



BILPOWER LIMITED

Annual Report 2011 - 2012

Board of Directors

Mr. Suresh Kumar Choudhary
Mr. Naresh Kumar Choudhary
Mr. Rajendra Kumar Choudhary
Mr. Mrugen Shah

Company Secretary & Compliance Officer

Ms. Priyanka Jain

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

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

Statutory Auditors

M/s Bansal, Bansal & Co.,
Chartered Accountants
6 / 120, 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 : syss72@yahoo.com

Main Bankers

State Bank of India
Industrial Finance Branch
Natraj Building, 201, 1st Floor, 194,
Sir M.V. Road, W. Exp. Highway,
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 so as to conserve valuable resources.

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of **BILPOWER LIMITED** will be held on Monday, 24th September, 2012 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:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Naresh Kumar Choudhary, who retires by rotation and being eligible offers himself for re-appointment;
3. To appoint a Director in place of Mr. Mrugen Shah, who retires by rotation and being eligible offers himself for re-appointment;
4. 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, having firm registration number 100986W issued by the Institute of Chartered Accountants of India (ICAI), 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 of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary to implement this resolution.”

SPECIAL BUSINESS:-

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311, read with Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as ‘the said Act’ including any modification(s) or re-enactment(s) thereof for the time being in force), approval of members be and is hereby accorded for re-appointment of Mr. Rajendra Kumar Choudhary as Whole-time Director of the Company for a period of three (3) years from 01st October, 2012 to 30th September, 2015, as approved by the Remuneration Committee & Board of Directors at meetings held on 14th August, 2012 on the terms and conditions set out in the Explanatory Statement hereto, with liberty to the Board of Directors, including any committee thereof, to vary or increase the remuneration and perks payable to Mr. Rajendra Kumar Choudhary, including the monetary value thereof from time to time and to the extent the Board of Directors may consider appropriate and also to alter and vary the terms and conditions of the said appointment, as may be agreed to between the Board of Directors and Mr. Rajendra Kumar Choudhary.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company, the remuneration and perquisites as agreed, be paid to Mr. Rajendra Kumar Choudhary, Whole-time Director as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling provided in Section II of part II of Schedule XIII or such other amount and perquisites as may be provided from time to time or any equivalent statutory re-enactment thereof.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

“RESOLVED FURTHER THAT Ms. Priyanka Jain, Company Secretary of the Company, be and is hereby authorised to file the necessary e-form 25C and e-form 23 / or any other documents with the Office of the Registrar of Companies, Maharashtra, Mumbai, and to take such other steps, as may be necessary to give full effect to this Resolution.”

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

“RESOLVED:

- a. **THAT** pursuant to the provisions of the Articles of Association of the Company, a sum of ₹. 10,50,08,000/-, out of which ₹. 3,50,08,000/- represents a part of the Securities Premium Account and ₹. 7,00,00,000/- from Capital Reserve Account, not arising out of revaluation of assets, comprising of the Free Reserves of the Company as per the Audited Accounts for the financial year ended on 31st March, 2012, be capitalized and transferred to share capital account, and accordingly, the Board of Directors of the Company be and are hereby authorized and directed to appropriate the said sum of ₹. 10,50,08,000/- to and amongst the Members of the Company whose names shall appear on the Record Date, in proportion to the equity shares held by them, respectively, in the Company as on the record date and to apply the said sum of ₹. 10,50,08,000/- in paying up in full of the unissued equity shares of the Company of ₹. 10/- each (face value) at par, such shares (hereinafter referred to as the “Bonus Shares”) be allotted, distributed and credited as fully paid-up to and amongst such members in the proportion of (one) such bonus share for every existing (one) equity share held by them (1:1), respectively, as on the record date AND THAT the Bonus Shares so distributed shall, for all purposes be treated as an increase in the nominal amount in the Share capital of the Company held by each such member and not as income;
- b. **THAT** the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum of Association and the Articles of Association of the Company and guidelines for Bonus shares issued by the Securities and Exchange Board of India (SEBI);
- c. **THAT** the Bonus Shares so allotted pursuant to this resolution shall rank in all respects pari passu with the existing fully paid equity shares of the Company;
- d. **THAT** no Letter of Allotment shall be issued but the certificate(s) / intimation advice in respect of the Bonus Shares shall be issued and delivered within the statutory time-limit;



