



POWER BEHIND POWER

BILPOWER LIMITED

Annual Report 2010-11

Board of Directors

Mr. Suresh Kumar Choudhary
Mr. Naresh Kumar Choudhary
Mr. Rajendra Kumar Choudhary
Mr. Gouri Sankar Sarkar
Mr. Mrugen Shah

Registered Office

201, Vikas Chambers,
Junction of Link & Marve Road,
Malad (West), Mumbai - 400 064
Tel - (91 22) 40897777
Fax - (91 22) 28811225
Email - investors@bilpower.com

Company Secretary & Compliance Officer

Ms. Priyanka Jain

Branch Offices / Manufacturing Units

Baroda Office

19, R.C. Patel Industrial Estate,
Akota, Baroda – 390 020
Phone - (0265) 2344 773 / 2310 437
Fax - (0265) 2339 629

Baroda Unit

440- 441- 447, G.I.D.C. Industrial Estate,
POR, Ramangamdi, Baroda - 391 243
Phone - (0265) 2830 824
Telefax - (0265) 2830 929

Uttaranchal Unit

Unit D –10 / 11, Raipur Notified Area,
Bhagwanpur, Roorkee, Dist - Haridwar,
State - Uttaranchal.
Phone - (0133) 2235070

Statutory Auditors

M/s Bansal, Bansal & Co.
Chartered Accountants
6 / 152, Sanjay Building, Mittal Estate,
Andheri-Kurla Road, Andheri (East),
Mumbai - 400 059.

Registrars & Share Transfer Agents for Physical & Electronic Shares

M/s. System Support Services
209, Shivai Industrial Estate,
Near Logitech Park,
89 Andheri Kurla Road,
Andheri (East),
Mumbai - 400 072.
Phone - (91 22) 2850 0835 (5 Lines)
Email : sysss72@yahoo.com

Main Banker

State Bank of India
Industrial Finance Branch
Snehal Chambers, Telly Gulli,
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.

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of BILPOWER LIMITED will be held on Friday, 30th September, 2011 at 1st Floor, Landmark Building, Mith Chowky, Link Road, Malad (West), Mumbai – 400 064 at 04.30 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 as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon;
2. To declare a Dividend on 1,05,00,800 equity shares for the year ended 31st March, 2011;
3. To appoint a Director in place of Mr. Suresh Kumar Choudhary, who retires by rotation and being eligible offers himself for re-appointment;
4. To appoint a Director in place of Mr. Rajendra Kumar Choudhary, who retires by rotation and being eligible offers himself for re-appointment;
5. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Bansal, Bansal & Co., Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to implement this resolution.”

SPECIAL BUSINESS:-

6. 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 372A and all other applicable Provisions, if any, of the Companies Act, 1956 and such other approvals, consents, permissions or sanctions of any other appropriate authorities or entities including Banks/Financial Institutions, as the case may be, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include a Committee of Directors constituted or to be constituted for this purpose including any person or persons who may be authorised by the Board), to give any guarantee on behalf of or in favor of Tarapur Transformers Limited and / or Bil Energy Systems Limited aggregating to the extent of and not exceeding ₹ 150 Crores, at any time, notwithstanding that such guarantee or such guarantee together with the company's existing loans, investments and guarantee in all other bodies corporate may be in excess of the limits prescribed under Section 372A of the Act.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized on behalf of the Company to negotiate the terms, conditions and other related matters for providing any guarantee on behalf of or in favor of Tarapur Transformers Limited and Bil Energy Systems Limited AND to do all acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise with regard to such guarantee or otherwise reconsider the matter due to change in circumstances as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution and to finalise and execute all the documents and writings as may be necessary or expedient to give effect to this Resolution.”

By Order of the Board of Directors,
For Bilpower Limited

Priyanka Jain
Company Secretary

Mumbai, 13th August, 2011

Registered Office:-

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

NOTES:-

- a. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item no. 6 is annexed hereto.
- b. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY/PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.



- c. In terms of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Suresh Kumar Choudhary and Mr. Rajendra Kumar Choudhary, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointments.
- d. 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.
- e. (1) The Company has notified closure of register of members and transfer books from 26th September, 2011 to 30th September, 2011 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.
- (2) The dividend, if declared, on equity shares at the meeting, will be paid after 30th September, 2011, in respect of shares held in Physical form, to those members who are entitled to the same and whose names appear in the Company's Register of Members after giving effect to all valid share transfers lodged with the Company / Registrar and Share Transfer Agents at the end of business hours on 23rd September, 2011 (24th September, 2011 and 25th September, 2011 being Saturday and Sunday) and, in respect of shares held in the Electronic form, to those members whose names appear in the statement of beneficiary ownership furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- f. Members holding shares in Physical form are requested to notify change of address, if any, to Registrar and Share Transfer Agents before 23rd September, 2011 (24th September, 2011 and 25th September, 2011 being Saturday and Sunday) to be eligible for dividend of this year, if any and those who hold shares in dematerialized form are requested to notify to their Depository participants their change in address.
- g. As per the provisions of the Companies Act, 1956, facility for making nomination is available to the shareholders in respect of the Shares held by them. Nomination Forms can be obtained from the Registrar and Share Transfer Agents of the Company.
- h. 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.
- i. 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.
- j. Your Company is concerned about the environment and utilizes natural resources in a sustainable way. Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated 21st April, 2011 and 29th April, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.
- Recognizing the spirit of the circular issued by the MCA, we have already sent emails to those shareholders who have registered their email addresses with their depositories and in turn have sent this Annual report to all the shareholders who have given their consent for receiving documents through email mode. We now request all the shareholders who have not given their consent to please support this Green initiative and update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.
- k. Members who hold shares in dematerialized form may kindly note that their bank account details, as furnished by their depositories to the Company, will be printed on their dividend warrant as per the applicable regulations of the depositories and the Company will not entertain any direct request from such members for deletion of or change in such bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the shares held in electronic form. Members who wish to change such bank account details are therefore requested to advise their depository participants about such change with complete details of bank accounts. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
- l. Relevant documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of the 22nd Annual General Meeting.
- m. In line with the provisions of amended Clause 32 of the Listing Agreement and circular issued by SEBI, the Company has opted to circulate abridged Annual Accounts of the Company for the financial year under review. The detailed Annual Accounts of the Company are available on any working day at the Registered Office of the Company to the Shareholders of the Company requiring such information.
- n. As per the provisions of the Section 205C of the Companies Act, 1956, unclaimed dividend for the year 2003-2004 will be transferred to Investors Education and Protection Fund on or before 11th September, 2011. Shareholders who have not claimed Dividend for the year 2003-2004 are requested to claim the dividend on or before 11th September, 2011. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Ms. Priyanka Jain, Company Secretary, at the Company's registered office.

