



POWER BEHIND POWER

BILPOWER LIMITED

Annual Report 2013-2014

Board of Directors

Mr. Sureshkumar Anandilal Choudhary
 Mr. Rajendrakumar Anandilal Choudhary
 Mr. Lalit Laxiram Agarwal
 Mr. Kesavan Mudakkarappillil Sugathan

Registered Office

201, Vikas Chambers,
 Junction of Link & Marve Road,
 Malad (West), Mumbai - 400 064
 Tel : +91 22 42728080, Fax: +91 22 28811225

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
 Tele fax – +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.

CORPORATE IDENTITY NUMBER

L51420MH1989PLC053772

Website

www.bilpower.com

Investor Relations Email ID

investors@bilpower.com

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 25th 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, 29th September, 2014 at 04.00 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 of the Company as at 31st March, 2014 and statement of Profit & Loss Account for the year ended as on that date together with the reports of the Directors and Auditors thereon.
2. To appoint Mr. Rajendrakumar Anandilal Choudhary (Din : 00494663) as Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:–
“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Bansal Bansal & Co., Chartered Accountants, Mumbai having firm registration number 100986W issued by the Institute of Chartered Accountants of India (ICAI), be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Twenty Sixth Annual General Meeting (AGM), at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.
RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to implement this resolution”.

SPECIAL BUSINESS:–

4. To appoint Mr. Kesavan Mudakkarappillil Sugathan (DIN: 00269892) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Kesavan Mudakkarappillil Sugathan (DIN: 00269892), who was appointed as an Additional Director liable to retire by rotation pursuant to the provisions of Section 161 of the Companies Act, 2013 and whose term expires at this Annual General Meeting, has submitted a declaration that he meets the criteria for Independent Director pursuant to section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from the said Director under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the company, be and is hereby appointed as Non Executive Independent Director of the Company to hold office for 5 (five) consecutive years starting from 29th September, 2014 up to 28th September, 2019 and who shall not be liable to retire by rotation.”
5. To appoint Mr. Lalit Laxiram Agarwal (DIN: 06427436) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Lalit Laxiram Agarwal (DIN: 06427436), who was appointed as a Director liable to retire by rotation, has submitted a declaration that he meets the criteria for Independent Director pursuant to section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from the said Director under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years starting from 29th September, 2014 up to 28th September, 2019 and who shall not be liable to retire by rotation.”

NOTES:-

- a. 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.
- b. A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share Capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- 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 Thursday, September 25, 2014 to Monday, September 29, 2014 (both days inclusive).
- 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, 2013, 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 are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the 25th Annual General Meeting.
- j. Members holding shares in physical form and who have not registered their email IDs, are requested to register the same with the Company’s registrar and share transfer agents M/s. System Support Services.
- k. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
- l. To support the ‘Green Initiative’, the Members who have not registered their e-mail addresses are requested to register the same with the Company’s registrar and share transfer agents M/s. System Support Services.
- m. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the

Members are provided with the facility to cast their vote electronically through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

Instructions for Members for e-voting are as under:-

- i. The voting period begins on 23rd September, 2014 (10.00 A.M. IST) and ends on 25th September, 2014 (6.00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website <https://www.evotingindia.com/>
- iii. Click on "Shareholders" tab.
- iv. Now, select "BILPOWER LIMITED" from the drop down menu and click on "SUBMIT."
- v. Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- vi. If you are holding shares in electronic form and had logged on to <https://www.evotingindia.com> and voted on an earlier e-voting of any company, then your existing password is to be used.
- vii. For Shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

| | |
|---|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/DP are requested to use the first two letters of their name in CAPITAL and the 8 digits of the folio/client id number in the PAN Field. • In case the Folio No. is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar and Folio No. is 1 then enter RA00000001 in the PAN Field. |
| Date of Birth or Date of Incorporation OR Bank Account Number | Enter the Date of Birth as recorded in your demat account or in the Company's records for the Said demat account in dd/mm/yyyy format or enter Folio No. OR Enter the Bank Account Number as recorded in your demat account or in the Company's records for the said demat account or Folio No. Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held in the Bank Account Number field. |

