Unit**

Village - Kanchad,  
 Taluka - Wada, Dist - Thane  
 Phone - (02526) 235772 / 235774  
 Fax - (02526) 235622

**Statutory Auditors**

M/s Bansal, Bansal & Co.  
 Chartered Accountants  
 6 / 152, 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, Next to Parke Davis,  
 Saki Naka, Andheri Kurla Road, Mumbai - 400 072  
 Phone - (91 22) 2850 0835 (5 Lines)  
 Email : sysss72@yahoo.com

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

Industrial Finance Branch  
 S.V. Road, Malad (West)  
 Mumbai - 400 064

**IndusInd Bank Limited**

Acme Plaza, C.T.S. No - 32  
 Opp. Sangam Talkies  
 Andheri Kurla Road, Andheri (East), Mumbai - 400 059



## 5 YEARS' FINANCIAL HIGHLIGHTS -STANDALONE

(Rs. in Lacs)

Sr. No.	Particulars	2008-09	2007-08	2006-07	2005-06	2004-05
<b>A.</b>	<b>Sales &amp; Earning</b>					
1.	Sales	45806.54	31216.52	24587.03	12593.96	5903.77
2.	Profit before Tax (PBT)	2128.27	2994.69	2367.38	1178.30	465.61
3.	Profit after Tax (PAT)	1610.47	2271.47	1727.86	1067.97	415.05
<b>B.</b>	<b>Assets</b>					
4.	Gross Block	6007.13	3198.85	1056.26	534.14	412.93
5.	Net Current Assets	17398.20	15730.09	10318.00	5623.19	2296.37
6.	Investments	1411.94	1441.94	1412.01	571.00	51.00
7.	Misc. Expenditure	3.82	4.77	2.63	—	—
8.	Total Assets	24493.24	20639.80	12675.29	6637.00	2684.82
<b>C.</b>	<b>Represented by</b>					
9.	Share Capital	1050.08	1050.08	900.08	600.08	500.08
10.	Warrants (Equity Share Entitlement)	700.00	700.00	—	291.00	—
11.	Reserves & Surplus	10886.48	9496.99	7084.07	2900.29	1064.95
12.	Loan Funds	11501.84	9230.21	4630.13	2797.06	1074.11
13.	Deferred Tax	354.84	162.52	61.01	48.57	45.68
14.	Total Funds	24493.24	20639.80	12675.29	6637.00	2684.82
<b>D.</b>	<b>Others</b>					
15.	Dividend per share (Rs.)	1.80	1.80	1.50	1.50	1.00
16.	Market Capitalisation (BSE)	10122.77	17515.33	13739.72	6867.92	2102.83



## NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of BILPOWER Limited will be held at Goregaon Sports Club, Link Road, Malad (West), Mumbai - 400 064 on Friday 31st July, 2009 at 5.30 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 31st March 2009, Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To declare a Dividend on 1,05,00,800 equity shares for the year ended 31st March, 2009.
3. To appoint a Director in place of Mr. Naresh Kumar Choudhary, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. V.K. Pandit, who retires by rotation and being eligible offers himself for re-appointment.
5. 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, 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:-

6. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. Rajan Menda, who was appointed by the Board of Directors as an Additional Director with effect from 31st October, 2008, under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation".

By Order of the Board of Directors,  
For Bilpower Limited

Bhuwnesh Bansal  
Company Secretary

Mumbai, 23rd June, 2009

#### Registered Office :-

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

#### NOTES:-

- a. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items no. 6 is annexed hereto.
- b. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY OR 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.
- c. 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.
- d. (1) The Company has notified closure of register of members and transfer books from 28th July, 2009 to 31st July, 2009 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.  
(2) The dividend, if declared, on equity shares at the meeting, will be paid after 31st July, 2009, in respect of shares held in Physical form, to those members who are entitled to the same and whose names appear in the Company's Register of Members after giving effect to all valid share transfers lodged with the Company / Registrar and Share Transfer Agents at the end of business hours on 27th July, 2009 and, in respect of shares held in the Electronic form, to those



- members whose names appear in the statement of beneficiary ownership furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
- e. Members holding shares in Physical form are requested to notify change of address, if any, to Registrar and Share Transfer Agents before 27th July, 2009 and those who hold shares in dematerialized form are requested to notify to their Depository participants their change in address.
  - f. 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.
  - g. 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.
  - h. 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.
  - i. 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.
  - j. Relevant documents referred to in the accompanying Notice and Explanatory Statement 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. up to the date of the 20th Annual General Meeting.
  - k. In line with the provisions of amended Clause 32 of the Listing Agreement and circular issued by SEBI, the Company has opted to circulate abridged consolidated and standalone annual accounts of the Company for the financial year under review. The detailed annual accounts of the Company and its subsidiary are available on any working day at the Registered Office of the Company to the Shareholders of the Company requiring such information.

