



THE YASH BIRLA GROUP

23rd Annual Report 2008-09

REPORT  JUNCTION.COM



BIRLA POWER SOLUTIONS LTD

The Yash Birla Group Company

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23rd Annual Report 2008-09**BOARD OF DIRECTORS**

Mr. Yashovardhan Birla	Chairman
Mr. Y. P. Trivedi	Director
Mr. P. V. R. Murthy	Director
Mr. Rajesh V. Shah	Director
Mr. Manish Malani	Director (Resigned with effect from June 29, 2009)
Mr. Kalyan Bhattacharya	Whole Time Director & President

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. N. Nagesh

BANKERS

State Bank of India
Overseas Branch,
Jawahar Vyapar Bhavan,
1, Tolstoy Marg,
New Delhi - 110 001.

AUDITORS

DALAL & SHAH
Chartered Accountants
252, Veer Savarkar Marg,
Shivaji Park, Dadar,
Mumbai - 400 028.

REGISTRARS

Alankit Assignments Limited
205-208, Anarkali Complex,
Jhandewalan Extension,
New Delhi - 110 055.

REGISTERED OFFICE

Industry House,
159, Churchgate Reclamation,
Mumbai - 400 020.

HEAD OFFICE

901, Bhikaji Cama Bhawan,
11, Bhikaji Cama Place,
New Delhi - 110 066.

FACTORY

Lal Tappar
P.O. Resham Mazri - 248 140
Dehradun,
Uttarakhand

WINDMILL

Varekwadi, Tal Patan
Distt. Satara
Maharashtra

BIRLA POWER SOLUTIONS LTD.

NOTICE FOR TWENTY THIRD ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the members of BIRLA POWER SOLUTIONS LIMITED will be held on Saturday, 8th August, 2009 at 12.00 p.m. (noon) at Royal Room (3rd Floor), Sunville Banquets & Conference Hall, 9, Dr. Annie Besant Road, Worli Naka, Worli, Mumbai- 400 018 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit & Loss Account of the Company for the period ended on that date and the reports of directors and the auditors thereon.
2. To appoint a director in place of Mr Y.P. Trivedi, 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 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Dalal & Shah, Chartered Accountants, the retiring auditors be and are hereby re-appointed as auditors of the Company, to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors and reimbursement of out-of-pocket expenses, travelling and other expenses incurred by them for carrying out the audit."

SPECIAL BUSINESS

4. Increase in Authorized Capital

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 Sections 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force),

the Authorized capital of the company of Rs. 65,00,00,000 (Rupees Sixty five crores only) divided into 65,00,00,000 equity shares of Re. 1/- each be and is hereby increased to Rs. 100,00,00,000 (Rupees one hundred crores only) divided into 100,00,00,000 (one hundred crores) equity shares of Re 1/- (Rupee one) each."

5. Alteration of the Memorandum of Association of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as a special resolution:

"RESOLVED THAT pursuant to Section 16 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V:

V. The Authorized Share Capital of the Company is Rs. 100,00,00,000 (Rupees one hundred crores only) divided into 100,00,00,000 (one hundred crores) equity shares of Re .1/- (Rupee one) each".

6. Alteration of the Articles of Association of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as a special resolution:

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company be and is hereby altered by substituting the existing Article 5 thereof by the following Article 5:

5. The Authorized Share Capital of the Company is Rs. 100,00,00,000 (Rupees one hundred crores only) divided into 100,00,00,000 (one hundred crores) equity shares of Re 1/- (Rupee one) each with power to increase or reduce the capital subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act."

7. Further Issuance of Securities

To consider and if thought fit, to pass with or without modifications the following resolution as a special resolution:

