



POWER BEHIND POWER

# BILPOWER LIMITED

**Annual Report 2010-11**

**Board of Directors**

Mr. Suresh Kumar Choudhary  
 Mr. Naresh Kumar Choudhary  
 Mr. Rajendra Kumar Choudhary  
 Mr. Gouri Sankar Sarkar  
 Mr. Mrugen Shah

**Registered Office**

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

**Company Secretary & Compliance Officer**

Ms. Priyanka Jain

**Branch Offices / Manufacturing 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- 447, G.I.D.C. Industrial Estate,  
 POR, Ramangamdi, Baroda - 391 243  
 Phone - (0265) 2830 824  
 Telefax - (0265) 2830 929

**Uttaranchal Unit**

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

**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,  
 Near Logitech Park,  
 89 Andheri Kurla Road,  
 Andheri (East),  
 Mumbai - 400 072.  
 Phone - (91 22) 2850 0835 (5 Lines)  
 Email : sysss72@yahoo.com

**Main Banker**

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

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**Important Communication to Members**

*The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to update their email address with the Company or M/s. System Support Services (RTA), to enable us to send all the documents through electronic mode in future.*

## NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of BILPOWER LIMITED will be held on Friday, 30th September, 2011 at 1st Floor, Landmark Building, Mith Chowky, Link Road, Malad (West), Mumbai – 400 064 at 04.30 p.m. to transact, with or without modification(s), as may be permissible, the following business:

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### ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the 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, 2011;
3. To appoint a Director in place of Mr. Suresh Kumar Choudhary, who retires by rotation and being eligible offers himself for re-appointment;
4. To appoint a Director in place of Mr. Rajendra Kumar Choudhary, 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 a Special Resolution:-

**“RESOLVED THAT** pursuant to Section 372A and all other applicable Provisions, if any, of the Companies Act, 1956 and such other approvals, consents, permissions or sanctions of any other appropriate authorities or entities including Banks/Financial Institutions, as the case may be, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include a Committee of Directors constituted or to be constituted for this purpose including any person or persons who may be authorised by the Board), to give any guarantee on behalf of or in favor of Tarapur Transformers Limited and / or Bil Energy Systems Limited aggregating to the extent of and not exceeding ₹ 150 Crores, at any time, notwithstanding that such guarantee or such guarantee together with the company's existing loans, investments and guarantee in all other bodies corporate may be in excess of the limits prescribed under Section 372A of the Act.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized on behalf of the Company to negotiate the terms, conditions and other related matters for providing any guarantee on behalf of or in favor of Tarapur Transformers Limited and Bil Energy Systems Limited AND to do all acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise with regard to such guarantee or otherwise reconsider the matter due to change in circumstances as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution and to finalise and execute all the documents and writings as may be necessary or expedient to give effect to this Resolution.”

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

**Priyanka Jain**  
Company Secretary

Mumbai, 13th August, 2011

### Registered Office:-

201, Vikas Chambers, 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 item 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. In terms of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Suresh Kumar Choudhary and Mr. Rajendra Kumar Choudhary, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointments.
- d. 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.
- e. (1) The Company has notified closure of register of members and transfer books from 26th September, 2011 to 30th September, 2011 (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, 2011, 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 23rd September, 2011 (24th September, 2011 and 25th September, 2011 being Saturday and Sunday) 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).
- f. Members holding shares in Physical form are requested to notify change of address, if any, to Registrar and Share Transfer Agents before 23rd September, 2011 (24th September, 2011 and 25th September, 2011 being Saturday and Sunday) to be eligible for dividend of this year, if any and those who hold shares in dematerialized form are requested to notify to their Depository participants their change in address.
- g. 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.
- h. 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.
- i. 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.
- j. Your Company is concerned about the environment and utilizes natural resources in a sustainable way. Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated 21st April, 2011 and 29th April, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.
- Recognizing the spirit of the circular issued by the MCA, we have already sent emails to those shareholders who have registered their email addresses with their depositories and in turn have sent this Annual report to all the shareholders who have given their consent for receiving documents through email mode. We now request all the shareholders who have not given their consent to please support this Green initiative and update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.
- k. 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. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
- l. 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. to 1.00 p.m. up to the date of the 22nd Annual General Meeting.
- m. 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 Annual Accounts of the Company for the financial year under review. The detailed Annual Accounts of the Company are available on any working day at the Registered Office of the Company to the Shareholders of the Company requiring such information.
- n. As per the provisions of the Section 205C of the Companies Act, 1956, unclaimed dividend for the year 2003-2004 will be transferred to Investors Education and Protection Fund on or before 11th September, 2011. Shareholders who have not claimed Dividend for the year 2003-2004 are requested to claim the dividend on or before 11th September, 2011. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Ms. Priyanka Jain, Company Secretary, at the Company's registered office.

