



POWER BEHIND POWER

BILPOWER LIMITED

Annual Report 2012 - 2013

Board of Directors

Mr. Suresh Kumar Choudhary
 Mr. Rajendra Kumar Choudhary
 Mr. Lalit Agarwal

Registered Office

201, Vikas Chambers,
 Junction of Link & Marve Road,
 Malad (West), Mumbai – 400 064
 Tel – (91 22) 28885929
 Fax – (91 22) 28811225
 Email – investors@bilpower.com

Branch Office / Manufacturing Unit**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, Western Express 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 24th Annual General Meeting of the Members of **BILPOWER LIMITED** will be held at IJMA, 1036/37/38, 10th Floor, IJMIMA Complex, Raheja Metroplex, Link Road, Behind Goregaon Sports Club, Malad (W), Mumbai – 400 064 on Monday, 30th September, 2013 at 11.00 a.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, 2013 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. Rajendra Kumar Choudhary, who retires by rotation and being eligible offers himself for re-appointment;
3. 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: –

4. 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 appointment of Mr. Suresh Kumar Choudhary as Whole-time Director of the Company for a period of three (3) years from 14th November, 2012 to 13th November, 2015.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in the current financial year of the Company, and as approved by the Remuneration Committee & Board of Directors of the Company at its meeting held on 14th November, 2012 and agreed upon by Mr. Suresh Kumar Choudhary, shall serve the Company on without any salary. The terms and conditions set out in the Explanatory Statement hereto.

RESOLVED FURTHER THAT taking into consideration the financials of the Company in future, the Board is at liberty to pay or modify any remuneration and perquisites as may be agreed, which shall be paid to Mr. Suresh 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.”

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**
“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Lalit Agarwal, 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.

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.”

By Order of the Board of Directors,
For Bilpower Limited
Suresh Kumar Choudhary
 Chairman

Mumbai, 13th August, 2013

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. 4 & 5 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. 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. The Company has notified closure of register of members and transfer books from 26th September, 2013 to 30th September, 2013 (both days inclusive) for the Annual General Meeting of the Company.
- e. Members holding shares in Physical form are requested to notify change of address, if any, to Registrar and Share Transfer Agents and those who hold shares in dematerialized form are requested to notify to their Depository participants their change in address.
- f. As per the provisions of the Companies Act, 1956, facility for making nomination is available to the shareholders in respect of the Shares held by them. Nomination Forms can be obtained from the registrar and share transfer agents of the Company.
- g. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their



respective copy of the Annual Report to the Meeting and affix their signature at the place provided on the attendance slip annexed to the Proxy form and hand over the slip at the entrance to the place of the Meeting.

- h. Non – Resident Indian Members are requested to inform the Company's registrar and share transfer agents M/s. System Support Services immediately of -
 - a. The change in the residential status on return to India for permanent settlement.
 - b. The particulars of the bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- i. 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 24th Annual General Meeting.
- j. As per the provisions of the Section 205C of the Companies Act, 1956, unclaimed dividend for the year 2005-2006 will be transferred to Investors Education and Protection Fund on or before 27th October, 2013. Shareholders who have not claimed Dividend for the year 2005-2006 are requested to claim the dividend on or before 27th October, 2013. Members wishing to claim dividends, which remain unclaimed, are requested to correspond at the Company's registered office.

Explanatory Statement

As required under Section 173(2) of the Companies Act, 1956:-

Item No.4:

The Board of Directors of the Company at its meeting held on 14th November, 2012 had appointed Mr. Suresh Kumar Choudhary as the Whole-time Director of the Company for a period of 3 years with effect from 14th November, 2012 in terms of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956 (the Act) read with Schedule XIII to the Act.

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

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

SALARY – Nil

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 as per the policy of the Company. 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.

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. Suresh 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. Suresh Kumar Choudhary, being the recipient of remuneration and Mr. Rajendra Kumar Choudhary being the brother of Mr. Suresh 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. 4 for your approval as a Special Resolution.

Item No.5:

The Board of Directors of the Company has appointed pursuant to the provisions of Section 260 of the Companies Act, 1956 (The Act), Mr. Lalit Agarwal as an Additional Director of the Company with effect from 14th November, 2012.