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- e. **THAT** for the purposes of giving effect to this resolution, the Directors of the Company and / or Ms. Priyanka Jain, Company Secretary, be and are hereby authorized to take such steps and actions and give such directions as they may, in their absolute discretion, deem necessary to settle any question that may arise in regard to the issue, allotment and distribution of the Bonus Shares as they may think fit.”

By Order of the Board of Directors,
For Bilpower Limited
Priyanka Jain
Company Secretary

Mumbai, 14th August, 2012

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. 5 & 6 is annexed hereto.
- b. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY / 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. Naresh Kumar Choudhary and Mr. Mrugen Shah, 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 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. The Company has notified closure of register of members and transfer books on *21st September, 2012 to 24th September, 2012 (both days inclusive) for determining the names of members for issue of bonus shares.
- f. Members holding shares in Physical form are requested to notify change of address, if any, to Registrar and Share Transfer Agents before *21st September, 2012 for ensuing Annual General Meeting 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. Relevant documents referred to in the accompanying Notice and Explanatory Statements 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 23rd Annual General Meeting.
- k. As per the provisions of the Section 205C of the Companies Act, 1956, unclaimed dividend for the year 2004-2005 will be transferred to Investors Education and Protection Fund on or before 04th October, 2012. Shareholders who have not claimed Dividend for the year 2004-2005 are requested to claim the dividend on or before 04th October, 2012. 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 items of Special Business mentioned in the Notice:-

Item No.5:

The Board of Directors of the Company at its meeting held on 26th July, 2007 had appointed Mr. Rajendra Kumar Choudhary as the Whole-time Director of the Company for a period of 5 years with effect from 01st October, 2007 in terms of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956 (the Act) read with Schedule XIII to the Act and his appointment was approved by the Shareholders at the 18th Annual General Meeting of the Company held on 22nd September, 2007.

* Note: Book closure date from 21st September, 2012 to 24th September, 2012 shall stand cancelled and Book closure date for bonus issue of shares will be on 06th October, 2012, vide circular resolution passed by the Board of Directors on 17th August, 2012.

The Board is of the view that Mr. Rajendra Kumar Choudhary has vast experience and knowledge and his re-appointment as the Whole-time Director on fresh terms & conditions as mentioned below including remuneration, will be in the interest of the Company.

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

SALARY - ₹. 1,00,000/- per month

PERQUISITES AND ALLOWANCES:**CATEGORY A**

Housing: Director shall be entitled to house rent allowance of ₹. 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 Provident fund, superannuation fund, gratuity 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 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 Director in accordance with Schedule XIII to the Act, or any amendments made hereafter in this regard.

Brief resume with the nature of expertise in specific functional areas and name of the other Companies in which Mr. Rajendra Kumar Choudhary is holding directorships and the Chairmanships/ Memberships of Committee of the Board are given in the Corporate Governance section of the Annual Report.

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. Save and except Mr. Rajendra Kumar Choudhary, being the recipient of remuneration, Mr. Suresh Kumar Choudhary and Mr. Naresh Kumar Choudhary, being the brothers of Mr. Rajendra Kumar Choudhary, none of the other Directors of the Company is in any way, concerned or interested in the resolution.

The Board of Directors recommends resolution at Item No. 5 for your approval as a Special Resolution.