Explanatory Statement

As required under Section 173(2) of the Companies Act, 1956, in respect of the item of Special Business mentioned in the Notice:-

Item No.6:

As per Section 372A of the Companies Act, 1956, the aggregate of loans, investments and guarantee in other companies shall not exceed 60% of the paid-up capital and free reserves or 100% of the free reserves, whichever is higher.

As on 31.03.2010, total amount of loans, investments and guarantee given was within the limits specified under Section 372A of the Companies Act, 1956. However, due to occurrence of two events viz.:

1. Tarapur Transformers Limited and Bil Energy Systems Limited ceasing to be subsidiary of the Company; and;
2. Pursuant to High Court Order dated 24th September, 2010, manufacturing unit of the Company at Wada getting demerged into a resultant company Bil Energy Systems Limited;

resulted in reduction in free reserves and net worth of the Company relatively.

After the above events, this is the first Annual General Meeting of the Shareholders of the Company. Hence, shareholders' approval is sought for giving consent to Board of Directors for giving guarantee on behalf of or in favor of Tarapur Transformers Limited and Bil Energy Systems Limited to the extent of and not exceeding ₹ 150 crores, at any time, notwithstanding that such guarantee or such guarantee together with the Company's existing loans, investments and guarantee in all other bodies corporate shall be in excess of the limits prescribed under Section 372A of the Act.

Thus, it is proposed to authorize the Board to give guarantee as aforesaid with wider choice, in the interest of the Company.

Your Directors recommend this resolution and request you to uphold the same by means of Postal Ballot.

No Director shall be deemed to be interested in the said resolution, except Mr. Naresh Kumar Choudhary and Mr. Rajendra Kumar Choudhary, who are Directors of Bil Energy Systems Limited and Tarapur Transformers Limited; Mr. Suresh Kumar Choudhary and Mr. Mrugen Shah who are Directors of Bil Energy Systems Limited.

By Order of the Board of Directors,
For Bilpower Limited

Priyanka Jain
Company Secretary

Mumbai, 13th August, 2011

Registered Office:-

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



DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting Twenty Second Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2011.

1. Financial Performance:

The financial performance of the Company for the year ended 31st March, 2011 is as summarized below:-

(₹ in Lacs)

Particulars	2010-2011	2009-2010
Gross Turnover & Other Income	39938.17	45718.03
Profit before Interest, Depreciation & Taxation	1418.88	3035.71
Less – Interest	(737.12)	(846.73)
Profit before Depreciation & Taxation	681.76	2188.98
Less – Depreciation	(48.35)	(282.65)
Profit before tax	633.41	1906.33
Less– Provision for Taxation (Incl. Deferred Tax)	(203.39)	(390.55)
Net Profit for the year	430.02	1515.78
Add – Surplus brought forward from previous Year	6810.30	6058.78
Profit available for Appropriations	7240.32	7574.56
Appropriations:-		
Transfer to General Reserve	16.00	550.00
Proposed Dividend	105.01	189.01
Dividend Distribution Tax	17.03	25.25
Balance Carried to Balance Sheet	7102.28	6810.30

2. Performance Review:

The Turnover of the Company decreased and stood at ₹ 39938.17 Lacs and net profit has also decreased to ₹ 430.02 Lacs for the year 2010-11, mainly due to demerger of manufacturing unit of the Company at Wada into resultant Company Bil Energy Systems Limited pursuant to High Court Order dated 24th September, 2010.

3. Dividend:

Keeping in view the lower profits as well as recognizing the need to reward the shareholders, your Directors are pleased to recommend for the approval of the shareholders, a dividend of 10% (₹ 1/- per equity share) on 1,05,00,800 equity shares of ₹ 10/- each for the financial year ended on 31st March, 2011.

4. Directors:

Mr. Suresh Kumar Choudhary and Mr. Rajendra Kumar Choudhary, Directors, retire from the Board by rotation and being eligible have offered themselves for re-appointment at the ensuing Annual General Meeting. The Notice convening the Annual General Meeting includes the proposals for re-appointment of Directors.

Brief resumes of the above Directors, nature of their expertise in specific functional areas and their shareholding in the Company, as stipulated under Clause 49 of the Listing Agreement are given in the Report on Corporate Governance forming part of the Annual Report.

Mr. Ashok Bansal, Mr. V.K. Pandit and Mr. Vinod Kumar Agarwal have tendered their resignation w.e.f 31st December, 2010, 27th March, 2011 and 30th March, 2011 respectively. Your Directors wish to place on record their sincere appreciation for the invaluable services rendered by them.

5. Whole Time Company Secretary under Section 383A of the Companies Act, 1956:

During the year, Ms. Priyanka Jain was appointed as Whole time Company Secretary of the Company with effect from 15th February, 2011.

6. Demerger of Wada Unit:

Pursuant to the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956 (the scheme), manufacturing unit at Wada belonging to the Company was demerged into resultant Company viz. Bil Energy Systems Limited (BESL) with effect from 1st April, 2010 on a going concern basis. The Scheme has been approved *inter alia* by the Shareholders of the Company on 18th May, 2010 and Hon'ble High Court of Bombay on 24th September, 2010 and the order has been filed with the Registrar of Companies, Maharashtra, Mumbai on 14th October, 2010 and became effective.

7. Directors' Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that: -

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures from the same;
- Appropriate accounting policies have been selected and applied consistently and such judgments & estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the Profit of the Company for the accounting year ended on that date;

- c) 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;
- d) The annual accounts of the Company have been prepared on a going concern basis.

8. Auditors:

The present Statutory Auditors of the Company, M/s. Bansal, Bansal & Co., Chartered Accountants, Mumbai, having firm registration number 100986W issued by the Institute of Chartered Accountants of India (ICAI), retire as Statutory Auditors at the conclusion of this Annual General Meeting. They are eligible for re-appointment and the Company has received a Certificate from them that their re-appointment, if made, would be within the limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such an appointment within the meaning of sub-sections (3) and (4) of Section 226 of the Companies Act, 1956. Their re-appointment is recommended by the Board.

9. Auditors' Report:

The notes on accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956. The Accounts have been prepared in accordance with the Accounting Standards prescribed by The Institute of Chartered Accountants of India in this regard.