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

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

Save and except Mr. Lalit Agarwal, 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, 13th August, 2013

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 Fourth Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2013.

1. Financial Performance:

The financial performance of the Company for the year ended 31st March, 2013 is as summarized below:-

(₹ in Lacs)

Particulars	2012-2013	2011-2012
Gross Turnover & Other Income	3769.49	36079.27
Profit before Exceptional Item, Interest, Depreciation & Taxation	(1246.12)	831.60
Less- Exceptional Item (Provision for Doubtful Debts)	755.79	580.12
Profit before Interest, Depreciation & Taxation	(2001.91)	251.48
Less – Interest	2268.91	2065.49
Profit / Loss before Depreciation & Taxation	(4270.82)	(1814.01)
Less – Depreciation	42.40	46.07
Profit / Loss before tax	(4313.22)	(1860.08)
Less– Provision for Taxation (Incl. Deferred Tax)	(122.42)	(1.58)
Net Profit / Loss for the year	(4190.80)	(1858.50)
Add – Surplus brought forward from previous Year	(171.91)	1686.59
Profit available for Appropriations	(4362.71)	(171.91)
Appropriations:-		
Transfer to General Reserve	-	-
Proposed Dividend	-	-
Balance Carried to Balance Sheet	(4362.71)	(171.91)

2. **Performance Review:** For the year 2012-13, the Turnover of the Company has decreased and stood at ₹ 3536.07 Lakhs and Net Loss incurred is ₹ 4190.80 Lakhs. The substantial loss has resulted due to lower capacity utilization, falling margins and higher cost of finance.

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

4. **Directors:** Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Lalit Agarwal was appointed as an Additional Director of the Company with effect from 14th November, 2012 and would hold Office up to the date of ensuing Annual General Meeting.

Mr. Rajendra Kumar Choudhary, Director, retire from the Board by rotation and being eligible has offered himself for re-appointment at the ensuing Annual General Meeting. The Notice convening the Annual General Meeting includes the proposal for his re-appointment.

The Board is of the view that Mr. Suresh Kumar Choudhary has vast experience and knowledge and his appointment as the Whole-time Director on terms & conditions as mentioned above including remuneration, will be in the interest of the Company. So the Remuneration Committee & Board of Director at meetings held on 14th November, 2012 have approved the appointment of Mr. Suresh Kumar Choudhary subject to approval of shareholders at ensuing Annual General Meeting for a tenure of three (3) years with effect from 14th November, 2012 on terms and conditions as stated in the explanatory statement annexed to Notice of the Annual General Meeting.

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 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. Rajendra Kumar Choudhary resigned being the Whole Time Director of the Company with effect from 14th November, 2012. However, Mr. Rajendra Kumar Choudhary holds position as Non Executive Director of the Company. Mr. Naresh Kumar Choudhary & Mr. Mrugen Shah, Directors have resigned with effect from 12th December, 2012 & 12th February, 2013 respectively. Your Directors wish to place on records their sincere appreciation for the invaluable services rendered by them during their tenure as Directors.

5. **Bonus Issue:** During the year your Company has issued 10500800/- fully paid up bonus Equity Shares of ₹ 10/- each in the ratio of 1:1 on 08th October, 2012. Consequently the Issued and Paid up Equity Shares Capital of the Company has increased from ₹ 105008000/- to ₹ 210016000/-

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, 2013 and of the Profit / loss of the Company for the accounting year ended on that date;
- 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;
- 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, 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 stating 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.

8. Auditors' Report:

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

- The financial statements of the company have been prepared on a going concern basis, notwithstanding the fact that its net worth is substantially eroded due to high losses for the financial years 2011-2012 and 2012-2013. The appropriateness of the said basis is interalia dependent on the company's ability

to infuse requisite funds for meeting its obligations, rescheduling of debt and resuming normal operations.

The above Auditors remarks are self explanatory.

- 2) The company has sent letters to customers in respect of trade receivables for confirming balances outstanding as at March 31, 2013, but in most of the cases the customers have not sent written confirmation confirming the balance outstanding as at March 31, 2013. In the absence of confirmation any provision to be made for adverse variation in the carrying amounts of trade receivables is not quantified.