Item No.6:

With the intention that members of the Company should be given the benefit of the reserve built up over the years, your Directors have pleasure in proposing issue of shares by way of Bonus by (doubling) the subscribed and paid-up capital of the Company from its present level after capitalizing a sum equal to the existing subscribed and paid-up capital taking such portions of Free Reserves as per the Audited accounts of the Company for the financial year ended on 31st March, 2012 and the same are proposed to be applied in paying up in full at par 1,05,00,800 Equity shares of ₹ 10/- each (face value). Such shares shall be distributed as fully paid Bonus Shares to and amongst the members of your Company whose names shall appear on its Register of Members on the Record Date in the proportion of (one) Bonus Share for every (one) existing equity share held by them. The proposed issue of bonus shares will be in compliance with the applicable guidelines issued by the Securities and Exchange Board of India in this respect. Allotment of Bonus Shares to the non-resident members of the Company, however, will be subject to the provisions of the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force).

Requisite applications are also to be made to the various Stock Exchanges where the existing shares of the Company are already listed, for permission to deal in such Bonus Shares.

The Board of Directors recommends resolution at Item No. 6 for your approval as an Ordinary Resolution.

All Directors are deemed to be interested in or concerned with this resolution to the extent of their shareholdings, if any.

By Order of the Board of Directors,
For Bilpower Limited
Priyanka Jain
Company Secretary

Mumbai, 14th August, 2012
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 Third Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2012.

1. Financial Performance:

The financial performance of the Company for the year ended 31st March, 2012 is as summarized below:-

(₹. in Lacs)

Particulars	2011-2012	2010-2011
Gross Turnover & Other Income	36079.27	40892.45
Profit before Exceptional Item, Interest, Depreciation & Taxation	831.60	2373.20
Less - Exceptional Item (Provision for Doubtful Debts)	580.12	-
Profit before Interest, Depreciation & Taxation	251.48	2373.20
Less – Interest	2065.49	1691.44
Profit / Loss before Depreciation & Taxation	(1814.01)	681.76
Less – Depreciation	46.07	48.35
Profit / Loss before tax	(1860.08)	633.41
Less– Provision for Taxation (Incl. Deferred Tax)	(1.58)	203.39
Net Profit / Loss for the year	(1858.50)	430.02
Add – Surplus brought forward from previous Year	1686.59	6810.30
Profit available for Appropriations	(171.91)	7240.32
Appropriations:-		
Transfer to Bil Energy Systems Ltd. (Pursuant to scheme of Arrangement)	-	5415.69
Transfer to General Reserve	-	16.00
Proposed Dividend	-	105.01
Dividend Distribution Tax	-	17.03
Balance Carried to Balance Sheet	(171.91)	1686.59

2. Performance Review:

For the year 2011-12, the Turnover of the Company has decreased and stood at ₹. 35612.10 Lakhs and Loss incurred is ₹. 1858.50 Lakhs. The substantial loss has resulted due ultimately to the fact that the payment position of the SEBs, being the govt. utilities constituting the biggest chunk of transformer buyers went from bad to worse. The Electrical Lamination manufactured by the company is supplied to transformer manufacturers. As the entire power sector is grappling with crisis, your company also had to bear the brunt.

The misery was compounded by weakening of Rupee and the interest rates becoming stronger and stronger.

3. Dividend:

Your Directors do not recommend any dividend for the year under review in view of losses incurred.

4. Directors:

Mr. Naresh Kumar Choudhary and Mr. Mrugen Shah, 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. During the year, Mr. Alexander Koshy Prince Vaidyan was appointed as Additional Director (Independent Non Executive) w.e.f. 23rd September, 2011 and had resigned from the Board of Directors w.e.f. 23rd May, 2012. Further, Mr. Gouri Sankar Sarkar, Independent Non-Executive Director, had also resigned w.e.f. 23rd May, 2012. Your Directors wish to place on records their sincere appreciation for the invaluable services rendered by them during their tenure as Directors.

The Board of Directors of the Company at its meeting held on 26th July, 2007 had appointed Mr. Rajendra Kumar Choudhary as the Whole-time Director of the Company for a period of Five (5) years with effect from 01st October, 2007 in terms of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956 (the Act) read with Schedule XIII to the Act and his appointment was approved by the Shareholders at the 18th Annual General Meeting of the Company held on 22nd September, 2007.