10. Tax Provisions:

The Company has made adequate provisions as required under the provisions of Income Tax Act, 1961 as well as other relevant laws governing taxation on the Company.

11. Fixed Deposits:

During the year ended on 31st March 2011, the Company has not accepted any Fixed Deposits from public under Section 58A & 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

12. Management's Discussion and Analysis Report:

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management's Discussion and Analysis Report, which forms part of this Report as Annexure- I.

13. Corporate Governance:

We adhere to the principle of Corporate Governance mandated by the Securities and Exchange Board of India (SEBI) and have implemented all the prescribed stipulations. As required by Clause 49 of the Listing Agreement, a detailed report on Corporate Governance forms part of this Report as Annexure II. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is enclosed after the Corporate Governance Report.

14. Energy Conservation and Technology Absorption:

In view of the nature of business of the Company which is labour intensive, the information required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 with respect to conservation of Energy, Technology absorption is not given as electricity purchased and consumption per unit of production is not sizeable.

15. Foreign Exchange earnings and outgo:

Your Company earned/spent foreign exchange as under during the year.

Earnings	: ₹ Nil
Outgo	: ₹ 1530.37 lacs

16. Particulars of Employees:

There is no employee drawing remuneration which is in excess of the limits laid down in Section 217(2A) of the Companies Act, 1956.

17. Acknowledgement:

The Board wishes to place on record its sincere appreciation for the assistance and cooperation received from Bankers, Government Departments and other Business Associates for their continued support towards the conduct of operations of the Company efficiently.

The directors express their gratitude to the shareholders for their continuing confidence in the Company. The directors also acknowledge the hard work and persuasive efforts put in by the employees of the Company in carrying forward Company's vision and mission.

On behalf of the Board of Directors,
For Bilpower Limited

Suresh Kumar Choudhary
Chairman

Mumbai, 13th August, 2011



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Background:

Bilpower is a "Power Engineering Solutions Company" primarily into the manufacturing of Transformers Cores & Lamination. The key USP of Bilpower are timely delivery with lowest losses in the cores. Bilpower is one of the largest players in third party manufacturing of Transformers Cores & Laminations in India.

Indian Scenario:

The year which went by will be remembered for the inflationary trends in the Indian economy. This, coupled with high interest rates, has contributed to the slowing of growth rate of the business in general and of the power sector in particular.

Indian Power Scenario:

Although the power sector in India has huge potential, the delay in starting the UMPPs awarded already and in awarding fresh ones is becoming one of the biggest hindrances in the growth of the Indian economy. Thankfully the government is fully aware of this and we have every reason to be hopeful of a recovery in the sector.

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 ₹ 39938.17 Lacs.
- Net profit of ₹ 430.02 Lacs
- Earning Per Share (EPS) for the year is ₹ 4.10

With a net worth of about ₹ 8830.37 Lacs as on 31st March, 2011, Bilpower Limited considers itself poised to cater to increased demand in the power sector with a good growth in the bottom line also.

Outlook for the Company:

The management assures that the Company's business plan for the coming year should yield good results which will be better than the industry averages.

Demerger:

Pursuant to the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956 (the scheme), manufacturing unit at Wada belonging to the Company was Demerged into Bil Energy Systems Limited (BESL) with effect from 1st April, 2010 on a going concern basis. The Scheme has been approved *inter alia* by the Shareholders of the Company on 18th May, 2010 and Hon'ble High Court of Bombay on 24th September, 2010 and the order has been filed with the Registrar of Companies, Maharashtra, Mumbai, on 14th October, 2010 and became effective.

Internal Control and their adequacy:

The Internal audit was carried out by an independent firm of Chartered Accountants who conducted 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:

During the year under review, Human Resource Department continued with its initiatives towards development, enhancement and retention of workforce.

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. However, the Company has over the past 2 decades tied up with almost all the major global players and has developed a strong relationship with these suppliers. Further, fluctuations in the prices of Electrical Steel would also have an impact on the bottom line of the Company.

Cautionary Statement:

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors.

On behalf of the Board of Directors,
For Bilpower Limited

Suresh Kumar Choudhary
Chairman

Mumbai, 13th August, 2011

REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve Company's objective of maximizing stakeholders' value and discharge of social responsibility. The Corporate Governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees etc..

The Company has adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreement, the disclosure requirements of which are given below:

Mandatory Requirements:-

1. Company's Philosophy on Corporate Governance:-

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for all its stakeholders.

2. Board of Directors (Board):-

a) Board Composition:-

The Board of the Company should consist of optimum combination of Executive, Non Executive – Independent Directors, which should be in conformity with the requirement of Clause 49 of the Listing Agreement with Stock Exchanges. However, after the resignation of two independent non-executive Directors in the month of March, 2011, the Company, in accordance with the provisions of Clause 49(I) (C) (iv) of the Listing agreement, is in process of conforming to the said clauses within the stipulated period mentioned therein.

The present strength of the Board is Five (5) Directors, comprising of Chairman – Executive Director, one Promoter Non – Executive Director, one Whole Time Director and two Independent & Non Executive Directors. The Board Members possess the skills, expertise & experience necessary to guide the Company.

Name of Director	Category of Directorship	Designation
Mr. Suresh Kumar Choudhary	Promoter – Executive	Chairman
Mr. Naresh Kumar Choudhary	Promoter – Non - Executive	Director
Mr. Rajendra Kumar Choudhary	Promoter – Executive	Whole Time Director
Mr. Gouri Sankar Sarkar	Independent – Non Executive	Director
Mr. Mrugen Shah	Independent – Non Executive	Director

b) Board Meetings and attendance of Directors:-

During the financial year ended on 31st March 2011, seven (7) Board Meetings were held on the following dates:-

18th May, 2010, 14th August, 2010, 6th September, 2010, 11th November, 2010, 21st January, 2011, 14th February, 2011 and 14th March, 2011.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as part of Agenda Papers, the same are tabled at the meeting or / and the presentations are made by the concerned managers to the Board. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The information as specified in Annexure 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 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, 2010	# No. of Directorship held in other Companies	Committee Memberships / Chairmanships	
				Membership	Chairmanship
Mr. Suresh Kumar Choudhary	-	Absent	3	-	-
Mr. Naresh Kumar Choudhary	7	Present	5	-	-
Mr. Rajendra Kumar Choudhary	7	Present	4	3	-
*Mr. Ashok Bansal	4	Present	-	-	-
*Mr. Vinod Kumar Agarwal	5	Absent	1	3	-
*Mr. V.K. Pandit	2	Absent	-	-	-
Mr. Gouri Sankar Sarkar	1	Present	-	-	-
Mr. Mrugen Shah	3	Present	1	3	3

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

* Resigned as Director during the year.