## Explanatory Statement

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

### Item No.6:

As per Section 372A of the Companies Act, 1956, the aggregate of loans, investments and guarantee in other companies shall not exceed 60% of the paid-up capital and free reserves or 100% of the free reserves, whichever is higher.

As on 31.03.2010, total amount of loans, investments and guarantee given was within the limits specified under Section 372A of the Companies Act, 1956. However, due to occurrence of two events viz.:

1. Tarapur Transformers Limited and Bil Energy Systems Limited ceasing to be subsidiary of the Company; and;
2. Pursuant to High Court Order dated 24th September, 2010, manufacturing unit of the Company at Wada getting demerged into a resultant company Bil Energy Systems Limited;

resulted in reduction in free reserves and net worth of the Company relatively.

After the above events, this is the first Annual General Meeting of the Shareholders of the Company. Hence, shareholders' approval is sought for giving consent to Board of Directors for giving guarantee on behalf of or in favor of Tarapur Transformers Limited and Bil Energy Systems Limited to the extent of and not exceeding ₹ 150 crores, at any time, notwithstanding that such guarantee or such guarantee together with the Company's existing loans, investments and guarantee in all other bodies corporate shall be in excess of the limits prescribed under Section 372A of the Act.

Thus, it is proposed to authorize the Board to give guarantee as aforesaid with wider choice, in the interest of the Company.

Your Directors recommend this resolution and request you to uphold the same by means of Postal Ballot.

No Director shall be deemed to be interested in the said resolution, except Mr. Naresh Kumar Choudhary and Mr. Rajendra Kumar Choudhary, who are Directors of Bil Energy Systems Limited and Tarapur Transformers Limited; Mr. Suresh Kumar Choudhary and Mr. Mrugen Shah who are Directors of Bil Energy Systems Limited.

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

**Priyanka Jain**  
Company Secretary

Mumbai, 13th August, 2011

### Registered Office:-

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

## DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting Twenty Second Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2011.

### 1. Financial Performance:

The financial performance of the Company for the year ended 31st March, 2011 is as summarized below:-

(₹ in Lacs)

Particulars	2010-2011	2009-2010
<b>Gross Turnover &amp; Other Income</b>	<b>39938.17</b>	45718.03
<b>Profit before Interest, Depreciation &amp; Taxation</b>	<b>1418.88</b>	3035.71
Less – Interest	(737.12)	(846.73)
Profit before Depreciation & Taxation	681.76	2188.98
Less – Depreciation	(48.35)	(282.65)
Profit before tax	633.41	1906.33
Less– Provision for Taxation (Incl. Deferred Tax)	(203.39)	(390.55)
Net Profit for the year	430.02	1515.78
Add – Surplus brought forward from previous Year	6810.30	6058.78
Profit available for Appropriations	7240.32	7574.56
<b>Appropriations:-</b>		
Transfer to General Reserve	16.00	550.00
Proposed Dividend	105.01	189.01
Dividend Distribution Tax	17.03	25.25
Balance Carried to Balance Sheet	7102.28	6810.30

### 2. Performance Review:

The Turnover of the Company decreased and stood at ₹ 39938.17 Lacs and net profit has also decreased to ₹ 430.02 Lacs for the year 2010-11, mainly due to demerger of manufacturing unit of the Company at Wada into resultant Company Bil Energy Systems Limited pursuant to High Court Order dated 24th September, 2010.

