



THE YASH BIRLA GROUP

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BIRLA POWER

S O L U T I O N S L T D

The Yash Birla Group Company

27th Annual Report 2012-2013



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ATTENDANCE SLIP AND PROXY FORM

BOARD OF DIRECTORS

Mr. Yashovardhan Birla
Mr. Manish Malani

Mr. RamPrakash Mishra
Mr. Jignesh Mehta
Mr. P.V.R. Murthy
Mr. Rajesh Shah
Mr. Upkar Singh Kohli
Mr. M.S. Arora
Mr. Y.P. Trivedi

Chairman (Upto 27.12.2012)
Non Independent Director
(Appointed w.e.f. 07.11.2012)
Independent Director (Appointed w.e.f. 14.08.2013)
Independent Director (Appointed w.e.f. 14.08.2013)
Managing Director (Upto 14.08.2013)
Independent Director (Upto 08.07.2013)
Independent Director (Upto 06.05.2013)
Independent Director (Upto 27.09.2012)
Independent Director (Upto 18.10.2012)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Nadimpally Nagesh (Upto 31.10.2012)
Ms. Laxmi Didwania (Appointed w.e.f. 13.02.2013)

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, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Mumbai – 400 059.
Phone:- 022-28594060/6060,42270400
Website: adroitcorporate.com
Email id: info@adroitcorporate.com

REGISTERED OFFICE

5th 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 SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of BIRLA POWER SOLUTIONS LIMITED will be held on Saturday, 28th September, 2013 at 2.30 p.m. at Gopi Birla Memorial School, 68 Walkeshwar Road, Mumbai-400 006 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 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 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.”

SPECIAL BUSINESS

3. **To appoint Mr. Manish Malani as a Director**

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

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Manish Malani who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 136 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

4. **To appoint Mr. RamPrakash Mishra as a Director**

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

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. RamPrakash Mishra who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 136 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

5. **To appoint Mr. Jignesh Mehta as a Director**

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

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Jignesh Mehta who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 136 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of the Board
Birla Power Solutions Limited

Place : Mumbai
Dated : 14.08.2013

Laxmi Didwania
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. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send the certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the meeting.
3. As required under clause 49 IV (G) of the Listing Agreement, the relevant details in respect to the directors seeking appointment/reappointment at the ensuing Annual General Meeting are provided in the Corporate Governance Report.
4. The Register of Members and the Share Transfer books of the Company will remain closed from 26th September, 2013 to 28th September 2013 (both days inclusive)
5. Members/Proxies are requested to bring their copies of Annual Report to the Meeting and attendance slip duly filled in for attending the meeting.
6. 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.
7. 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.
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). Dividend warrants for the Year 2004-2005 which was unclaimed has been transferred to the Investor Education and Protection Fund (IEPF) by the Company. Members who have not encashed their dividend warrants, for the financial year ended 31st March, 2007 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.
9. 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, Jaferbhoy Industrial Estate, 1st Floor,
Makwana Raod, Andheri (E), Mumbai – 400 059,
Phone: 022-28594060/6060, 42270400
Website: adroitcorporate.com
Email id: info@adroitcorporate.com



ANNEXURE TO THE NOTICE

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

Item No. 3

To appoint Mr. Manish Malani as a Director

Mr. Manish Malani was appointed by the Board on 07.11.2012 as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act') read with Article 136 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Manish Malani would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with deposit of Rs. 500/- for proposing the candidature of Mr. Manish Malani for the office of Director of the Company under the provisions of Section 257 of the Act.

The Company has received the requisite Form DD-A from Mr. Manish Malani, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

None of the Directors is, except Mr. Manish Malani in any way, concerned or interested in the said resolutions.

The Board recommends the resolution as mentioned in Item no. 3 of the notice.

Item No.4

To appoint Mr. Ramprakash Mishra as a Director

Mr. Ramprakash Mishra was appointed by the Board on 14.08.2013 as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act') read with Article 136 of Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Ramprakash Mishra would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with deposit of Rs. 500/- for proposing the candidature of Mr. Ramprakash Mishra for the office of Director of the Company under the provisions of Section 257 of the Act.

The Company has received the requisite Form DD-A from Mr. Ramprakash Mishra, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

None of the Directors is, except Mr. Ramprakash Mishra in any way, concerned or interested in the said resolutions.

The Board recommends the resolution as mentioned in Item no. 4 of the notice.

Item No. 5

To appoint Mr. Jignesh Mehta as a Director

Mr. Jignesh Mehta was appointed by the Board on 14.08.2013 as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act') read with Article 136 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Jignesh Mehta would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with deposit of Rs. 500/- for proposing the candidature of Mr. Jignesh Mehta for the office of Director of the Company under the provisions of Section 257 of the Act.

The Company has received the requisite Form DD-A from Mr. Jignesh Mehta, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

None of the Directors is, except Mr. Jignesh Mehta in any way, concerned or interested in the said resolutions.

The Board recommends the resolution as mentioned in Item no. 5 of the notice.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Twenty Seventh Annual Report together with the audited statement of accounts of the Company for the financial year ended on 31st March, 2013.