The Board is of the view that Mr. Rajendra Kumar Choudhary has vast experience and knowledge and his re-appointment as the Whole-time Director on fresh terms & conditions as mentioned below including remuneration, will be in the interest of the Company. So the

Remuneration Committee & Board of Director at meetings held on 14th August, 2012 have approved the re-appointment of Mr. Rajendra Kumar Choudhary subject to approval of shareholders at ensuing Annual General Meeting for a tenure of three (3) years with effect from 01st October, 2012 on revised terms and conditions as stated in the explanatory statement annexed to Notice of Annual General Meeting. The information on the particulars of Directors seeking reappointment as required under Clause 49 of the Listing Agreement with the Stock exchange has been given under the Report on Corporate Governance.

5. 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, 2012 and of the Profit / loss 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.

6. 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 reappointment is recommended by the Board.

7. Auditors' Report:

As regards Auditors' remarks in the Audit report, comments of the Board of Directors are as under:

- a. As regards Auditors' remarks in Annexure to their report under Item No. 1 (b) & 2 (a), with regard to physical verification report of fixed assets and inventories, the same are self explanatory;
- b. As regards Auditors' remarks in Annexure to their report under Item No. 7, with regard to report of internal audit, Internal Audit is sort of concurrent Internal Audit wherein Internal Auditor does not submit formal report.

8. Cost Auditors:

The Ministry of Corporate Affairs (MCA) has introduced The Companies (Cost Accounting Records) Rules, 2011 published vide GSR 430(E) dated 03rd June, 2011 and Cost Audit order no. 52/26/CAB-2010 dated 24th January, 2012 which has become applicable to the Company with effect from the financial year 2011-12. Henceforth, the Company is required to maintain and keep cost records of all its units and branches. Further, the Company to which these rules apply would be required to submit a Compliance Report duly certified by a Cost Accountant, along with the Annexure to the Central Government in prescribed Form. In view of the above, based on the recommendations of Audit Committee, the Board of Directors at its meeting held on 13th February, 2012, had appointed Mr. Jayant J. Paleja, a Practicing Cost Accountant, as Cost Accountant to issue the Compliance Certificate for the financial year 2011-2012 and at the Board meeting held on 04th June, 2012, has approved his appointment for conducting cost audit of the Company for the financial year 2012-13.

Necessary certificate and consent letter from the said Auditor has been obtained to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

9. 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.

10. Fixed Deposits:

During the year ended on 31st March, 2012, the Company has not accepted any Fixed Deposit from public under Section 58A & 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

11. 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**.

12. 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 enclosed after the Corporate Governance Report.



13. Energy Conservation and Technology Absorption:

In view of the nature of business of the Company 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 sales is not sizeable.

14. Foreign Exchange earnings and outgo:

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

Earnings	:	₹. Nil.
Outgo	:	₹. 781.26 Lakhs

15. 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.

16. Acknowledgement:

The Board wishes to place on record its sincere appreciation for the assistance and co-operation 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, 2012

Annexure I to the Directors' Report

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Background:

Bilpower is a "Power Engineering Solutions Company" primarily into the manufacturing of Transformers Cores & Lamination using Cold Rolled Grain Oriented (CRGO) steel. Our strength is sourcing CRGO in all grades. We guarantee the quality and losses for the transformers as required by our customers. We can process laminations utilizing the complete width of CRGO i.e. upto 1000 mm.

Indian Scenario:

In the year 2011-12, the Indian economy witnessed slowdown to 6.5%, which was lowest among the last 9 years figures. This was mainly due to global uncertainties, domestic challenges, low investment, delay in policy making, etc. This slowdown was seen in all major sectors of the economy which also includes power sector.

Indian Power Scenario:

As electricity is one of the most important input in the Industrial Sector, the development of the nation is generally compared by the per capita consumption of electricity. In the developing countries, the indicator cannot be related directly with the average development of the nation. The use of Electricity is basically in Industrial sector, Commercial & Residential lighting and Agriculture and Irrigation.