The necessary disclosure 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.

c) Information of Directors' Re-appointment:-

The profiles of Directors who are seeking re-appointment at the Annual General Meeting are furnished below:-

Mr. Suresh Kumar Choudhary, aged 53 years, designated as Promoter Director. He has more than 28 years of experience in the field of manufacturing of electrical lamination, distribution and power transformers, CT/PT Metering sets. He is holding 5,57,683 equity shares of the Company.

Mr. Rajendra Kumar Choudhary, aged 51 years, designated as "Director" has over 24 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 holding 3,74,752 equity shares of the Company.

Committees of the Board of Directors of the Company:-

3. Audit Committee:-

a) Composition and attendance:

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

Name of the Members	Position	Category	Attendance
Mr. Mrugen Shah	Chairman	Independent & Non Executive Director	2
Mr. Rajendra Kumar Choudhary	Member	Whole Time Director	5
*Mr. Vinod Kumar Agarwal	Member	Independent & Non Executive Director	4

*Note: Resigned as Director and member of Audit Committee with effect from 30th March, 2011.

The Audit Committee is constituted in accordance with the provisions of Clause 49 of the Listing Agreement and the Companies Act, 1956. All the members of Audit Committee possess knowledge of corporate finance, accounts and Company law.

During the financial year 2010-11, five (5) Audit Committee meetings were held as under:

17th May, 2010, 14th August, 2010, 11th November, 2010, 14th February, 2011 and 14th March, 2011.

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 and include overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance issue and issues related to risk management and compliances. The Group Advisor and the Statutory Auditors are invited to the meeting.

4. Remuneration Committee:

a) Composition and attendance:

The composition of Remuneration Committee is as follows:-

Name of the Members	Position	Category
Mr. Mrugen Shah	Chairman	Independent & Non Executive Director
Mr. Rajendra Kumar Choudhary	Member	Whole Time Director
*Mr. Vinod Kumar Agarwal	Member	Independent & Non Executive Director

*Note: Resigned as Director and member of Remuneration Committee with effect from 30th March, 2011.

During the financial year 2010-11, Remuneration Committee meeting was held on 21st January, 2011.

b) Terms of Reference:-

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

c) Remuneration Policy:-

Subject to approval of the Board of Directors and subsequent approval by the members at the Annual General Meeting and such authorities as the case may be, remuneration of Chairman, Managing Director, Whole Time Directors, Chief Executive officer is fixed by the Remuneration Committee. The remuneration is decided by the Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company etc. The remuneration structure comprises of basic salary, perquisites, allowances (fixed component), and contribution to provident fund, in accordance with the provisions of the Companies Act, 1956.

5. Shareholders' / Investors' Grievance Committee:

a) Composition and attendance:

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

Name of the Members	Position	Category	Attendance
*Mr. Mrugen Shah	Chairman	Independent & Non Executive Director	1
Mr. Rajendra Kumar Choudhary	Member	Whole Time Director	4
**Mr. Rajan Menda	Member	Independent & Non Executive Director	1
***Mr. Vinod Kumar Agarwal	Member	Independent & Non Executive Director	3

* Mr. Mrugen Shah appointed as Director w.e.f. 14th August, 2010

** Mr. Rajan Menda resigned as Director w.e.f. 14th August, 2010

*** Mr. Vinod Kumar Agarwal resigned as Director w.e.f. 30th March, 2011

During the financial year 2010-11, four (4) Shareholders' / Investors' Grievance Committee meetings were held as under: 18th May, 2010, 14th August, 2010, 11th November, 2010 and 14th February, 2011.

b) Terms of Reference:

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

The committee deals with various matters relating to –

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

The share department of the Company and registrar and transfer agents i.e. System Support Services attend expeditiously to all grievances / correspondences of the shareholders / investors, received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. The complaints are generally resolved within 30 days of receipt of letter, except in the cases that are constrained by disputes or legal impediment.

c) Information on Investor Grievances for the period from 01st April, 2010 to 31st March, 2011:

Brought Forward	Received Afresh	Disposed	Carried Over
Nil	Nil	Nil	Nil

d) Compliance Officer:

Ms. Priyanka Jain, Company Secretary, is the compliance officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreements with the BSE & NSE.

6. Code of Conduct and Ethics for Directors and Senior Management:

The Company has laid down a code of conduct for all Board members and senior management personnel of the Company. A copy of the Code of conduct is available on the Company's website www.bilpower.com.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Whole Time Director is given below:-

"I hereby confirm that –

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management in respect of the Financial Year 2010-11"

Rajendra Kumar Choudhary

Whole Time Director

7. General Body Meetings:

a) Details of the last three Annual General Meetings of the Company is given below:

Financial Year	AGM	Date	Locations	Time	No. of Special Resolutions Passed
2007-08	19th	31st July, 2008	Goregaon Sports Club, Link Road, Malad (West), Mumbai –400 064.	05.30 p.m.	Nil
2008-09	20th	31st July, 2009	Goregaon Sports Club, Link Road, Malad (West), Mumbai –400 064.	05.30 p.m.	Nil
2009-10	21st	30th September, 2010	Goregaon Sports Club, Link Road, Malad (West), Mumbai –400 064.	05.30 p.m.	Nil



- b) No resolution was put through Postal Ballot during the year under reference.
- c) Extra Ordinary General Meeting of the Company was held on 19th February, 2011 during the year.
- d) Court Convened Meeting of shareholders of the Company was held on 18th May, 2010, during the year.

8. Subsidiary Company:

The Company does not have any Subsidiary Company in terms of Clause 49 (III) of the Listing Agreement and hence, it is not required to have an independent director of the Company on the Board of such Subsidiary Company.

