



POWER BEHIND POWER

Bilpower Limited



ANNUAL REPORT 2009-10

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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. Gouri Sankar Sarkar
Mr. Mrugen Shah

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 – 4 & 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) 645947
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

Main Bankers

State Bank of India
Industrial Finance Branch
Snehal Chambers, Telly Gulli,
Andheri (E), Mumbai 400 069



5 YEARS FINANCIAL HIGHLIGHTS -STANDALONE

(Rs. in Lacs)

| Sr. No. | Particulars | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
|----------|--|----------|----------|----------|----------|----------|
| A | Sales & Earning | | | | | |
| 1. | Sales & Other Income | 45865.48 | 42994.83 | 31216.52 | 24587.03 | 12593.96 |
| 2. | Profit before Tax (PBT) | 1906.33 | 2128.27 | 2994.69 | 2367.38 | 1178.30 |
| 3. | Profit after Tax (PAT) | 1515.78 | 1610.47 | 2271.47 | 1727.86 | 1067.97 |
| B | Assets | | | | | |
| 4. | Gross Block | 6939.71 | 6007.13 | 3198.85 | 1056.26 | 534.14 |
| 5. | Net Current Assets | 24389.58 | 16800.32 | 15730.09 | 10318.00 | 5623.19 |
| 6. | Investments | 2018.94 | 1411.94 | 1441.94 | 1412.01 | 571.00 |
| 7. | Misc. Expenditure | 2.86 | 3.82 | 4.77 | 2.63 | — |
| 8. | Total Assets | 32827.04 | 24493.24 | 20639.80 | 12675.29 | 6637.00 |
| C | Represented by | | | | | |
| 9. | Share Capital | 1050.08 | 1050.08 | 1050.08 | 900.08 | 600.08 |
| 10. | Warrants (Equity Share Entitlement) | — | 700.00 | 700.00 | — | 291.00 |
| 11. | Reserves & Surplus | 12888.00 | 10886.48 | 9496.99 | 7084.07 | 2900.29 |
| 12. | Loan Funds | 18399.34 | 11501.84 | 9230.21 | 4630.13 | 2797.06 |
| 13. | Deferred Tax | 489.62 | 354.84 | 162.52 | 61.01 | 48.57 |
| 14. | Total Funds | 32827.04 | 24493.24 | 20639.80 | 12675.29 | 6637.00 |
| D | Others | | | | | |
| 15. | Dividend per share (Rs.) | 1.80 | 1.80 | 1.80 | 1.50 | 1.50 |
| 16. | Market Capitalisation (BSE) | 17226.56 | 10122.77 | 17515.33 | 13739.72 | 6867.92 |

NOTICE

NOTICE is hereby given that the 21st 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 30th September, 2010 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 2010, 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, 2010.
3. To appoint a Director in place of Mr. Ashok Bansal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vinod Kumar Agrawal, 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, 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. Gouri Sankar Sarkar, who was appointed as an Additional Director pursuant to the provisions in Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retirement by rotation under the provisions of the Articles of Association of the Company and agreed to by them”
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. Mrugen Shah, who was appointed as an Additional Director pursuant to the provisions in Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retirement by rotation as per the provisions of the Articles of Association of the Company.”

By Order of the Board of Directors,
For **Bilpower Limited**

Suresh Kumar Choudhary
Chairman

Mumbai, 14th August, 2010

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 & 7 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 27th September, 2010 to 30th September, 2010 (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 30th September, 2010, 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 26th September, 2010 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 26th September, 2010 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 -
 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.
- 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 21st 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, Mr. Gouri Sankar Sarkar as an Additional Director of the Company with effect from 14th August, 2010.

In terms of the provisions of Section 260 of the Companies Act, 1956 Mr. Gouri Sankar Sarkar 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. Gouri Sankar Sarkar for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Gouri Sankar Sarkar is an Electrical Engineer by qualification. He has been associated with premier largest Public Sector Undertakings like; Power Grid Corporation of India Ltd., National Thermal Power Corporation Ltd., Engineers India Ltd., MECON (India) Ltd. And Disergarh Power Supply Company at different level starting from working/middle level executive to senior/top managerial positions from more than three decades

A brief resume of Mr. Gouri Sankar Sarkar, and nature of his expertise in specific functional area is provided in Report of Corporate Governance forming part of the Annual Report.

The Board of Directors is confident that his vast knowledge and experience will be of 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. Gouri Sankar Sarkar, 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 Mr. Mrugen Shah as an Additional Director of the Company with effect from 14th August, 2010.

In terms of the provisions of Section 260 of the Companies Act, 1956 Mr. Mrugen Shah 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. Mrugen Shah for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Mrugen Shah is a Chartered Accountant by qualification having an experience in the field of accounts, taxation & audit.

A brief resume of Mr. Mrugen Shah and nature of his expertise in specific functional area is provided in Report of Corporate Governance forming part of the Annual Report.

The Board of Directors is confident that his vast knowledge and experience will be of great value to the Company and hence commends the resolution set out at item no.7 of the notice for your approval.

Save and except Mr. Mrugen Shah, 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**

Suresh Kumar Choudhary
Chairman

Mumbai, 14th August, 2010

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 Twenty First Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2010.