The infrastructure would need the availability of assured and quality power at affordable price through reliable and adequate generation, transmission and distribution facilities.

Your Company endeavors to utilize its full capacity so as to fulfill the increasing demands in the domestic market and earn profits in near future.

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 ₹. 35612.10 Lakhs.
- Net loss of ₹. 1858.50 Lakhs.

With a net worth of about ₹. 6971.87 Lakhs as on 31st March, 2012, Bilpower Limited considers itself poised to cater to increased demand in the power sector with a growth in the bottom line also. Concerned about the losses, the directors have waived their remuneration for part of the year and presently, no director is drawing any remuneration from the company.

With a view to minimize the losses, the company has downsized the manufacturing operations and is presently carrying on the manufacturing activities from Baroda only. Further, the company has also increased the trading operations.

Outlook for the Company:

The management is hopeful that the company's business plan for the coming year would yield good results which will be better than the industry averages.

Internal Control and its adequacy:

The Internal audit was carried out by an independent firm of Chartered Accountants which conducts 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:

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. 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's 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, 2012

Annexure II to the Directors' Report**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 May, 2012, 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 Four (4) Directors, comprising of Chairman – Executive Director, one Promoter Non – Executive Director, one Whole Time Director and one Independent & Non Executive Director. 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. Mrugen Shah	Independent – Non Executive	Director

b) Board Meetings and attendance of Directors:-

During the financial year ended on 31st March 2012, Five (5) Board Meetings were held on the following dates:- 14th May, 2011, 13th August, 2011, 14th November, 2011, 13th February, 2012 and 28th March, 2012.

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, 2011	# Directorship held in other Companies	Committee Memberships / Chairmanships	
				Membership	Chairmanship
Mr. Suresh Kumar Choudhary	01	Absent	- Bil Energy Systems Ltd. - Nik-san Engineering Company Ltd. - Choudhary Global Ltd.	-	-
Mr. Naresh Kumar Choudhary	05	Absent	- Bil Energy Systems Ltd. - Nik-san Engineering Company Ltd. - Tarapur Transformers Ltd.	-	-
Mr. Rajendra Kumar Choudhary	05	Present	- Bil Energy Systems Ltd. - Tarapur Transformers Ltd. - Choudhary Global Ltd.	06	01
*Mr. Gouri Sankar Sarkar	--	Present	--	-	-
Mr. Mrugen Shah	05	Present	- Bil Energy Systems Ltd. - Tarapur Transformers Ltd. - Unibios Laboratories Ltd.	07	05
*Mr. Alexander Koshy Prince Vaidyan	--	Absent	--	-	-

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

* Resigned as Director during the year.

The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all companies in which they are Directors. As per Clause 49 of the Listing agreement, for the purpose of reckoning the said limit, Chairmanship/ membership of the Audit Committee and the Shareholders' Grievance Committee alone shall be considered.

c) Information of Directors' Re-appointment:-

The profiles of Directors who are seeking re-appointment at the Annual General Meeting are furnished below:-

Mr. Naresh Kumar Choudhary aged 53 years, designated as "Promoter Director" is having to his credit, an experience of more than 28 years in the field of manufacturing of electrical lamination, distribution and power transformers, CT/PT Metering Sets. He is holding 1,25,000 equity shares of Bilpower Limited as on 31st March, 2012.

Mr. Mrugen Shah, aged 33 years, designated as "Non Executive Independent Director" is a Chartered Accountant, DISA (ICAI) by qualification having an experience of over 9 years in the field of accounts, taxation & audit. He is not holding any equity shares of the Company.

Mr. Rajendra Kumar Choudhary aged 52 years, designated as "Promoter Whole-time Director", has started his initial stint in trading and marketing of steel and allied products. He then along with his brothers, promoted Bilpower Limited. He has over 25 years of experience in the field of manufacturing of electrical lamination, distribution and power transformers, Motor Stamping and Banking & Finance. He is holding 3,82,652 equity shares of Bilpower Limited as on 31st March, 2012.