“RESOLVED THAT in supersession of the special resolution passed by the Members in the 22nd Annual General Meeting held on 28th November, 2008 and pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the company are listed, Foreign Exchange Management Act, 2000 (FEMA), and Issue of Foreign Currency Convertible Bonds and Equity Shares (through Depository Receipt Mechanism) Scheme 1993 and the regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorized to accept, the Board be and is hereby authorized on behalf of the Company to create, issue, offer and allot, (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more public or private offerings in domestic and/or one or more international market(s), with or without a green shoe option, any securities including Global Depository Receipts and/or American Depository Receipts convertible into Equity shares and/or Foreign Currency convertible bonds (FCCBs) and/or other securities convertible in to Equity shares at the option of the Company and/or the holder(s) of such

securities, and/or securities linked to equity shares and/or securities with or without detachable/non-detachable warrants with a right exercisable by the warrant holder to subscribe for the equity shares and/or warrants with and option exercisable by the warrant-holder to subscribe for equity shares and/or any instruments or securities representing either equity shares and/or convertible securities linked to equity shares (including the issue and allotment of equity shares pursuant to a Green Shoe Option, if any), (all of which are hereinafter collectively referred to as ‘Securities’) to eligible investors (whether residents and/or non-residents and/or institutions (including Qualified Institutional Buyers (QIBs) pursuant to Chapter XIII A of SEBI (Disclosure & Investor Protection) Guidelines, 2000 and/or banks and/or incorporated bodies, and/or individuals and/or trustees and/or stabilizing agents or otherwise, and whether or not such investors are members of the Company), through prospectus and/or placement document in terms of Clause 13A.7 of Chapter XIII A of SEBI (Disclosure & Investor Protection) Guidelines, 2000 and/or letter of offer or circular and/or on public and/or private/preferential placement basis, such issue and allotment to be made at such time/times, in one or more tranches, for cash, at such price or prices, in such manner and where necessary, in consultation with the Book Running Lead Managers and/or other Advisors or otherwise, on such terms and conditions as the Board, may, in its absolute discretion, decide at the time of issue of Securities; provided that the total amount raised through the issuance of such Securities does not exceed Rs. 100.00 Crores (Rupees One hundred crores only) or its equivalent in one or more foreign currencies, including premium if any.

“RESOLVED FURTHER THAT in case of allotment of securities to Qualified Institutional Buyers the same shall be made pursuant to Chapter XIII A of SEBI (Disclosure & Investor Protection) Guidelines, 2000 and amendments made thereto from time to time and that the relevant date for the purpose of Clause 13A.3.1. of the above Chapter shall be date of meeting in which the Board or any Committee of Directors duly authorized by the Board decides to open the issue.

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"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, including but not limited to terms and condition relating to payment of interest, dividend, premium on redemption at the option of the Company and/or holder of any securities, or for variation of the price or period of conversion of securities into equity shares or issue of equity shares during the period of the securities or terms pertaining to voting rights or option(s) for early redemption of securities.

"RESOLVED FURTHER THAT the Company and/or any agency or body or person authorized by the Board, may issue depository receipts representing the underlying equity shares in the capital of the company or such other securities in negotiable, registered or bearer form with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations (including listing on one or more stock exchange(s) in or outside India).

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted, including issue and allotment of equity shares upon conversion of any securities referred to above or as may be necessary in accordance with the terms of the offer, all such shares ranking pari passu inter se and with the then existing equity shares of the company in all respects.

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of equity shares or securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company, to do all such acts, deeds, matters and things at it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the entering into arrangements for appointment of agencies for managing, underwriting, marketing, listing, trading of securities issued, such as depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee and to issue

any offer document(s), including but not limited to prospectus, and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any officers of the company."

BY ORDER OF THE BOARD

Place : Mumbai

N. NAGESH

Dated : 29th June, 2009

COMPANY SECRETARY

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST REACH REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer books of the Company will remain closed from 5th August, 2009 to 8th August, 2009 (both days inclusive).
3. Members / Proxies are requested to bring their copies of Annual Report to the Meeting and attendance slip duly filled in for attending the meeting.
4. Members desiring any information as regards the accounts are requested to write the Company at least 7 days before the date of the Meeting, so as to enable the Company to keep the information ready.
5. All documents referred in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days during normal working

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business hours up to the date of Annual General Meeting except on Saturdays, Sundays and other holidays.