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. For Members holding shares in physical form, the login details can be used only for e-voting on the resolutions contained in this Notice. On logging in, Members holding shares in physical form will be directed to the Company selection screen.
- x. Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the electronic holders for voting on resolutions of other companies, as well, on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. Click on the EVSN for the BILPOWER LIMITED.
- xii. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO, as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "Resolutions File" Link if you wish to view the entire Notice along with Resolution details.
- xiv. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If an electronic account holder has forgotten the set password, then he has a 'Forgot password' option to reset the password.
- xviii. Note for Non – Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUFs, NRIs etc.) and Custodian are required to log on to <https://www.evotingindia.com/> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 22nd August, 2014 which is the cutoff date for the purpose of e-voting.
- ii. M/s. Bhuvnesh Bansal & Associates, Practicing Company Secretary (Membership No. FCS 6526 & COP 9089), has been appointed as the Scrutinizer to conduct the e-voting process in a fair and transparent manner.
- iii. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.
- iv. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.bilpower.com and on the website of CDSL <https://www.evotingindia.com>.

evotingindia.com within two days of the passing of the resolutions at the Twenty Fifth AGM of the Company on 29th September, 2014 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

**By Order of the Board of Directors,
For Bilpower Limited
Sureshkumar Anandilal Choudhary
Din : 00494510
Chairman**

Registered Office:-

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

Tel.: +91 22 42728080, Fax: +91 22 28811225

Website: www.bilpower.com E-mail: investors@bilpower.com

CIN No. L51420MH1989PLC053772

Mumbai, 14th August, 2014

EXPLANATORY STATEMENT

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out the material facts relating to the business under Item No. 4 & 5 of the accompanying Notice:

Item No. 4 & 5

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and amended Listing agreement the Board of Directors of the Company should have at least one-third of the total number of Directors as Independent Director. The tenure of Independent Director will be for a period of five years and provisions relating to retirement of Directors shall not be applicable to Independent Directors.

The Board of Directors of the Company had appointed pursuant to the provisions of Section 161 of the Companies Act, 2013 (The Act), Mr. Kesavan Mudakkarappillil Sugathan (DIN: 00269892) as an Additional Director of the Company with effect from 31st March, 2014 by circular Resolution.

In terms of the provisions of Section 161 of the Companies Act, 2013, Mr. Kesavan Mudakkarappillil Sugathan would hold office up to the date of this Annual General Meeting. The Board recommends the appointment of Mr. Kesavan Mudakkarappillil Sugathan (DIN: 00269892) and Mr. Lalit Laxiram Agarwal (DIN: 06427436) as an Independent Directors, in accordance with the Provisions of Section 149 read with Schedule IV of the Companies Act, 2013 to hold office for a term up to five consecutive years on the Board of Directors of the Company with effect from the date of this Annual General Meeting.

The Company has received Notices in writing from the respective directors along with the requisite Deposit in accordance with Section 160 of the Companies Act, 2013 proposing themselves as candidates to be appointed as Independent Directors.

The Company has also received the declarations from the above mentioned Independent Directors to the effect that they meet the criteria of Independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

In the opinion of Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 read with the relevant Rules and the Listing Agreement, for their respective appointment as an Independent Director and they are independent of Management.

Brief Profile of the Independent Directors to be appointed, the nature of their expertise, names of Companies in which they hold Directorship and Membership/chairmanship of Board Committee shareholding in the Company etc. as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange are furnished in the Corporate Governance Report forming part of the Annual Report.

The Board commends the Ordinary Resolutions set out at Items Nos. 4 & 5 of the Notice for the approval of Members.

The above Independent Directors are interested in the Resolutions mentioned at Item Nos. 4 & 5 of the Notice with regard to their respective appointments only.

Except as provided above, none of the other Directors, Key Managerial Personnel of the Company or their respective relative is in any way concerned or interested in the said resolutions. The explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

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

**Sureshkumar Anandilal Choudhary
Din No. 00495410
Chairman**

Registered Office:-

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

Tel.: +91 22 42728080, Fax: +91 22 28811225

Website: www.bilpower.com E-mail: investors@bilpower.com

CIN No. L51420MH1989PLC053772

Mumbai, 14th August, 2014

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting Twenty Fifth Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2014.