### 3. Dividend:

Keeping in view the lower profits as well as recognizing the need to reward the shareholders, your Directors are pleased to recommend for the approval of the shareholders, a dividend of 10% (₹ 1/- per equity share) on 1,05,00,800 equity shares of ₹ 10/- each for the financial year ended on 31st March, 2011.

### 4. Directors:

Mr. Suresh Kumar Choudhary and Mr. Rajendra Kumar Choudhary, 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.

Brief resumes of the above Directors, nature of their expertise in specific functional areas 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. Ashok Bansal, Mr. V.K. Pandit and Mr. Vinod Kumar Agarwal have tendered their resignation w.e.f 31st December, 2010, 27th March, 2011 and 30th March, 2011 respectively. Your Directors wish to place on record their sincere appreciation for the invaluable services rendered by them.

### 5. Whole Time Company Secretary under Section 383A of the Companies Act, 1956:

During the year, Ms. Priyanka Jain was appointed as Whole time Company Secretary of the Company with effect from 15th February, 2011.

### 6. Demerger of Wada Unit:

Pursuant to the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956 (the scheme), manufacturing unit at Wada belonging to the Company was demerged into resultant Company viz. Bil Energy Systems Limited (BESL) with effect from 1st April, 2010 on a going concern basis. The Scheme has been approved *inter alia* by the Shareholders of the Company on 18th May, 2010 and Hon'ble High Court of Bombay on 24th September, 2010 and the order has been filed with the Registrar of Companies, Maharashtra, Mumbai on 14th October, 2010 and became effective.

### 7. 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, 2011 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.

**8. Auditors:**

The present Statutory Auditors of the Company, M/s. Bansal, Bansal & Co., Chartered Accountants, Mumbai, having firm registration number 100986W issued by the Institute of Chartered Accountants of India (ICAI), 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 re-appointment is recommended by the Board.

**9. 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 Accounts have been prepared in accordance with the Accounting Standards prescribed by The Institute of Chartered Accountants of India in this regard.

**10. Tax Provisions:**

The Company has made adequate provisions as required under the provisions of Income Tax Act, 1961 as well as other relevant laws governing taxation on the Company.

**11. Fixed Deposits:**

During the year ended on 31st March 2011, 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.

**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 part of this Report as Annexure- I.

**13. Corporate Governance:**

We adhere to the principle 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 enclosed after the Corporate Governance Report.

**14. 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.

**15. Foreign Exchange earnings and outgo:**

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

Earnings	: ₹ Nil
Outgo	: ₹ 1530.37 lacs

**16. Particulars of Employees:**

There is no employee drawing remuneration which is in excess of the limits laid down in Section 217(2A) of the Companies Act, 1956.

**17. 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, 13th August, 2011



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Background:

Bilpower is a "Power Engineering Solutions Company" primarily into the manufacturing of Transformers Cores & Lamination. The key USP of Bilpower are timely delivery with lowest losses in the cores. Bilpower is one of the largest players in third party manufacturing of Transformers Cores & Laminations in India.

### Indian Scenario:

The year which went by will be remembered for the inflationary trends in the Indian economy. This, coupled with high interest rates, has contributed to the slowing of growth rate of the business in general and of the power sector in particular.

### Indian Power Scenario:

Although the power sector in India has huge potential, the delay in starting the UMPPs awarded already and in awarding fresh ones is becoming one of the biggest hindrances in the growth of the Indian economy. Thankfully the government is fully aware of this and we have every reason to be hopeful of a recovery in the sector.

### 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 ₹ 39938.17 Lacs.
- Net profit of ₹ 430.02 Lacs
- Earning Per Share (EPS) for the year is ₹ 4.10

With a net worth of about ₹ 8830.37 Lacs as on 31st March, 2011, Bilpower Limited considers itself poised to cater to increased demand in the power sector with a good growth in the bottom line also.