1. Financial Performance:-

The financial performance of the Company, on standalone basis, for the Year ended 31st March, 2010 is as summarized below:-

(Rs. in Lacs)

| Particulars | 2009-2010 | 2008-2009 |
|---|-----------|-----------|
| Gross Turnover & Other Income | 45865.48 | 42994.83 |
| Profit before Interest, Depreciation & Taxation | 3035.71 | 3415.44 |
| Less – Interest | (846.73) | (1085.67) |
| Profit before Depreciation & Taxation | 2188.98 | 2329.77 |
| Less – Depreciation | (282.65) | (201.50) |
| Profit before tax | 1906.33 | 2128.27 |
| Less– Provision for Taxation (Incl. Deferred Tax) | 390.55 | 517.80 |
| Net Profit for the year | 1515.78 | 1610.47 |
| Add – Surplus brought forward from previous Year | 6058.81 | 5210.44 |
| Profit available for Appropriations | 7574.59 | 6820.91 |
| Appropriations:- | | |
| Transfer to General Reserve | 550.00 | 550.00 |
| Proposed Dividend | 189.01 | 189.01 |
| Dividend Distribution Tax | 25.25 | 23.09 |
| Balance Carried to Balance Sheet | 6810.33 | 6058.81 |

2. Performance Review:-

The Turnover of the Company increased by 6.68% and stood at Rs. 458.65 crores as compared to Rs. 429.95 crores in the previous year.

The profit after tax was lower at Rs.15.16 crores, compared to Rs. 16.10 crores during 2008-09, mainly due to the volatile prices of the raw material.

3. Dividend:-

Your Directors are pleased to recommend for the approval of the shareholders, a dividend of 18% (Re.1.80 per equity share) on 1,05,00,800 equity shares of Rs.10/- each for the financial year ended on 31st March, 2010.

4. Directors:-

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Gouri Sankar Sarkar and Mr. Mrugen Shah were appointed as Additional Directors of the Company w.e.f. 14th August, 2010 and would hold Office up to the date of ensuing Annual General Meeting.

Mr. Ashok Bansal and Mr. Vinod Kumar Agrawal, Directors, retire from the Board by rotation and being 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.

Mr. Naresh Kumar Choudhary shall be Director instead of Managing Director of the Company w.e.f. 14th August, 2010.

Mr. N.K. Jain and Mr. Rajan Menda have tendered their resignation w.e.f. 14th August, 2010. Your Directors wish to place on records their sincere appreciation for the invaluable services rendered by them.

5. Subsidiary Company:-

A statement regarding subsidiary Companies Tarapur Transformers Limited and Bil Energy Systems Limited, pursuant to Section 212 of the Companies Act, 1956 is attached to the Balance Sheet of the Company. Tarapur Transformers Limited has ceased to be a subsidiary of Bilpower Limited pursuant to the IPO of Tarapur Transformers Limited in April, 2010. The IPO received good response from the investing fraternity for which the board expresses its gratitude.

6. Directors' Responsibility Statement:-

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

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures from the same.
- Appropriate accounting policies have been selected and applied consistently and such judgments & estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 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 as well as other relevant laws governing taxation on the company.
- 10. Fixed Deposits:-**
During the year ended on 31st March 2010, 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 not sizeable.
- 14. Foreign Exchange earnings and outgo:-**
Your Company earned/spent foreign exchange as under during the year.
Earnings : Rs. Nil
Outgo : Rs. 4606.82 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 Compliance Officer 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, 14th August, 2010

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****Background**

Bilpower is a "Power Engineering Solutions Company" primarily into the manufacturing of Transformers Cores & Lamination and stamping for rotating machines. 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. Similarly, Bilpower is one of the largest manufacturers of stampings for rotating machines.

Indian Scenario

The last couple of years have amply demonstrated the resilience of the Indian economy vis-à-vis the economies of the 'developed nations'. This has resulted in a renewal of confidence of the global investors in the Indian story. If we add to this the strong GDP growth and the measures taken by the government to boost economy, the Indian Scenario looks excellent in the coming years.

Indian Power Scenario

Despite the fact that every sixth person in the world is an Indian, the country produces only about 2.4% of the total world energy output. From another angle, an average American's energy consumption is more than 25 times that of an average Indian. These facts point out to the huge potential in the energy sector in India.

However, in the past, the growth in power generation has lagged behind the planned generation. The government appears to be acutely aware of this and if the recent actions and policy measures of the government are any indicators, we are very likely to see a massive growth in electricity generation in the next few years.

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 performance are:-

- Total Sales of Rs 458.65 crore.
- Net profit of Rs. 15.16 crore.
- Earning Per Share (EPS) for the year of Rs. 14.43.

With a net worth of about Rs 139.38 crore as on March 31, 2010, Bilpower Ltd. counts among the top Indian Power Ancillary manufacturing companies.

Outlook for the Company

In the coming year, the Company plans to continue to consolidate its business of Lamination by concentrating on the Lamination required for higher rating transformers and on the customers having pan India presence as well as global presence. The Company has already largely moved from manual process to automation by installing state-of-art slitting machines and cut-to-length line. These machines will further help the Company in achieving growth in market share, profitability, and increased customer acceptance and above all, lowest electrical losses. The stamping business of the company is doing well and the board is hopeful that the growth in this business shall be better than the previous year.

Demerger

The directors' proposal to demerge the wada unit of the company, after having shareholders approval, is presently pending with the Hon. High Court of Mumbai for their approval. The board is confident that the demerger shall result in improved business as well as value unlocking for all the stake holders.

Internal Controls and their adequacy

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

Human Resources

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

Risk and Concerns

The Company has to mainly depend on the foreign suppliers for import of Electrical Steel. Any delay in procurement of the same would impact the financials of the Company. However, the Company has over the past 2 decades tied up with almost all the major global players and has developed a strong relationship with these suppliers. Further, fluctuations in the prices of Electrical Steel would also have an impact on the bottom line of the company.

Cautionary Statement

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

On behalf of the Board of Directors,
For **Bilpower Limited**

Suresh Kumar Choudhary
Chairman

Mumbai, 14th August, 2010