#### Explanatory Statement

As required under Section 173(2) of the Companies Act, 1956, in respect of the items of Special Business mentioned in the Notice:

#### 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. Rajan Menda as an Additional Director of the Company with effect from 31st October, 2008.

In terms of the provisions of Section 260 of The Companies Act, 1956 Mr. Rajan Menda 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. Rajan Menda for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Rajan Menda is a Chartered Accountant and Cost and Works Accountant by qualification. He has 14 years of experience in the field of accounts, taxation and finance.

A brief resume of Mr. Rajan Menda, and nature of his expertise in specific functional areas is provided in Report of Corporate Governance forming part of the Annual Report.

The Board of Directors are confident that his vast knowledge and experience will be great value to the Company and hence commends the resolution set out at Item No. 6 of the Notice for your approval.

Save and except Mr. Rajan Menda, 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 Bilpower Limited

Bhuvnesh Bansal  
Company Secretary

Mumbai, 23rd June, 2009

#### Registered Office :-

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



## DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting Twentieth Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2009.

### 1. Financial Performance:-

The financial performance of the Company, on standalone basis, for the Year ended 31st March, 2009 is as summarized below:-

(Rs. In Lacs)		
Particulars	2008-2009	2007-2008
Gross Turnover & Other Income	45806.54	31216.52
Profit before Interest, Depreciation & Taxation	3415.44	3569.69
Less - Interest	(1085.67)	(527.73)
Profit before Depreciation & Taxation	2329.77	3041.96
Less - Depreciation	(201.50)	(47.27)
Profit before tax	2128.27	2994.69
Less - Provision for Taxation (Including Deferred Tax)	517.80	723.22
Net Profit for the year	1610.47	2271.47
Add - Surplus brought forward from previous Year	5210.44	3454.08
Profit available for Appropriations	6820.91	5725.55
<b>Appropriations:-</b>		
Transfer to General Reserve	550.00	300.00
Proposed Dividend	189.01	189.01
Dividend Distribution Tax	23.09	26.10
Balance Carried to Balance Sheet	6058.81	5210.44

### 2. Performance Review:-

The performance of the Company during the year was satisfactory and the base business grew strongly.

The Turnover of the Company increased by 46.74% and stood at Rs. 458.07 crores as compared to Rs. 312.17 crores in the previous year.

The profit after tax was lower at Rs.16.10 crores, compared to Rs. 22.71 crores during 2007-08, mainly due to the volatile prices of the raw material, adverse foreign exchange fluctuations and higher interest outgo.

### 3. Dividend:-

Considering the performance and to appropriately reward the Members while conserving the resources to meet the further financial requirements, the Board of Directors recommends a dividend of Rs. 1.80 per Equity Share of Rs. 10/- each. This dividend is subject to approval of the Members at the forthcoming Annual General Meeting. The dividend will entail an outflow of Rs. 1,89,01,440/- on the paid-up Equity Share Capital of Rs. 10,50,08,000. In the previous financial year, the Company had paid a dividend of Rs. 1.80 per Equity Share of Rs. 10/- each (18%).

### 4. Directors:-

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Rajan Menda was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 31st October, 2008 and would hold Office up to the date of ensuing Annual General Meeting.



Mr. Naresh Kumar Choudhary and Mr. V.K. Pandit, Directors, retire from the Board by rotation and eligible have offered themselves for re-appointment at the ensuing Annual General Meeting. The Notice convening the Annual General Meeting includes the proposals for re-appointment of Directors.

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.

**5. Subsidiary Company:-**

A statement regarding subsidiary Company Tarapur Transformers Limited, pursuant to Section 212 of the Companies Act, 1956 is attached to the Balance Sheet of the Company.

**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: -

- A. In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures from the same.
- B. 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 31st March, 2009 and of the Profit of the Company for the accounting year ended on that date.
- C. 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,
- D. 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, 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. Additionally, it is also declared that one of the partners of the above firm is a relative of Mr. Ashok Bansal, Director of the Company.

**8. Auditors' Report:-**

The notes on accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956. The Auditors' Report on the Consolidated Accounts is also attached. The Consolidated Accounts have been prepared in accordance with the Accounting Standards prescribed by The Institute of Chartered Accountants of India in this regard.

**9. Tax Provisions:-**

The Company has made adequate provisions as required under the provisions of Income Tax Act, 1961 and Wealth Tax Act, 1957.

**10. Fixed Deposits:-**

During the year ended on 31st March 2009, the Company has not accepted any Fixed Deposits from public under Section 58A & 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.