9. Compliance with other mandatory requirements:

a) Disclosures:

i) Materially significant related party transactions:

There were no materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, directors or the management, their subsidiary or relatives etc. during the year, that may have potential conflict with interest of the Company at large.

ii) Disclosure of accounting treatment:

In the preparation of financial statements, the Company has followed the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India to the extent applicable.

iii) Disclosure of Risk Management:

The Company has laid down procedure to inform Board members about the risk assessment and minimization procedure. These would be periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.

iv) CEO / CFO Certification:

In line with the requirements of Clause 49 (V) of the Listing Agreement, the Whole Time Director of the Company has submitted the CEO/CFO Certification, certifying to the Board inter alia that the Financial Statements and the Cash Flow Statements for the financial year ended on 31st March, 2011 were reviewed to the best of his knowledge and belief, that they do not contain any untrue statement, omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with applicable laws and regulations.

v) Statutory Compliance, Penalties and Strictures:

The Company has complied with all requirements of the Listing Agreements entered into with Stock Exchanges as well as regulation and guidelines of SEBI. Consequently, there were no penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authorities for non compliance of any matter related to the capital markets during last three years.

10. Means of Communication:

Quarterly / Half yearly financial results sent to each shareholder's residence.	No, but published in the newspapers
In which newspapers quarterly, half yearly & Annual results were normally published.	English: The Economic Times Marathi: Maharashtra Times
Any website, where results or official news are displayed.	www.bseindia.com www.nseindia.com www.bilpower.com
Whether Management Discussion & Analysis Report is a part of the Annual Report or not.	Yes, it is part of Annual Report As Annexure - I

11. General Shareholder Information:

a) 22nd Annual General Meeting:

Date	30th September, 2011
Venue	1st Floor, Landmark Building, Mith Chowky, Link Road, Malad (West), Mumbai – 400 064
Day and Time	Friday, 04.30 p.m.

b) Financial Calendar:

The Company follows the period of 01st April to 31st March, as the Financial Year.

For the Financial Year 2011-12, Financial Results will be announced as per the following tentative schedule.

1st Quarter ending June 2011	By 14th August, 2011
2nd Quarter & Half Year ending September 2011	By 14th November, 2011
3rd Quarter ending December 2011	By 14th February, 2012
4th Quarter / year ending March 2012	Within 45/60 days from 31st March, 2012
Annual General Meeting for the Year 2011-12	By September, 2012

c) Book Closure & Dividend:

Date of Book Closure	Monday, 26th September, 2011 to Friday, 30th September, 2011 (both days inclusive)
Dividend payment date	After 30th September, 2011

d) Listing:

The Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

e) Listing Fees to Stock Exchanges:-

The Company has paid the Listing Fees for the year 2011-12 to both the above exchanges.

f) Custodial Fees to Depositories:-

The Company has paid the custodial fees for the year 2011-12 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of number of beneficial accounts maintained by them as on 31st March, 2011.

g) Stock Code / Symbol:-

Bombay Stock Exchange Ltd. (BSE)	531590
National Stock Exchange of India Ltd. (NSE)	BILPOWER EQ
International Securities Identification Number (ISIN)	INE952D01018
Corporate Identity Number (CIN)	L51420MH1989PLC053772

Allotted by the Ministry of Corporate Affairs (MCA)

h) Stock Market Price Data for the year 2010-11 in comparison to BSE Midcap Sensex:-

Month	BSE Share Price (₹)				NSE Share Price (₹)				BSE Midcap Sensex			
	Open	High	Low	Close	Open	High	Low	Close	Open	High	Low	Close
April – 10	166.00	172.00	159.00	163.90	166.00	171.00	157.55	163.90	6,830.62	7,207.44	6,830.62	7,184.78
May – 10	164.00	189.65	155.15	174.70	165.05	191.00	155.25	174.45	7,177.56	7,202.94	6,466.33	6,834.87
June – 10	175.95	199.00	145.00	191.75	170.10	199.00	164.15	190.80	6,830.92	7,198.91	6,734.06	7,149.21
July – 10	191.20	213.40	183.00	200.00	190.00	213.80	182.25	199.85	7,138.43	7,519.18	7,106.00	7,407.91
Aug – 10	200.25	259.25	185.00	191.90	203.40	259.90	183.50	191.30	7,438.57	7,918.03	7,438.57	7,596.84
Sep – 10	192.50	228.30	167.00	195.10	191.50	228.80	191.25	194.45	7,622.61	8,202.91	7,622.61	8,084.14
Oct – 10	198.00	214.80	178.10	192.30	196.90	207.85	177.20	191.50	8,112.29	8,521.43	8,112.29	8,302.56
Nov – 10	193.05	206.45	140.00	160.75	192.40	207.75	140.00	159.45	8,302.56	8,791.10	7,339.55	7,764.02
Dec – 10	157.00	175.00	126.80	142.95	159.15	176.00	127.40	142.45	7,764.02	8,105.73	7,176.49	7,802.71
Jan – 11	143.00	151.40	111.70	114.20	144.00	151.70	95.25	114.60	7,802.71	7,929.37	6,722.59	6,868.35
Feb – 11	117.70	117.70	94.90	98.95	112.00	120.80	95.00	98.40	6,868.35	6,922.12	6,182.86	6,373.23
Mar – 11	97.25	124.80	95.00	96.65	100.00	124.50	94.55	97.20	6,373.23	6,894.10	6,373.23	6,873.40

● Source : www.bseindia.com & www.nseindia.com

j) Registrar and Share Transfer Agent:-

Share transfers, dividend payment and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent viz. System Support Services.

System Support Services

209, Shivai Industrial Estate, Near Logitech Park,

89 Andheri Kurla Road, Andheri (East),

Mumbai- 400 072.

Tel. No. 91 (22) 2850 0835 Email: syss72@yahoo.com

k) Share Transfer System:-

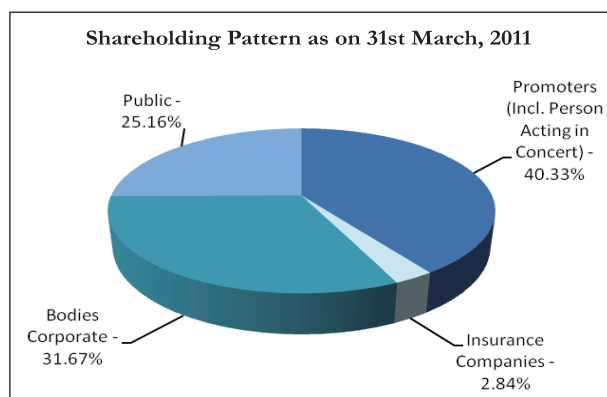
Presently, the share transfers received by the R&TA of the Company are processed and returned within a period of 30 days from the date of its receipt, subject to documents being valid and complete in all respect. The Board has delegated the authority for approving the transfers to the registrar & transfer agent subject to approval by Grievance Committee. Shareholders' Grievances and other miscellaneous correspondence on change of address, mandates, etc. received from Members are generally processed by R&TA of the Company within 30 days. The Company obtains from a Company Secretary in Whole-time Practice half yearly certificate of compliance with the share transfer formalities as required under clause 47 (c) of the Listing Agreement and files a copy of the certificate with BSE and NSE.

