



**THE YASH BIRLA GROUP**

*Move ahead. Stay ahead*




**26<sup>th</sup> Annual Report 2011-2012**



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**BOARD OF DIRECTORS**

Shri Yashovardhan Birla

Shri P. V. R. Murthy

Shri M. S. Arora

Shri Y. P. Trivedi

Shri Rajesh V. Shah

Shri Upkar Singh Kohli

Chairman

Managing Director

Non Independent Director

Independent Director

Independent Director

Independent Director

**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**

THAKUR, VAIDYANATH AIYAR & CO.  
Chartered Accountants  
11-B, Vasta House,  
Janmabhoomi Marg, Fort,  
Mumbai – 400 001.  
Phone: 022-2284 2502/2287 0067  
Email: tvamum@gmail.com

**REGISTRARS**

Adroit Corporate Services Pvt. Ltd.  
19/20, 1<sup>st</sup> Floor, Jaferbhoy Industrial Estate,  
Makwana Road, Marol Naka,  
Mumbai – 400 059.  
Phone:- 022-28594060/6060; Fax: 022-28503748  
Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)  
Email id: [info@adroitcorporate.com](mailto:info@adroitcorporate.com)

**REGISTERED OFFICE**

5<sup>th</sup> Floor, Industry House,  
159, Churchgate Reclamation,  
Mumbai – 400 020.

**HEAD OFFICE & FACTORY**

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

**WINDMILL**

Varekwadi, Tal Patan,  
Distt. Satara,  
Maharashtra.

## **NOTICE FOR TWENTY SIXTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of BIRLA POWER SOLUTIONS LIMITED will be held on Wednesday, 26th September, 2012 at 3.30 p.m. at Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, 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, 2012 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. Upkar Singh Kohli 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. Thakur, Vaidyanath Aiyar & Co. Chartered Accountants, (Registration No. 000038N) be and are hereby re-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.

**RESOLVED FURTHER THAT** the Statutory Auditors be paid such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors, plus reimbursement of out of pocket expenses.”

By Order of the Board

Place : Mumbai

Dated : 14.08.2012

**N. Nagesh**

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 24th September, 2012 to 26th September 2012 (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 are open for inspection at the Registered Office of the Company on all working days during normal working business hours up to the date of Annual General Meeting except on Saturdays, Sundays and other holidays.
6. 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 (IEPF). Dividend for the Year 2003-2004 which was unclaimed has been transferred to the Investor Education and Protection Fund (IEPF) by the Company. Members who have not encashed their dividend, for the financial year ended 30th September, 2005 and subsequent years may approach the Company for obtaining demand drafts. 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.
7. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical & Electronic) at the following address:

Adroit Corporate Services Pvt. Ltd.  
(Unit: Birla Power Solutions Limited)  
19/20, 1<sup>st</sup> Floor, Jaferbhoy Industrial Estate,  
Makwana Raod, Andheri (E), Mumbai – 400 059.  
Phone: 022-28594060/6060; Fax: 022-28503748  
Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)  
Email id: [info@adroitcorporate.com](mailto:info@adroitcorporate.com)

**ANNEXURE TO THE NOTICE**

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

Name of Director	Mr. Upkar Singh Kohli
Date of Birth	18/08/1947
Date of Appointment	09/09/2009
Expertise in specific functional areas	Banking & Finance
List of outside Directorships in other Companies.	Avon Organics Ltd. STI India Ltd. Birla Cotsyn (India) Ltd. Birla Pacific Medspa Ltd. Birla Surya Ltd. C & M Farming Ltd. Karma Energy Ltd. Weizmann Forex Ltd.
Chairman / Member of the Committees of other Companies.	Birla Cotsyn (India) Limited Audit Committee – Chairman
No. of shares held in The company	NIL

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their Twenty Sixth Annual Report together with the audited statement of accounts of the Company for the financial year ended on 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS**

(Rs. in lacs)

	<b>Standalone</b>		<b>Consolidated</b>	
	<b>For the year ended 31.03.2012</b>	<b>For the year ended 31.03.2011</b>	<b>For the year ended 31.03.2012</b>	<b>For the year ended 31.03.2011</b>
Sales & Other Income	42,076.87	30,406.40	65,550.58	36,889.29
Profit before interest and depreciation	4,052.94	3,733.79	5,048.65	3,965.70
Interest (Net)	2,826.99	2,347.61	2,829.73	2,348.20
Profit before depreciation	1,225.95	1,386.18	2,218.92	1,617.50
Depreciation	364.25	378.02	364.25	378.02
Profit after depreciation but before Tax	861.70	1,008.16	1,854.67	1,239.48
Provision for taxation	168.83	260.98	168.83	260.98
Adjustment of provision for earlier years	0.51	(1.57)	0.51	(1.57)
Tax adjustment for the earlier years	162.81	(6.90)	162.81	(6.90)
Profit after tax	529.55	755.65	1,522.52	986.97