#### 11. 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 the Corporate Governance Report.

#### 12. 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 of this Report as Annexure- I.

#### 13. Energy Conservation and Technology Absorption:-

In view of the nature of business of the Company which is labour intensive, 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 as electricity purchased and consumption per unit of production is negligible.

#### 14. Foreign Exchange earnings and outgo:-

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

Earnings : Rs. 219.52 lacs

Outgo : Rs. 6637.45 lacs

#### 15. Particulars of Employees:-

A Statement, as required under Sub Section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rule, 1975, forms part of this Report. However, as per the provisions of Section 219 of the Companies Act, 1956, the Report and Accounts are being sent to all Shareholders of your Company excluding the aforesaid information. Any Shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

#### 16. Acknowledgement:-

The Board wishes to place on record its sincere appreciation for the assistance and cooperation 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 Bilpower Limited

Suresh Kumar Choudhary  
Chairman

Mumbai, 23rd June, 2009

**Annexure I to the Directors' Report****MANAGEMENT DISCUSSION & ANALYSIS REPORT****Background**

Bilpower is a "Power Engineering Solutions Company" primarily into the manufacturing of Transformers Core & Laminations. One of the key strength of the Company lies in sourcing of Cold Rolled Grain Oriented (CRGO) steel which is most important commodity for the manufacturing of Transformer Laminations. The key USP of Bilpower is that it assures the client of the reduction in transmission loss Bilpower is one of the largest players in third party manufacturing of Transformers Cores & Laminations in India.

Bilpower is manufacturing stampings for Rotating Machines and the Company has set up a new facility for the same at Wada with the total capacity of 24000 MT p.a. (in two phases of 15000 MT and 9000 MT).

Bilpower, through its subsidiary company Tarapur Transformers Limited, has opted for the route of forward integration by foraying into Manufacturing, Repairs, Refurbishing and Up-gradation of Power Transformers of higher ratings and class to de-risk its business model. Tarapur Transformers Limited has capacity to repair, refurbish and upgrade power transformers upto 315 MVA/ 400 kV class and to manufacture Power Transformers up to and including 100 MVA / 220 kV class.

**Indian Scenario**

In the very recent past, India has witnessed a silent transformation from a largely perceived unstable country to a very politically stable country. This transformation will not only help a greater foreign participation in Indian business, but will also be the main driver of increased global investment in the country.

It is unanimously felt that one of the main sunshine areas in the process of Indian economic growth will be the Power Sector. Although India is seen as one of the future economic super powers of the world, the per capita consumption of electricity for India is amongst the lowest in Asia. If this consumption is compared to the per capita consumption in developed countries, the difference is more pronounced. With the growth of the economy and the country and the increased spending power, this difference will naturally come down greatly. The present Govt. which was earlier tied down by various considerations will have greater freedom to rule with more determination and it is our sincere belief at Bilpower that in the next 5 years, this Govt. will be able to solve not only the basic level problems of India, but will certainly transform the country from a developing nation to a developed nation.

**Indian Power Scenario**

Electrical Power is probably the most important commodity from the point of view of industrial growth and the per capita consumption of Electricity serves as an index of the economic development of any country. Uninterrupted power supply to various categories of consumers should be the main objective of utilities. With the present pace of industrial growth in India, development of additional power happens to be the immediate goal to be achieved in the near future.

India's economy is expected to grow at around 7% p.a. & power, undoubtedly, is important to fuel the economical growth of the Country. The Government of India has an ambitious mission of "POWER FOR ALL BY 2012". (11th Plan) and this mission would require that our installed generation capacity should be at least 2,00,000 MW by 2012. The major problem faced by the developing countries is high Transmission and Distribution losses. Technical & Commercial T&D losses jointly account to around 30-35% which is very high for a power deficit country like India. To solve this problem government is planning to take measures to reduce Transmission and Distribution losses.

Transformers being the key components in the Transmission and Distribution (T&D) space, it would result in huge investment opportunity for Transformer Industry. The increase in focus by the Government to increase the power generation & reduce the T&D losses will result in the huge replacement demand as well as demand for new Transformers in the future. Transformer Industry is likely to grow at 20-25% CAGR according to the 11th Plan.

**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 Rs 458.07 crore.
- Net profit of Rs. 16.10 crore.
- Earning Per Share (EPS) for the year is Rs. 15.34.

With a net worth of about Rs 126.37 crore as on March 31, 2009, Bilpower Ltd., counts among the top Indian Electrical Lamination manufacturing companies. Your Company remains free from long-term debt at the net level, and enjoys the ratings of 'A-/Stable' and 'P2' assigned by standard & Poor's Company CRISIL.