1. Financial Performance:

The financial performance of the Company for the year ended 31st March, 2014 is as summarized below:-

(₹ in Lacs)

| Particulars | 2013-2014 | 2012-2013 |
|--|-----------|-----------|
| Gross Turnover & Other Income | 568.70 | 3769.49 |
| Profit / (Loss) before Exceptional Item, Interest, Depreciation & Taxation | (227.87) | (1246.12) |
| Less- Exceptional Item (Provision for Doubtful Debts) | 3154.37 | 755.79 |
| Profit / (Loss) before Interest, Depreciation & Taxation | (3382.24) | (2001.91) |
| Less – Interest | 38.70 | 2268.91 |
| Profit / (Loss) before Depreciation & Taxation | (3420.94) | (4270.82) |
| Less – Depreciation | 33.76 | 42.40 |
| Profit / (Loss) before tax | (3454.70) | (4313.22) |
| Less– Provision for Taxation (Incl. Deferred Tax) | 6.82 | (122.42) |
| Net Profit / (Loss) for the year | (3461.52) | (4190.80) |
| Add – Surplus brought forward from previous Year | (4362.71) | (171.91) |
| Profit / (Loss) available for Appropriations | (7824.23) | (4362.71) |
| Appropriations:- | | |
| Transfer to General Reserve | | - |
| Balance Carried to Balance Sheet | (7824.23) | (4362.71) |

2. **Performance Review:** For the year 2013-14, the Turnover of the Company has decreased and stood at ₹ 384.64 Lakhs and Net Loss incurred is ₹ 3461.52 Lakhs. The substantial loss has resulted due to exceptional item and lower capacity utilization coupled with falling margins.

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

4. **Directors:** Mr. Rajendrakumar Anandilal Choudhary, Director, retire from the Board by rotation and being eligible has offered himself for re-appointment at the ensuing Annual General Meeting.

Pursuant to Sections 149, 150 & 152 of the Companies Act, 2013 read with Companies (Appointment and qualification of Director) Rules, 2014 along with Schedule IV or re-enactment thereof for the time being in force, the Independent Directors can hold office for a term of Five consecutive years on the Board of your Company. Accordingly, it is proposed to appoint Mr. Kesavan Mudakkarappillil Sugathan and Mr. Lalit Laxiram Agarwal, existing Directors as Non – Executive Independent Directors for a term of five consecutive years and shall not be liable to retire by rotation.

The Company has received requisite notice from the respective directors proposing their candidature for appointment as an Independent Director and has also received declaration from the aforesaid Independent Directors confirming that they meet the criteria of Independence as prescribed under provisions of Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief resume of the Directors proposed to be appointed/ re-appointed, qualification, experience and the names of the Companies in which they hold directorship, membership of the board committees, as stipulated in the clause 49 of the listing agreement are provided in the Report on Corporate Governance forming a part of the annual report.

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: –

- In the preparation of the annual accounts for the financial year 2013-14, the applicable accounting standards have been followed and there are no material departures;
- 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, 2014 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.

6. **Auditors:** M/s. Bansal Bansal & Co, Chartered Accountants, who are the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint M/s. Bansal Bansal & Co as statutory auditors of the Company from the conclusion of the Twenty Fifth Annual General Meeting (AGM) till the conclusion of Twenty Sixth Annual General Meeting (AGM).

The Company has received a Certificate from them that their re-appointment, if made, would be within the limits and that they are not disqualified for such an appointment under the Companies Act, 2013. Their reappointment is recommended by the board.

7. **Auditors' Report:** As regards Auditor's remarks in the Audit report, comments of the Board of Directors are as under:

a) Auditor Remark:

The financial statements of the company have been prepared on a going concern basis, notwithstanding the fact that its net worth is fully eroded due to high losses for the financial years 2011-2012, 2012-2013 and 2013-2014. 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.

Boards Comments on the same:

The above Auditors remarks are self explanatory.

b) Auditor Remark:

The company has sent letters to customers in respect of trade receivables for confirming balances outstanding as at March 31, 2014, but in most of the cases the customers have not sent written confirmation confirming the balance outstanding as at March 31, 2014. In the absence of confirmation any provision to be made for adverse variation in the carrying amounts of trade receivables is not quantified.