The Company has sent balance confirmation letter as advised by the bank as on 31st March 2013 with a request to send confirmation letter directly to State Bank of India, but as informed by the State Bank of India in most of the cases confirmation have not been received by them. However the Board considers all outstanding balance of customers as on 31st March 2013 as good and recoverable and hence no provision has been made.

- 3) Recognition of Deferred Tax Credit in contravention of Accounting Standard 22 on 'Accounting for Taxes on Income':-

The company has recognised Deferred Tax Asset on account of unabsorbed losses and allowances during the year aggregating to ₹ 6848901.05 (For year ended March 31, 2012 – NIL) (Total amount recognised upto March 31, 2013 ₹ 6848901.05). This does not satisfy the virtual certainty test for recognition of deferred tax credit as laid down in Accounting Standard 22

The Company had incurred huge operational loss during the year under review and net worth had substantially eroded. In view of this the management had thought it appropriate and prudent not to make provision for deferred tax assets during the year.

- 4) 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;
- 5) As regards Auditors' remarks in Annexure to their report under Item No. 7, with regard to report of internal audit, Company has in house internal audit system commensurate with the size and nature of its business and hence no formal audit report is available.

9. **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 4th June, 2012, had appointed Mr. Jayant J. Paleja, a Practicing Cost Accountant, as Cost Accountant to issue the Compliance Certificate for the financial year 2012-2013 and at the Board meeting held on 29th May, 2013, has approved his appointment for conducting cost audit of the Company for the financial year 2013-14.

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.

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 2013, 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.
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 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.
14. **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.
15. **Foreign Exchange earnings and outgo:**
Your Company earned/spent foreign exchange as under during the year.

Earnings	:	₹ Nil.
Outgo	:	₹ 8.32 Lakhs
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 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, 29th May, 2013

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 2012-13, the Indian economy witnessed slowdown to 5%, which was lowest among the last 10 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 ₹ 3536.07 Lakhs.
- Net loss of ₹ 4190.80 Lakhs.

With a net worth of about ₹ 2781.07 Lakhs as on 31st March, 2013, 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 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 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, 29th May, 2013

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 one Independent Non-executive Directors in the month of February, 2013, 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 Three (3) Directors, comprising of Chairman –Whole Time Director; one Promoter Non – Executive Director; 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 Whole Time Director	Chairman
Mr. Rajendra Kumar Choudhary	Promoter Non – Executive	Director
Mr. Lalit Agarwal	Independent Non Executive	Additional Director

b) Board Meetings and attendance of Directors:-

During the financial year ended on 31st March 2013, Four (4) Board Meetings were held on the following dates: – 4th June, 2012, 14th August, 2012, 14th November, 2012, and 12th February, 2013.

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 IA 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 24th September, 2012	# Directorship held in other Companies	Committee Memberships / Chairmanships	
				Membership	Chairmanship
Mr. Suresh Kumar Choudhary	2	Absent	- Bil Energy Systems Limited - Nik-san Engineering Company Limited - Choudhary Global Limited	- - -	- - -
Mr. Rajendra Kumar Choudhary	4	Present	- Bil Energy Systems Limited - Tarapur Transformers Limited - Choudhary Global Limited	7 - -	2 - -
**Mr. Lalit Agarwal	1	Absent	None	1	2
*Mr. Naresh Kumar Choudhary	2	Absent	- Tarapur Transformers Limited - Nik-san Engineering Company Limited	- -	- -
*Mr. Mrugen Shah	3	Present	- Bil Energy Systems Limited - Tarapur Transformers Limited - Unibios Laboratories Limited	2 - -	5 - -

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

* Resigned as Director during the year.

** Appointed as an Additional Director on 14th November, 2012.

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. Suresh Kumar Choudhary aged – 56 years, designated as “**Chairman**” is a Bachelor of Commerce having to his credit, an experience of more than 32 years in the field of manufacturing of electrical lamination, distribution and power transformers, CT/PT Metering Sets. Mr. Suresh Kumar Choudhary is a Director in Bil Energy Systems Limited, Nik-san Engineering Company Limited and Choudhary Global Limited, which are associate companies. He is holding 1115366 equity shares of Bilpower Limited as on 31st March 2013.

Mr. Rajendra Kumar Choudhary aged 53 years, designated as “**Promoter – 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 26 years of experience in the field of manufacturing of electrical lamination, distribution and power transformers, Motor Stamping and Banking & Finance. He is holding 765304 equity shares of Bilpower Limited as on 31st March, 2013.