l) Distribution of Shareholding as on 31st March, 2011:-

Range of Shareholding	Number of Shareholders	% of Total	Number of Shares	% of Total
1 - 500	6233	92.10	658401	6.27
501 - 1000	233	3.44	192697	1.83
1001 - 2000	110	1.62	166244	1.58
2001 - 3000	46	0.68	118495	1.13
3001 - 4000	20	0.30	71569	0.68
4001 - 5000	30	0.44	140471	1.34
5001 - 10000	32	0.47	237088	2.26
10001 and above	64	0.95	8915835	84.91
Total	6768	100.00	10500800	100.00

m) Shareholding pattern (category wise) as on 31st March, 2011:-

Category	Number of Shares held	% of Total Shareholding
Promoters (Incl. Person Acting in Concert)	42,34,687	40.33
Financial Institutions / Banks	0	0
Insurance Companies	2,97,972	2.84
NRI / Foreign Institutional Investors	0	0
Bodies Corporate	33,25,490	31.67
Public	26,42,651	25.16
Total	1,05,00,800	100.00


n) Dematerialization of shares and liquidity:-

- About 99.32% of the shares have been dematerialized as on 31st March, 2011.
- Trading in the shares of the Company is permitted in dematerialized form only as per notification issued by SEBI.

o) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and its impact on equity:-

Nil

p) Unclaimed Dividend:

Section 205 of the Companies Act, 1956, mandates that a Company has to transfer dividend, which has been unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to IEPF.

Date of declaration of dividend	Dividend for the financial year	Due date of transfer
12.08.2004	2003-2004	11.09.2011
05.09.2005	2004-2005	04.10.2012
28.09.2006	2005-2006	27.10.2013
22.09.2007	2006-2007	21.10.2014
31.07.2008	2007-2008	30.08.2015
31.07.2009	2008-2009	30.08.2016
30.09.2010	2009-2010	29.10.2017

q) Plant / Manufacturing Unit locations:-

The Company has the following manufacturing units:

Baroda Unit

440-441 & 447, G. I. D. C. Industrial Estate, POR, Ramangamdi, Dist – Baroda, State - Gujarat.

Uttaranchal

D-10 & 11, Raipur Notified Area, Near Bhagwanpur, Roorkee, Dist – Haridwar, Uttaranchal.

r) Address for correspondence:-

The Compliance Officer,
Bilpower Limited,
201, Vikas Chambers, Jn. of Link & Marve Road,
Malad (West), Mumbai – 400 064.
Email – investors@bilpower.com

Non Mandatory Requirements:-**a) Remuneration Committee:-**

Please refer item number 4 under Mandatory requirements.

b) Shareholder Rights:-

Company's quarterly financials are published in English newspaper having a wide circulation all over India and in a Marathi newspaper widely circulated in Mumbai. The quarterly results are also put on the Company's website www.bilpower.com. The same are not sent to the shareholders of the Company, individually.

By Order of the Board of Directors,
For Bilpower Limited
Priyanka Jain
Company Secretary

Mumbai, 13th August, 2011

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**TO THE MEMBERS OF BILPOWER LIMITED**

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended on 31st March, 2011.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of Corporate Governance Code. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that, such compliance is neither an assurance as to the further viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bansal, Bansal & Co.
Chartered Accountants
Firm Regn. No. 100986W

Anand Drolia
Partner

Mumbai, 13th August, 2011

Membership No. 036718

**AUDITORS' REPORT**TO THE MEMBERS OF **BILPOWER LIMITED**

1. We have audited the attached Balance Sheet of BILPOWER LIMITED as at 31st March 2011, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper Books of Accounts as required by law have been kept by the Company so far as appears from our examination of these books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as director in terms of clause (g) of sub Section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the notes thereon give the Information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - 1) In the case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011;
 - 2) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - 3) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date

For Bansal, Bansal & Co.
Chartered Accountants
Firm Regn. No. 100986W

Anand Drolia
Partner

Mumbai, 13th August, 2011

Membership No. 036718

ANNEXURE TO THE AUDITORS' REPORT

As required by the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we further report that:

- 1) In respect of its fixed assets:
 - (a) The Company is maintaining proper records showing full particulars including quantitative details and situations of fixed assets.
 - (b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancy has been reportedly noticed on such verification.
 - (c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- 2) In respect of its inventories:
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of Inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company has maintained proper records of Inventory and the discrepancies noticed on such verifications between the physical inventory and book records were not material. Packing & sample material and stores & spares purchased are written off as expenses in the year of purchase.
- 3)
 - (a) The Company has granted unsecured loans and advances to three parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year and the year end balance of such loans aggregate to ₹ 4736.54 Lacs and ₹ 199.52 Lacs respectively.
 - (b) In our opinion, the rate of interest and other terms and conditions of loans given are not *prima facie* prejudicial to the interest of the Company.
 - (c) The parties are repaying the principal amounts, where applicable and are also regular in payment of interest, as and where stipulated.
 - (d) In respect of the aforesaid loans, there is no overdue amount of more than Rupees one Lac.
- 4) In our opinion, and according to the Information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods, keeping in view the close supervision and authorization by the directors. During the course of our audit, we have not observed any major weaknesses in internal control system.
- 5) In respect of the contractor arrangements referred to in section 301 of the Companies Act 1956.
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of the contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of the contracts / arrangements entered in the Registered maintained under section 301 of the Companies Act 1956 and exceeding the value of Rupees Five Lacs in respect of the each party during the year have been made at prices which are reasonable having regards to the prevailing market price at the relevant time.
- 6) As explained to us, during the year under reference the Company has not accepted any Deposits from the Public within the meaning of Provisions of Section 58A and 58AA of the Act and the rules framed there under. Therefore, the provision of clause (vi) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) As explained to us by the Management, the Company is not required to maintain the cost records under section 209 (1) (d) of the Act.
- 9)
 - (a) The Company is generally regular in depositing Provident Fund dues with Appropriate Authorities.
 - (b) According to the records of the Company, undisputed material statutory dues including, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income – Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities, except some delays in payment of Sales Tax and TDS. No undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable except ₹ 2040/- towards Profession Tax liabilities.
 - (c) The disputed statutory dues aggregating to ₹ 2.75 Lacs that have not been deposited, on account of matters pending before appropriate authorities are as under :-