Boards Comments on the same:

The Board considers all outstanding balance of customers as on 31st March, 2014 as good and recoverable excepting those considered doubtful and provided for

during the financial year 2013-14.

c) Auditor Remark:

The Company has not provided for Interest payable to State Bank of India amounting to ₹ 2341.46 lacs (on various loans from State Bank of India) for the Financial Year 2013-2014. The Company has also not made any provision for penal interest claimed by the Bank. As a result the Loss for the year ended 31st March, 2014 is understated by ₹ 2341.46 lacs and current Liabilities as at 31st March, 2014 are also understated by ₹ 2341.46 Lacs. The amount of penal interest cannot be quantified as the details have not been received from the Bank.

Boards Comments on the same:

Based on the Legal advice received by the Company, it has been decided not to provide any interest on liability of State Bank of India.

d) Auditor Remark:

The Lender Bank of Bil Energy Systems Limited has pursuant to certain Corporate Guarantees given by the Company demanded from the Company their dues from Bil Energy Systems Limited amounting to ₹ 84.69 crores. No provision has been made in the accounts for the probable loss that may arise on account of above demand of ₹ 84.69 crores.

Boards Comments on the same:

Bil Energy Systems Limited, the Borrower in whose favour the Company has given Corporate Guarantee to State Bank of India, has Informed the Company that they are in negotiation with the Lender Bank for settlement/ Re-schedulement of dues and Hence no provision has been made in the account.

e) As regards Auditors' remarks in Annexure to their report under Item No. 1 (b) & 2 (a), with regard to Physical verification reports of fixed assets and inventories, the same are self explanatory;

f) 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.

8. Cost Auditors: Jayant J. Paleja, Practicing Cost Accountant, has been appointed as Cost Auditor to conduct cost audit of the records of the Company for the financial year 2014-2015.

The Company has received a Certificate from them that their appointment would be within the limits and that they are not disqualified for such an appointment under the Companies Act, 2013. Their appointment is accepted by the board.

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, 2014, 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. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached with the Corporate Governance Report as Annexure II.

13. Energy Conservation and Technology Absorption: In view of the nature of business of the Company the information required under Section 217(I) (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 | : | ₹ Nil |

15. Particulars of Employees: There are no employees covered under 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
Sureshkumar Anandilal Choudhary
 Din : 00494510
 Chairman

Mumbai, 28th May, 2014

Annexure I to the Directors' Report

MANAGEMENT DISCUSSION & 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:

The latest slowdown in growth of emerging market countries and higher inflation levels, combined with domestic supply and infrastructure constraints, have reduced India's annual inflation-adjusted gross domestic product (GDP) growth from a high of 10.3% in 2010 to 4.4% in 2013, according to the International Monetary Fund (IMF). India was the third-largest economy in the world in 2013, as measured on a purchasing power parity basis. Risks to economic growth in India include high debt levels, infrastructure deficiencies, delay in structural reforms.

INDIAN POWER SCENARIO:

As electricity is one of the most important inputs 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 key problems hindering the growth of the power sector are land, fuel, environment, and forest clearances. Even the government is finding it very difficult to get the required land for allotting to power projects. One of the key problems in getting land is Naxalism in the eastern and central states, where a large number of projects are being planned owing to abundance of fuel resources.

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 ₹ 384.64 Lacs.
- Net loss of ₹ 3461.52 Lacs.

as on 31st March, 2014, 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.

OUTLOOK FOR THE COMPANY:

The management is hopeful that the company's business plan for the coming year would yield good results and the Company is hopeful of increased business activity coupled with better market demand of its products.

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 report, 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
Sureshkumar Anandilal Choudhary
 Din : 00494510
 Chairman

Mumbai, 28th May, 2014

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.

The present strength of the Board is Four (4) Directors, comprising of two Promoter Directors and Two Independent Directors. The Board Members possess the skills, expertise & experience necessary to guide the Company.

| Name of Director | Category of Directorship | Designation |
|---------------------------------------|-----------------------------|---------------------|
| Mr. Sureshkumar Anandilal Choudhary | Promoter –Non Executive | Whole Time Director |
| Mr. Rajendrakumar Anandilal Choudhary | Promoter - Executive | Director |
| Mr. Lalit Laxiram Agarwal | Independent -Non Executive | Director |
| *Mr. Kesavan Mudakkarpillil Sugathan | Independent – Non Executive | Additional Director |

* Appointed as an additional Director on 31st March, 2014 by Circular Resolution.