**STANDALONE RESULTS**

During the financial year under review, the total revenue for the financial year ended 31<sup>st</sup> March, 2012 was Rs. 42,076.87 lacs as against Rs. 30,406.40 lacs during the previous financial year ended 31<sup>st</sup> March, 2011 showing an increase of 38%. Similarly, profit after tax for the same periods were Rs 529.55 lacs and Rs.755.65 lacs respectively showing a decrease of 29.92%. This is because of increase in cost of overheads, interest and tax adjustment.

**CONSOLIDATED RESULTS**

The Consolidated Financial Statements comprising the accounts, of your Company and its subsidiaries are appended in the Annual report. On a consolidated basis, the total turnover for the financial year 2011-12 was Rs. 65,550.58 lacs as against Rs 36,889.29 Lacs during the financial year 2010-11 showing an increase of 77.70% and the profit after tax for the same periods were Rs. 1,522.52 Lacs and Rs.986.97 lacs respectively showing an increase of 54.26%.

**FUTURE OUTLOOK**

Your Company has followed up its plans to launch Diesel Pump Set and Power Tiller, and firmed up the launches during the current financial year and your management expects that these launches will boost your company's

strength in agrisector. Efforts are under way to rationalise the input costs in order to improve profitability.

Birla Power has expanded its business horizon. Keeping in view the rapidly growing energy requirements of the country, your Company has forayed into Solar Power through its Subsidiary / Joint Venture Companies, details whereof are given elsewhere in the Report.

**DIVIDEND**

Keeping in view the tight liquidity position in the market and in order to conserve funds for working capital needs, your directors do not recommend any dividend for the Financial Year 2011-12.

**TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

During the current year, the Company has transferred Dividend (for the Year 2003-2004) amounting Rs.1,83,410/- to Investor Education and Protection Fund (IEPF), which was due and payable and remained unclaimed and unpaid for a period of seven years, as provided in Section 205C(2), of the Companies Act, 1956.

**DIRECTORS**

Pursuant to Article 150 of the Articles of Association of your Company and Section 256 of the Companies Act,

1956 Mr. Upkar Singh Kohli retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Your Directors recommend the reappointment of Mr. Upkar Singh Kohli.

### **SUBSIDIARY COMPANIES**

Your Company has three subsidiaries as follows.

#### **(a) Birla Urja Limited**

The Company has registered a 50 MW PV Solar Project with Government of Gujarat during Vibrant Gujarat Summit 2011 and the management expects allotment of minimum 20 MW. Necessary steps will be taken after allotment to set up the project.

The Company is exploring the possibility of setting up a Solar Project in Gujarat or Kutch or Surendranagar region which has high solar radiation.

The Company is also actively following up 50 MW Solar Thermal Project in Rajasthan and 10 MW PV Solar Project in Bihar.

#### **(b) Birla Power Solutions Limited FZE**

The Company has made good progress during the financial year 2011-2012. During this period, the Company has achieved a turnover of AED 18,02,62,731 (equivalent to Rs. 2,34,73,71,228) and made a net profit of AED 72,22,650 ( equivalent to Rs.10,03,56,431).

#### **(c) Vijay Puranjay Minerals Pvt. Ltd.**

During the year under review, your Company has made a strategic investment in Vijay Puranjay Minerals Pvt. Ltd. by acquiring its entire paid up equity capital making it 100% subsidiary of your Company. The subsidiary holds a mining license to exploit high grade silica in Andhra Pradesh covering an area of 123 hectares. Silica is a valuable raw material for manufacturing Float Glass and Polysilicon. Polysilicon is the raw material for producing Solar Photovoltaic Wafers & Cells for which an integrated Solar Project is being set up by an associate Company viz. Birla Surya Limited. The investment is expected to give attractive returns in the years to come.