Sr. No.	Name of the Statute	Nature of the dues	Period for which the amount relates	Forum where dispute is pending	Amount (₹ in Lacs)
1.	Income Tax Act, 1961	Income Tax	A.Y. 1996-97	ITAT (effect to CIT Appeal order pending)	2.75
				Total	2.75



- 10) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- 11) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- 12) According to the information and explanations given to us, no loans & Advances have been granted by the Company on the basis of the securities by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- 14) In respect of the dealings in shares and other securities, proper records have been maintained and timely entries have been made there in. All these securities have been held by the company in its own name.
- 15) According to the information and explanation given to us the Company has given guarantee for loans taken by two Associate companies from the banks. According to the information & explanation given to us, we are of the opinion that the terms & conditions thereof are not prima facie prejudicial to the interest of the company.
- 16) During the year the Company has not taken any term loans from Banks & Financial Institutions.
- 17) According to the information and explanation given to us and an overall Examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilised any amount from short term sources towards long term investments.
- 18) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- 19) The Company has not raised any money by public issue during the year. Therefore, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- 20) As per the information and explanations given to us and on the basis of examination of records, no fraud on or by the Company has been noticed or reported during the course of our audit.

Other Clauses of the aforesaid order are not applicable to the Company and hence our remarks on them are not required to be made.

For Bansal, Bansal & Co.
Chartered Accountants
Firm Regn. No. 100986W

Anand Drolia
Partner

Membership No. 036718

Mumbai, 13th August, 2011

BALANCE SHEET AS ON - 31ST MARCH 2011

(₹ in Lacs)

	Schedule	2010-2011	2009-2010
I. SOURCES OF FUNDS			
1) Shareholders' Funds			
Share Capital	"A"	1050.08	1050.08
Reserves & Surplus	"B"	7780.29	12888.00
2) Loan Funds	"C"		
Secured Loans		9080.99	18396.27
Unsecured Loans		884.27	3.07
3) Deferred Tax Liability (Net)		70.06	489.62
		<u>18865.69</u>	<u>32827.04</u>
II. APPLICATION OF FUNDS			
1) Fixed Assets	"D"		
Gross Block		890.70	6939.71
Less - Depreciation		287.75	639.41
Net Block		<u>602.95</u>	<u>6300.30</u>
Capital Work In Process		2.75	115.36
		<u>605.70</u>	<u>6415.66</u>
2) Investments	"E"	2146.99	2018.94
3) Current Assets, Loans & Advances	"F"		
Inventories		4340.83	7877.45
Sundry Debtors		14089.47	21606.25
Cash & Bank Balances		1076.55	1092.45
Loans & Advances		4723.01	3388.43
		<u>24229.86</u>	<u>33964.58</u>
Less : Current Liabilities & Provisions	"G"		
Current Liabilities		7984.75	9345.92
Provisions		138.41	229.08
		<u>8123.16</u>	<u>9575.00</u>
Net Current Assets		<u>16106.70</u>	<u>24389.58</u>
4) Miscellaneous Expenditure		6.30	2.86
		<u>18865.69</u>	<u>32827.04</u>
Significant Accounting Policies and Notes to the Accounts	"M"		

Schedules "A" To "M" form part of the Accounts.

As per our attached report of even date.

For Bansal, Bansal & Co.

Chartered Accountants

Firm Regn.No. 100986W

Anand Drolia

Partner

Membership No. 036718

Mumbai: 13th August, 2011

Priyanka Jain

Company Secretary

For and on behalf of the Board**N.K.Choudhary**

Director

R.K.Choudhary

Director

Mumbai: 13th August, 2011

**PROFIT & LOSS ACCOUNT FOR PERIOD ENDED - 31ST MARCH 2011**

(₹ in Lacs)

	Schedule	2010-2011	2009-2010
I. INCOME			
Sales (Net)		39869.90	45641.32
Other Income	"H"	68.27	76.71
		<u>39938.17</u>	<u>45718.03</u>
II. EXPENDITURE			
Cost of Sales	"I"	38015.51	42166.50
Office & Administrative Expenses	"J"	248.93	263.33
Selling & Distribution Expenses	"K"	39.39	107.89
Financial Expenses	"L"	949.02	990.38
Depreciation		48.35	282.65
Miscellaneous Expenditure W/Off		3.56	0.95
		<u>39304.76</u>	<u>43811.70</u>
III. PROFIT BEFORE TAX		633.41	1906.33
Provision For Taxation			
- Provision For Income Tax		(155.00)	(313.52)
- Provision For Deferred Tax		0.60	(134.78)
		<u>479.01</u>	<u>1458.03</u>
- Income Tax - Earlier Years		(48.99)	57.75
IV. PROFIT AFTER TAX		430.02	1515.78
Balance Brought Forward From Previous Year		6810.30	6058.78
AMOUNT AVAILABLE FOR APPROPRIATION		<u>7240.32</u>	<u>7574.56</u>
Appropriation :			
- Dividend on Equity Shares		105.01	189.01
- Tax on Dividend		17.03	25.25
- Transfer to General Reserve		16.00	550.00
BALANCE CARRIED TO BALANCE SHEET		<u>7102.28</u>	<u>6810.30</u>
Earning Per Share (Refer Note (B) 11 of Schedule "M")			
- Basic & Diluted		4.10	14.43
Face Value of Equity Shares (In ₹)		10.00	10.00
Significant Accounting Policies and Notes to the Accounts	"M"		

Schedules "A" To "M" form part of the Accounts.

As per our attached report of even date.

For Bansal, Bansal & Co.