6. Members are requested to intimate their Bank Account details, so that the same can be printed on the dividend warrant, to avoid the incidence of fraudulent encashment of the dividend warrant.
7. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
8. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEP Fund). Members who have not encashed their dividend warrants, for the financial year ended 31st March, 2003 and onwards may approach the Company for revalidating the warrants or for obtaining duplicate warrants. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim can be made by the respective shareholders for the same.
9. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical & Electronic) at the following address:

Alankit Assignments Ltd.
205-208, Anarkali Complex
Jhandewalan Extension
New Delhi 110 055

ANNEXURE TO THE NOTICE

(Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956)

Item Nos. 4, 5 & 6

The Company proposes to strengthen its financial position by generating long term resources by issuing securities including Global Depository Receipts and / or American Depository Receipts and / or Foreign Currency Convertible Bonds in international market/s, as contemplated in item No.7 of the Notice. It is therefore deemed appropriate to increase the Authorised Share Capital from Rs.65.00 crores to Rs. 100.00 crores

and consequently to alter the Memorandum and Articles of Association of the Company as set out at item Nos. 4,5 and 6 of the accompanying notice.

In accordance with the provisions of the Companies Act, 1956, the Company is seeking the approval of the shareholders for increase in authorised share capital and for alteration of capital clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company. Your Board of Directors accordingly recommends the resolutions at item nos. 4, 5 & 6 as special resolutions for the approval of the shareholders.

None of the Directors is, in any way, concerned or interested in the said resolutions.

Item No. 7

The Company needs to augment long term resources to strengthen its financial position and to meet its growth objectives, towards becoming the country's leading integrated player in power solutions segment, besides diversifying into manufacture of other products to fund the growth plans of the company, it is accordingly proposed to issue securities in the international/domestic market (s) as contemplated in the resolution set out at item No. 7 of the accompanying Notice, as may be decided by the Board and found to be expedient and in the interest of the Company.

The detailed terms and conditions of the Issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts in accordance with the applicable provisions of law.

The proposed issue of securities as above may be made in one or more tranches, in domestic and/or international market in one or more currency, upto an aggregate amount of Rs.100.00 crores (Rupees one hundred crores only) or equivalent thereof. The issue price of the security to be issued in the proposed offerings will be determined by the Board of Directors at the time of the offer depending on the then prevailing market conditions. The securities will be listed on such international/Indian Stock Exchanges as the Board may be advised.

Section 81(1A) of the Companies Act, 1956, provides, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such

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further shares shall be offered to the persons who on the date of the offer are holders of the Equity Shares of the Company, in proportion to the capital paid up on those shares as of that date unless the shareholders decide otherwise. The Listing Agreements executed by the Company with the various Stock Exchanges also provide that the Company shall issue or offer in the first instance all securities to the existing equity shareholders, unless the shareholders decide otherwise. The Special Resolution seeks the consent of the Shareholders authorizing the Board of Directors to make the proposed issue of Securities and in

the event it is decided to issue Securities convertible into Equity Shares, to issue to the holders of such convertible Securities in such manner and such number of Equity Shares on conversion as may be required to be issued in accordance with the terms of the issue.

The Board of Directors recommends the resolution set out at item No. 7 of the accompanying Notice for the approval of the Members.

None of the Directors is, in any way, concerned or interested in the resolution.

Details of Director seeking re-appointment in the ensuing Annual General Meeting

Name of Director	Shri Y.P. Trivedi
Date of Birth	06.01.1929
Date of Appointment	30.10.2003
Expertise in specific functional areas	Senior Advocate, Supreme Court, Expertise in Taxation & Finance
List of outside directorships in other Companies.	Reliance Industries Ltd. Reliance Petroleum Ltd. Zodiac Clothing Co. Ltd. Birla Cotsyn (I) Ltd. Metro Exporters Pvt. Ltd. Sai Service Station Ltd. Zandu Pharmaceuticals Works Ltd. Supreme Industries Ltd. Seksaria Biswan Sugar Factory Limited New Consolidated Constr. Co. Ltd. Clare Mont Trading Pvt. Ltd. Colosseum Sports & Recreation International (Formerly known as Ripples Club) Monica Travels Pvt. Ltd. Trivedi Consultants Pvt. Ltd. Indian Merchants' Chamber
Chairman / Member of the Committees of other Companies.	Reliance Industries Ltd. Chairman of: 1. Audit Committee 2. Corporate Governance & Stakeholders Interface Committee 3. Retail Business Committee & Committee of Independent Directors