b) Board Meetings and attendance of Directors:-

During the financial year ended on 31st March, 2014, Four (4) Board Meetings were held on the following dates:-
 29th May, 2013, 13th August, 2013, 13th November, 2013 and 10th February, 2014.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board members to discharge their 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 / chairmanship 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, 2013 | # Directorship held in other Companies | Committee Memberships / Chairmanships | |
|--|--------------------------------|---|--|---------------------------------------|--------------|
| | | | | Membership | Chairmanship |
| Mr. Sureshkumar Anandilal Choudhary | 4 | Absent | - Bil Energy Systems Ltd. - Nik-san Engineering Company Ltd. - Choudhary Global Ltd. | - | - |
| Mr. Rajendrakumar Anandilal Choudhary | 4 | Present | - Bil Energy Systems Ltd. - Tarapur Transformers Ltd. - Choudhary Global Ltd. | 9 | - |
| Mr. Lalit Laxiram Agarwal | 4 | Present | None | 1 | 2 |
| *Mr. Kesavan Mudakkarappillil Sugathan | 0 | - | - Bil Energy Systems Ltd. - Tarapur Transformers Ltd. | 3 | 6 |

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

* Appointed as an Additional Director on 31st March, 2014 by Circular Resolution.

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 Stakeholders Relationship Committee alone shall be considered.

None of the Directors of the Company are related to each other except Mr. Rajendrakumar Anandilal Choudhary and Mr. Sureshkumar Anandilal Choudhary who are relative.

- c) **Information of Directors' Re-appointment:** The profiles of Directors who are seeking re-appointment at the Annual General Meeting are furnished below:-
Mr. Rajendrakumar Anandilal Choudhary, aged 53 years, has over 25 years of experience in the field of manufacturing of electrical lamination, distribution and power transformers, Motor Stamping and Banking & Finance. As a director of the Company he is actively involved in day to day operations of the Company, and heads the marketing and finance operations of the Company. He is the member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company. He is holding 25200 Equity Shares of the Company as on 31st March, 2014.

Mr. Kesavan Mudakkarappillil Sugathan, aged 66 years, has been appointed as "Non Executive Independent Director" of the Company by the Board of Directors. He is M.B.A. in Marketing and Advertising from Cochin University and also holds degree of Bachelor in Economics. He started his career with Kerala Electrical & Allied Engineering Co. Limited (owned by Kerala State Government) in 1974 and was subsequently designated as General Manager - Marketing and Director up to 2006. He was also a director in Travancore-Cochin Chemicals Limited (State Public Undertaking Owned by Kerala State Government). Mr. Kesavan Mudakkarappillil Sugathan has wide experience in Finance, Sales and Marketing especially in Alternators, Transformers and Structural Engineering and Lighting Alternators business.

Mr. Lalit Laxiram Agarwal, aged 49 years, designated as "Non Executive Independent Director" is a 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:** The Audit Committee comprises of experts specializing in accounting / financial management. The Chairman of the Audit Committee is a "Non-executive Independent Director". The composition and attendance of Audit Committee is as follows:-

| Name of the Members | Position | Category |
|--|----------|--------------------------------------|
| Mr. Lalit Laxiram Agarwal | Chairman | Independent & Non Executive Director |
| Mr. Rajendrakumar Anandilal Choudhary | Member | Promoter - Executive |
| *Mr. Kesavan Mudakkarappillil Sugathan | Member | Independent & Non Executive Director |

* Appointed as Member of Audit Committee on 31st March, 2014 by Circular Resolution.

The terms of reference, role and scope of the Audit Committee are in line with those prescribed by Clause 49. The Company also complies with the provisions of Section 177 of the Companies Act, 2013 (the Act) pertaining to Audit Committee and its functioning. All the members of Audit Committee possess knowledge of corporate finance and accounts.

The Board has delegated the following powers to the Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

During the year 2013-14, four (4) Audit Committee meetings were held on 29th May, 2013, 13th August, 2013, 13th November, 2013 and 10th February, 2014

- 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.

4. Nomination and Remuneration Committee:-

- a) **Composition:** In terms of Section 178(1) of the Companies Act, 2013, the Company reconstituted the Company's Remuneration Committee as Nomination and Remuneration Committee (NRC).

The Nomination and Remuneration Committee comprises of three (3) members. The composition of Nomination and Remuneration Committee is as follows:-