FINANCIAL RESULTS

(Rs. in lacs)

	Standalone		Consolidated	
	For the year ended 31.03.2013	For the year ended 31.03.2012	For the year ended 31.03.2013	For the year ended 31.03.2012
Sales & Other Income	39461.75	41961.81	70438.45	65,550.58
Profit before interest and depreciation	5125.09	5254.16	5084.58	5,048.65
Interest (Net)	2957.80	2,826.99	3658.37	2,829.73
Profit before depreciation	2167.29	2427.17	1426.23	2,218.92
Depreciation	353.65	364.25	353.65	364.25
Profit after depreciation but before Tax	988.31	861.19	1428.47	1,854.67
Provision for taxation	45.18	168.83	45.18	168.83
Adjustment of provision for earlier years	-	0.51	-	0.51
Tax adjustment for the earlier years	501.43	162.81	501.43	162.81
Profit after tax	441.70	529.55	881.80	1,522.52

STANDALONE RESULTS

During the financial year under review, the total revenue for the financial year ended 31st March, 2013 was Rs. 39461.75 lacs as against Rs. 41961.81 lacs during the previous financial year ended 31st March, 2012 showing a decrease of 6.34 %. Similarly, profit after tax for the same periods were Rs 441.70 lacs and Rs.529.55 lacs respectively showing a decrease of 20%. This is because of increase in cost of overheads, interest and tax adjustment of earlier years.

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 year financial year 2012-13 was Rs. 70438.45 lacs as against Rs 65550.58 Lacs during the financial year 2011-12 showing an increase of 7% and the profit after tax for the same periods were Rs. 881.80 Lacs and Rs. 1522.52 lacs respectively showing a decrease of 72.66%.

FUTURE OUTLOOK

The Company has been dealing in portable power & power backup products and now has been to diversify its activities, by introducing power portable products in four different segments viz., Power & Power back up, Construction Industry, Agricultural Industry and Marine Industry. The Company also plans to introduce fuel efficient diesel operated products to the

markets.

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 2012-13.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the current year, the Company has transferred Dividend (for the Year 2004-2005) amounting Rs.2,48,788/- 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

During the period under review, Mr. Manish Malani was appointed as an Additional Director by the Board of Directors of the Company on 07.11.2012, Mr. RamPrakash Mishra was appointed as an Additional Director by the Board of Directors of the Company on 14.08.2013 and Mr. Jignesh Mehta was appointed as an Additional Director by the Board of Directors of the Company on 14.08.2013. Their office expires at the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, a member has proposed his candidature



for appointment as a Director. Your Directors recommend their reappointment. Mr. Mahinder Singh Arora resigned from the Board w.e.f. 27.09.2012, Mr. Y.P. Trivedi resigned from the Board w.e.f. 18.10.2012, Mr. Yashovardhan Birla resigned from the Board w.e.f. 27.12.2012, Mr. Upkar Singh Kohli resigned from the Board w.e.f. 06.05.2013, Mr. Rajesh Shah resigned from the Board w.e.f. 08.07.2013, Mr. P.V.R. Murthy resigned from the Board w.e.f. 14.08.2013. The Board placed on record its appreciation of the valuable services rendered by them.

SUBSIDIARY COMPANIES

During the year under review, the Company has disinvested shares of its subsidiary viz., Vijay Puranjay Minerals Private Limited and accordingly, the relation between Holding Company and Subsidiary has ceased. At present, the Company has two subsidiaries viz., Birla Urja Limited and Birla Power Solutions Limited FZE.

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956

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 31st March, 2013 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

In view of severe liquidity faced by the Company, the overdue fixed deposits & Interest thereon as on 31st March, 2013 was Rs. 5992.28 Lacs. Directors are endeavour to repay overdue deposits and interest thereon during the year under review.

AUDITORS

M/s Thakur Vaidynath Aiyar & Co. 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	<i>In respect of compliance by the Company with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public, we have to state that these have not been complied with. The non compliance relates to non repayment of the deposits on the due date, non payment of interest which has become due for payment, non maintenance of liquid assets to the extent required by Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975, acceptance of fresh deposits even after the Company defaulted in repayment of earlier deposits, non intimation to the Company Law Board regarding default in compliance with the provisions of Section 58AA of the Companies Act, 1956 as well as non compliance with the orders passed by the Company Law Board in regard to refund of certain deposits and interest thereon.</i>	<ul style="list-style-type: none"> • Due to Pollution Control norms we had to discontinue the production of the existing products. Now the Company is emphasizing on the production of products which complies with the Pollution Control norms. • Due to the pending agreement between the Labour and Management the production was low. Now the agreement has been done with the labours for a period of five years, resulting into peaceful industrial relations and the issues are sorted out resulting into regular production. • Some Fixed Deposit Holders approached Company Law Board for repayment and the Company agreed to make the payments. Some payments have been settled and some will be done on due dates

INDUSTRIAL RELATIONS

The Company enjoyed harmonious relations with workmen and employees through out the period under review. Agreement has been signed by the Company and Labour Union on 1st January, 2013 for the period of five years valid till 31st December, 2018.

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 exports wherever possible.

Foreign exchange Earnings and Outgo:

Particulars	2012-2013 (Rs. in Lacs)	2011-2012 (Rs. in Lacs)
Total Foreign exchange earnings	NIL	NIL
Total Foreign Exchange outgo	9.22	61.23

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 31st March, 2013 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 31st March, 2013 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 Act 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 31st March, 2013 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

Manish Malani
Director

Ramprakash Mishra
Director

Place: Mumbai
Date: 14th August, 2013