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	<p>Member of:</p> <ol style="list-style-type: none"> 1. Shareholders'/Grievances Committee 2. Remuneration Committee <p>Reliance Petroleum Ltd.</p> <p>Chairman of:</p> <ol style="list-style-type: none"> 1. Audit Committee 2. Shareholders'/Investors' Grievances Committee <p>Zandu Pharmaceuticals Works Ltd.</p> <p>Chairman of:</p> <ol style="list-style-type: none"> 1. Audit Committee 2. Corporate Governance <p>Zodiac Clothing Co. Ltd.</p> <p>Member of:</p> <ol style="list-style-type: none"> 1. Audit Committee 2. Compensation Committee <p>Sai Service Station Ltd.</p> <p>Member of:</p> <ol style="list-style-type: none"> 1. Audit Committee <p>Seksaria Biswan Sugar Factory Limited</p> <p>Member of:</p> <ol style="list-style-type: none"> 1. Audit Committee <p>New Consolidated Constrn. Co. Ltd.</p> <p>Member of:</p> <ol style="list-style-type: none"> 1. Audit Committee <p>Remuneration Committee</p>
No. of shares held in the Company	NIL

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their **Twenty Third Annual Report together with the audited statement of accounts of the Company for the financial year ended 31st March, 2009**

FINANCIAL RESULTS

	(Rs. in lacs)	
	For the year ended 31.03.2009	For the year ended 31.03.2008
Sales & Other Income	2,2803.55	21,840.24
Profit before interest and depreciation	2,590.23	2,072.89
Interest (Net)	1,462.18	960.56
Profit before depreciation	1,128.04	1,109.96
Depreciation	345.77	251.15
Profit after depreciation but before Tax	782.27	858.80
Provision for taxation	374.46	165.40
Adjustment of provision for earlier years	13.38	62.40
Tax adjustment for the earlier years	77.14	78.27
Profit after tax	317.28	552.73

OPERATIONS

During the year under report the total revenues for the financial year ended on 31st March, 2009 were Rs. 22803.55 lacs as against Rs. 21840.24 Lacs during the last financial year ended on 31st March, 2008 showing an increase of 4.41% Similarly the profit after tax during the same periods were Rs. 317.28 Lacs and Rs. 552.73 lacs, showing a decline of 42.60%. This sharp decline is due to pressure on margins and high interest cost. The Company has taken steps to improve profitability.

FUTURE OUTLOOK

Your directors are happy to inform you that the Company has made major inroads in rural areas where the demand for your company's products

is significant and it has captured sizeable market share in portable generators. Your company is also continuously working on strengthening the current business format. Your company has been successfully executing major orders from prestigious customers and it has been enjoying the confidence of all customers across the country with repeated orders. Your company has embarked on improving margins in all products by reducing the material costs and rationalizing the fixed costs. The results of these initiatives are expected to yield in improving the overall profitability of the company further during the current year.

DIVIDEND

Keeping in view the current economic slowdown and tight financial market and the need to conserve resources, your directors do not recommend any dividend for the financial year 2008-09.

INCREASE IN AUTHORISED CAPITAL

During the year under review, the authorized share capital of the Company was increased from Rs.55.00 crores (divided into 5,50,00,000 equity shares of Rs. 10/- each) to Rs. 65.00 crores (divided into 6,50,00,000 equity shares of Rs.10/- each) by creation of additional 1,00,00,000 equity shares of Rs. 10/- ranking pari passu in all respects with the existing equity shares.

SUB-DIVISION OF SHARES

Pursuant to the approval by shareholders by postal ballot, the face value of the equity share of the Company has been split from Rs. 10/- to Re 1/- by sub dividing each equity share of Rs. 10/- each into 10 equity shares of Re 1/- each. As a result of sub division the number of paid up equity shares have increased from 4,24,63,856 to 42,46,38,560 equity shares of Re 1/- each, though the total paid up capital amount remains the same.

DIRECTORS

Pursuant to Article 150 of the Articles of Association of your Company and Section 256 of the Companies Act, 1956 Mr. Y.P. Trivedi and Mr. Manish Malani retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.