Mr. Lalit Agarwal aged 48 years, designated as “**Non Executive Independent Director**” is a S.Y. B.com by qualification having an experience of over 25 years in the field of finance & accounts. He is not holding any equity shares of the Company.

Committees of the Board of Directors of the Company:-
3. Audit Committee:-
a) Composition and attendance:

The Audit Committee comprises of experts specializing in accounting / financial management. The Chairman of the Audit Committee is a Non-executive and Independent Director. The composition and attendance of Audit Committee is as follows:-

Name of the Members	Position	Category	Attendance
Mr. Lalit Agarwal	Chairman	Independent & Non Executive Director	1
* Mr. Mrugen Shah	Chairman	Independent & Non Executive Director	3
Mr. Rajendra Kumar Choudhary	Member	Promoter & Non Executive Director	4

* Resigned as Director during the year.

The Audit Committee is constituted in accordance with the provisions of Clause 49 of the Listing Agreement and the Companies Act, 1956. All the members of Audit Committee possess knowledge of corporate finance, accounts and Company law. However, after the resignation of an independent non-executive Director in the month of February, 2013, 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 clause..

During the financial year 2012-13, Four (4) Audit Committee meetings were held as under:

04th June, 2012, 14th August, 2012, 14th November, 2012 and 12th February, 2013.

b) Power & Terms of Reference:

The power and terms of reference of the Audit Committee are as mentioned in Clause 49 II (C), (D) & (E) of the Listing Agreement entered into with the Stock Exchanges include overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance issue and issues related to risk management and compliances. The Statutory Auditors are invited to the meeting.

4. Remuneration Committee:
a) Composition and attendance:

The composition of Remuneration Committee is as follows:-

Name of the Members	Position	Category
Mr. Lalit Agarwal	Chairman	Independent & Non Executive Director
Mr. Rajendra Kumar Choudhary	Member	Promoter & Director

During the financial year 2012-13, Two (2) Remuneration Committee meetings were held on 14th August, 2012 & 14th November, 2012.

b) Terms of Reference: –

The broad terms of reference of the committee are to appraise the performance of Chairman, Managing Director, Whole Time Directors and Chief Executive Officer, determine and recommend to the Board compensation payable to Chairman, Managing Director, Whole Time Directors and Chief Executive Officer. The Remuneration policy of the Company is based on review of achievements. The remuneration policy is in consonance with the existing industry practice.

c) Remuneration Policy:-

Subject to approval of the Board of Directors and subsequent approval by the members at the Annual General Meeting and such authorities as the case may be, remuneration of Chairman, Managing Director, Whole Time Directors, Chief Executive officer is fixed by the Remuneration Committee. The remuneration is decided by the Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries and financial position of the Company etc.

The remuneration structure comprises of basic salary, perquisites, allowances (fixed component), and contribution to provident fund, in accordance with the provisions of the Companies Act, 1956.

5. Shareholders' / Investors' Grievance Committee:
a) Composition and attendance:

The Board has delegated the powers to approve transfer of shares etc. to this Committee. The composition and attendance of Shareholders' / Investors' Grievance Committee is as follows: –

Name of the Members	Position	Category	Attendance
Mr. Rajendra Kumar Choudhary	Chairman	Promoter & Director	1
Mr. Lalit Agarwal	Member	Independent & Non Executive Director	-

During the financial year 2012-13, One (1) Shareholders' / Investors' Grievance Committee meetings was held on 27th April, 2012.

b) Terms of Reference:

The Company has a Shareholders' / Investors' Grievance Committee, to look into redressal of Investors Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend warrants etc.

The committee deals with various matters relating to –

- Transfer / transmission of shares.
- Issue of share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.
- Consolidation / splitting of folios.
- Review of shares dematerialized and all other related matters.
- Investors' grievance and redressal mechanism and recommend measures to improve the level of investors' services.

The secretarial department of the Company and registrar and share transfer agents viz. System Support Services attend expeditiously to all grievances / correspondences of the shareholders / investors, received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. The complaints are generally resolved within 15 days of receipt of letter, except in the cases that are constrained by disputes or legal impediment.