### **JOINT VENTURE COMPANY**

#### **BIRLA TERRAJOULE PVT LTD**

During the year your Company has formed a 50:50 Joint Venture Company with Terrajoule Corporation, USA, by the name Birla Terrajoule Pvt. Ltd. Terrajoule

Corporation are pioneers in developing 24X7 solar power plants based on Solar Thermal Concept. This technology will not only electrify those areas where there is no power connectivity but will also make available solar power during the night time. This Joint Venture Company will design manufacture and assemble such solar power plants upto 300KW which shall be ideally suited for remote villages, islands, agriculture, industries, etc.

This technology has received tremendous response from various Governmental agencies.

### **PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT**

In terms of General Circular No. 2/2011 dated February 8, 2011, of the Ministry of Corporate Affairs, Government of India, the Company has availed the exemption from compliance with Section 212 of the Companies Act, 1956. Accordingly, the consolidated financial statements of the Company and its subsidiaries for the year ended 31<sup>st</sup> March, 2012 together with reports of Auditor thereon and the statement pursuant to Section 212 of the Companies Act, 1956 form part of the Annual Report.

Information required to be provided in respect of subsidiary companies has been disclosed separately in the Annual Report. The Financial Statements of the Subsidiary Companies are available for inspection by the shareholders at the Registered Office of the Company.

### **REPORT ON CORPORATE GOVERNANCE**

Your Company is following corporate governance norms of highest standards. As required under clause 49 of the listing agreement, a report on corporate governance forms part of this annual report.

### **FIXED DEPOSITS**

The total fixed deposits amount outstanding as on 31<sup>st</sup> March, 2012 is Rs. 5,792.01 lacs. There are no defaults in repayment of matured deposits and payment of interest. There are no unpaid deposits other than those unclaimed.

### **AUDITORS**

M/s Thakur, Vaidynath & Aiyar Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. They have expressed their willingness to be reappointed for a further term. And they confirmed that their appointment, if approved by the shareholders, will be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956.



**EXPLANATION TO AUDITOR'S REPORT AS REQUIRED UNDER SECTION 217(3) OF COMPANIES ACT, 1956.**

Clause No. in Annexure to the Auditors' Report	Auditor's Qualification	Directors' Reply
6	We have to state that the company has invested Rs. 283.55 lacs out of the amount of Rs. 292.86 lacs, in liquid assets. Further there has been delay of some days in obtaining the said assets. There has also been a small delay in issue in Fixed Deposit Receipts to the extent of Rs. 105.98 lacs during January and February 2012 consequent to the change in the Registrar of the company.	The Company could not deposit Rs. 9.31 lacs in liquid assets as it was facing severe financial crunch. As far as issuing Fixed Deposit Receipts to the extent of Rs. 105.98 lacs, during January and February 2012, the small delay was due to change of the Registrar to the Fixed Deposit Schemes. However, the company has not defaulted in payment of any deposit or interest. The Company will deposit the shortfall amount in liquid assets as soon as the financial position improves.
9 (a)	The extent of the arrears of Income Tax and Sales tax dues outstanding as at March 31, 2012, for a period of more than six months from the date they became payable are: 1) Dividend Distribution Tax of Rs. 261.54 lacs. 2) Sales Tax of Rs. 23.64 lacs.	The Company could not pay the Dividend Distribution Tax of Rs. 261.54 lacs and the arrears of Sales Tax due of Rs. 23.64 lacs due to severe financial crunch. The Company will pay these dues as soon as the financial position improves.

**INDUSTRIAL RELATIONS**

The Company enjoyed harmonious relations with workmen and employees through out the period under review.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

The particulars of energy conservation as prescribed have not been provided, as the Company's industry is not specified in the schedule.

The Details regarding Technology Absorption as per Form 'B' are enclosed.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**
**(1) Activities Relating to Export**

The Company is pursuing various possibilities to export its products to African Countries, and Middleeast. However the company is facing stiff competition from cheap products of China. However the company is trying to penetrate these markets with some innovative products.

**(2) Initiatives taken to increase exports**

The company is exploring the possibility of selling its products through its subsidiary company situated in Dubai.

**(3) Development of New Export Markets for Products and Services**

The company is developing new markets in Africa and Middle East.

**(4) Export Plans**

The company will continue its efforts to export its products wherever possible.