### Outlook for the Company:

The management assures that the Company's business plan for the coming year should yield good results which will be better than the industry averages.

### Demerger:

Pursuant to the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956 (the scheme), manufacturing unit at Wada belonging to the Company was Demerged into Bil Energy Systems Limited (BESL) with effect from 1st April, 2010 on a going concern basis. The Scheme has been approved *inter alia* by the Shareholders of the Company on 18th May, 2010 and Hon'ble High Court of Bombay on 24th September, 2010 and the order has been filed with the Registrar of Companies, Maharashtra, Mumbai, on 14th October, 2010 and became effective.

### Internal Control and their adequacy:

The Internal audit was carried out by an independent firm of Chartered Accountants who conducted 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 are reviewed by the Management before reporting to the Audit Committee which reviews the Internal Audit procedures, findings and status of implementation of the agreed action plan.

### Human Resources:

During the year under review, Human Resource Department continued with its 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 continued to work on identifying the needs of employees across all categories and level. The Company has built a strong 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, 13th August, 2011



## REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve Company's objective of maximizing stakeholders' value and discharge of social responsibility. The Corporate Governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees etc..

The Company has adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreement, the disclosure requirements of which are given below:

### Mandatory Requirements:-

#### 1. Company's Philosophy on Corporate Governance:-

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for all its stakeholders.

#### 2. Board of Directors (Board):-

##### a) Board Composition:-

The Board of the Company should consist of optimum combination of Executive, Non Executive – Independent Directors, which should be in conformity with the requirement of Clause 49 of the Listing Agreement with Stock Exchanges. However, after the resignation of two independent non-executive Directors in the month of March, 2011, the Company, in accordance with the provisions of Clause 49(I) (C) (iv) of the Listing agreement, is in process of conforming to the said clauses within the stipulated period mentioned therein.

The present strength of the Board is Five (5) Directors, comprising of Chairman – Executive Director, one Promoter Non – Executive Director, one Whole Time Director and two Independent & Non Executive Directors. The Board Members possess the skills, expertise & experience necessary to guide the Company.

Name of Director	Category of Directorship	Designation
Mr. Suresh Kumar Choudhary	Promoter – Executive	Chairman
Mr. Naresh Kumar Choudhary	Promoter – Non - Executive	Director
Mr. Rajendra Kumar Choudhary	Promoter – Executive	Whole Time Director
Mr. Gouri Sankar Sarkar	Independent – Non Executive	Director
Mr. Mrugen Shah	Independent – Non Executive	Director

##### b) Board Meetings and attendance of Directors:-

During the financial year ended on 31st March 2011, seven (7) Board Meetings were held on the following dates:-

18th May, 2010, 14th August, 2010, 6th September, 2010, 11th November, 2010, 21st January, 2011, 14th February, 2011 and 14th March, 2011.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as part of Agenda Papers, the same are tabled at the meeting or / and the presentations are made by the concerned managers to the Board. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The information as specified in Annexure 1A to Clause 49 of the Listing Agreement is regularly made available to the Board, whenever applicable, for discussion and consideration.

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

Name of Directors	No. of Board Meetings Attended	Attendance at last AGM held on 30th September, 2010	# No. of Directorship held in other Companies	Committee Memberships / Chairmanships	
				Membership	Chairmanship
Mr. Suresh Kumar Choudhary	-	Absent	3	-	-
Mr. Naresh Kumar Choudhary	7	Present	5	-	-
Mr. Rajendra Kumar Choudhary	7	Present	4	3	-
*Mr. Ashok Bansal	4	Present	-	-	-
*Mr. Vinod Kumar Agarwal	5	Absent	1	3	-
*Mr. V.K. Pandit	2	Absent	-	-	-
Mr. Gouri Sankar Sarkar	1	Present	-	-	-
Mr. Mrugen Shah	3	Present	1	3	3

# Excluding Private Companies and Companies under Section 25 of the Companies Act, 1956.

\* Resigned as Director during the year.