Foreign exchange Earning and Outgo:

Particulars	2011-2012 (Rs. in Lacs)	2010-2011 (Rs. in Lacs)
Total Foreign exchange earnings	NIL	7.09
Total Foreign Exchange outgo	61.23	92.76

**PARTICULARS OF EMPLOYEES**

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended regarding employees is given in the annexure to the Directors Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:



- ♦ that in preparation of the annual accounts for the period ended on 31<sup>st</sup> March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ♦ that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period ended on 31<sup>st</sup> March, 2012 and of the profit of the Company for that period;
- ♦ that the directors had taken proper and sufficient care 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 and detecting fraud and other irregularities;
- ♦ that the directors had prepared the annual accounts

for the period ended on 31<sup>st</sup> March, 2012 on a going concern basis.

#### ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the continuing co-operation and assistance rendered by the Central Government, State Government, Financial Institutions, Banks, Suppliers and other organisations in the working of the Company.

The Directors also wish to place on record their deep sense of appreciation for dedicated services rendered by officers, staff and workmen of the Company.

The Board takes this opportunity to express its gratitude for the continuous support received from shareholders.

For and on behalf of the  
**BOARD OF DIRECTORS**

**Yashovardhan Birla**  
**Chairman**

Place: Mumbai  
Date: 14<sup>th</sup> August, 2012

### ANNEXURE TO THE DIRECTORS REPORT

Additional Information as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2012.

#### Through out the year

Name	Qualification	Age	Designation	Experience (Yrs)	Date of commencement of employment	Remuneration (Rs. in Lacs)	Last employment held/name of the employment
Mr. P.V.R. Murthy	C.A. & M.B.A	62	Managing Director	36	12.11.2010	100.01	Group Finance Director, Yash Birla Group

#### FORM – B

#### DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION FROM 1.04.2011 TO 31.03.2012

#### R & D /Product Development – 2011-12

R & D Team has been continuously working on Heat Control & improving the performance of EG 2800 & EG 3000 series of generators which has been successfully completed. It has resulted in better output and elimination of certain pain areas of the customers, This is expected to improve customer satisfaction.

Continual focus on addressing customer needs relating to product safety features and ease of operations have resulted in additional components being added in some of the products, specially 5KVA. 5KVA is expected to become the flagship product of Company in near future.

#### Benefits derived as a result of the above R & D/Product Development

##### Sub 5 Kva Portable Generators

- Approval of the EG 3000 AS (Olive) by the Ministry of Defence is likely to result in regular flow of orders for such special applications where BPSL will enjoy a distinct advantage over competition.
- The added feature of Remote Control Start/Stop will enhance the marketability of the Portable Generators to the

discerning customers at the premium segment.

- The improved design of EG 1100 will enhance the reliability factor and enhance sales in the high volume 1Kva segment.
- Improved winding class of the Alternators will improve performance at elevated temperatures and in turn will open new market segments with customer specific requirements.

#### **Action Plan 2012 -13**

- Design and Development of Inverter based Generators with Sine wave Output.
- Fuel consumption and Emissions improvement in existing Petrol/ Kerosene generators to suit the next generation of Portable Generators with stricter noise and emission norms as recommended by CPCB.
- Modification, Certification and Type approval of imported diesel engines up to 10.5 hp for application in the generator segment.
- Development of 5 Kva to 7.5 Kva Diesel Generators with in-house diesel engines.
- Development of 5 hp Diesel Pumps.
- Development of low cost gas based Portable Generators.
- Value Engineering in the existing range of Generators for improved margins.

#### **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

- Efforts in brief, made towards technology absorption adaptation & innovation : The company has expanded its range of engines by introducing multifuel engines using in-house R&D.  
The company has developed, in collaboration with international design agencies, special application Portable Generator for Indian Air force.
- Benefits derived as a result of the above efforts : The new multifuel engines have helped the company in increasing its share in the domestic pump sets segment.  
The special application Portable Generator has helped the company to get continuous business from Indian Air force and other Public Sector Undertakings.  
e.g. product improvement, cost reduction, product development.
- In case of imported technology (imported during the last 5 years reckoned from the beginning of financial year), following information is furnished :
  - Technology Imported : Manufacture of Portable Gensets & Multi Purpose Engines.
  - Year of Import : Technical Assistance Agreement dated 31st August, 1984 & new Technical Assistance Agreement dated 2nd September 1994 which has expired on 01.09.1999.  
Technical Assistance Agreement dated 25<sup>th</sup> January, 1998 for a new four stroke model which has also expired on 24.01.2003.
  - Whether Technology has been fully absorbed : The technology has been fully absorbed for all the models. In house R&D has further upgraded the technology.
  - If not fully absorbed, areas where not taken place, reasons thereof and future plans of action : Not applicable