Chartered Accountants

Firm Regn.No. 100986W

Anand Drolia

Partner

Membership No. 036718

Mumbai: 13th August, 2011

Priyanka Jain

Company Secretary

For and on behalf of the Board**N.K.Choudhary**

Director

R.K.Choudhary

Director

Mumbai: 13th August, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED - 31ST MARCH 2011

(₹ in Lacs)

	2010-11	2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extra Ordinary Items	633.41	1906.33
Adjustment for -		
- Deferred Revenue Expenditure	3.56	0.95
- Depreciation	48.35	282.65
- Loss on sale of Fixed assets	-	0.04
- Dividend on Long Term Investment	(43.63)	(55.29)
- Interest Paid (Net)	737.12	846.73
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1378.81	2981.41
Adjustment for -		
- Debtors, Loans & Advances	4242.58	(8,836.03)
- Inventories	1836.08	(545.88)
- Current Liabilities and Provisions	(645.86)	2312.55
Cash generated from operations	6811.61	(4,087.95)
Decrease in Provision for Taxation	(203.99)	(373.73)
CASH FLOW FROM OPERATING ACTIVITIES	6607.62	(4,461.68)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8.16)	(421.38)
Sale of Fixed Assets	-	0.20
Investment in Shares	(128.05)	(607.00)
Dividend on Long Term Investment	43.63	55.29
NET CASH USED IN INVESTING ACTIVITIES	(92.58)	(972.89)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Total Proceeds from Borrowings (Net of Repayments)	(5,569.71)	6897.50
Interest Paid (Net)	(737.12)	(846.73)
Miscellaneous Expenditure	(7.00)	-
Dividend Paid	(189.01)	(189.01)
Dividend Tax Paid	(25.25)	(23.09)
NET CASH FROM FINANCING ACTIVITIES	(6,528.09)	5,838.67
Net Increase / (Decrease) in Cash and Cash Equivalents	(13.05)	404.10
Cash and Cash Equivalent at beginning of the year	1092.45	688.35
Adjustment For:		
CASH AND CASH EQUIVALENT TRANSFER TO BIL ENERGY SYSTEMS LTD. PURSUANT TO SCHEME OF ARRANGEMENT	(2.85)	-
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	1076.55	1092.45

- NOTES :**
1. All figures in brackets are outflow.
 2. Previous year's figures have been regrouped wherever necessary.
 3. Cash and Cash Equivalent is Cash & Bank Balances as per Balance Sheet.

As per our attached report of even date.

For Bansal, Bansal & Co.

Chartered Accountants

Firm Regn.No. 100986W

Anand Drolia

Partner

Membership No. 036718

Mumbai: 13th August, 2011

Priyanka Jain

Company Secretary

For and on behalf of the Board**N.K.Choudhary**

Director

R.K.Choudhary

Director

Mumbai: 13th August, 2011



SCHEDULES FORMING PART OF BALANCE SHEET

(₹ in Lacs)

	2010-11	2009-10
SCHEDULE (A) - SHARE CAPITAL		
Authorised		
30000000 (20000000) Equity Shares of ₹ 10/- Each	<u>3000.00</u>	<u>2000.00</u>
Issued, Subscribed & Paid Up		
10500800 (10500800) Equity Shares of ₹ 10/- Each	<u>1050.08</u>	<u>1050.08</u>
	<u>1050.08</u>	<u>1050.08</u>
Note :- Out of 10500800 Equity Shares, 15 Lakh Equity Shares have been Allotted to Erstwhile Shareholders of Sun Transtamp Private Limited in Consideration of Amalgamation of that Company with Bilpower Limited.		
SCHEDULE (B) - RESERVES & SURPLUS		
Securities Premium Account	3480.00	3480.00
Capital Reserves (Amount Forfeited on Warrants Not Exercised)	700.00	700.00
Reserve (Arising Out of Amalgamation)	356.58	356.58
General Reserves	1557.12	1541.12
	(A) <u>6093.70</u>	<u>6077.70</u>
Profit & Loss Account	7102.28	6810.30
Less: Reserve Transfer to Bil Energy Systems Ltd.	5415.69	-
Pursuant to Scheme of Arrangement (Refer Note (B) 4 of Schedule "M")	(B) <u>1686.59</u>	<u>6810.30</u>
	(A+B) <u>7780.29</u>	<u>12888.00</u>
SCHEDULE (C) - LOANS FUNDS		
Secured Loans		
Bank Loan (Working Capital Facility)	9080.99	18396.27
	<u>9080.99</u>	<u>18396.27</u>
Unsecured Loans		
Advances From Bank	3.07	3.07
Short Term Loans	881.20	-
	<u>884.27</u>	<u>3.07</u>

Note - Working Capital Facility is Secured by Hypothecation of Stock, Book Debts, All Other Current Assets And Plant & Machinery. The Facilities Are Further Collaterally Secured by way of Emt of office Premises And Furniture Therein, Factory Building At Baroda, Land & Building at Roorkee, 1600000 Equity Shares Each of Bilpower Ltd And Bil Energy Systems Ltd. of Promoters And 9300 Shares of Tarapur Transformers Limited. These Facilities Are Personally Guaranteed By Mr.Naresh Kumar Choudhary & Mr.Rajendra Kumar Choudhary, The Directors of The Company.

SCHEDULE - "D"- FIXED ASSETS

(₹ in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1.4.2010	Additions During the Period	Deductions During the Period (See Note)	As on 31.03.2011	Upto 1.4.2010	Deductions (See Note)	For the Period	Upto 31.03.2011	As on 1.4.2010	As on 31.03.2011
1) Land	263.67	-	215.71	47.96	-	-	-	-	263.67	47.96
2) Lease Hold Land	24.54	6.41	-	30.95	1.50	-	0.26	1.76	23.04	29.19
3) Building & Premises	1703.71	-	1413.39	290.32	117.64	63.44	8.34	62.54	1586.07	227.78
4) Plant & Machinery	4597.20	-	4397.40	199.80	381.42	329.07	9.08	61.43	4215.78	138.37
5) Vehicle	204.01	-	7.90	196.11	79.94	3.36	20.86	97.44	124.07	98.67
6) Furniture & Fixture	64.48	-	13.37	51.11	23.13	2.62	3.21	23.72	41.35	27.39
7) Jewellery & Ornament	11.40	-	-	11.40	-	-	-	-	11.40	11.40
8) Office Equipment	70.70	1.75	9.40	63.05	35.78	1.52	6.60	40.86	34.92	22.19
Grand Total	6939.71	8.16	6057.17	890.70	639.41	400.01	48.35	287.75	6300.30	602.95
Capital Work In Progress	115.36	-	112.61	2.75	-	-	-	-	115.36	2.75
	7055.07	8.16	6169.78	893.45	639.41	400.01	48.35	287.75	6415.66	605.70

Note: Deduction from Gross Block and from accumulated depreciation includes deductions of amount of Assets transferred on account of scheme of Arrangement (Ref. Note B(4)of schedule "M")

SCHEDULES FORMING PART OF BALANCE SHEET

				(₹ in Lacs)	
				2010-11	2009-10
SCHEDULE (E) - INVESTMENTS					
		Qty.			
I. Equity Shares, Quoted, Valued at Cost		2010-11	2009-10		
In Associates					
Bil Energy System Ltd.	(F.V. ₹ 10/-)	361041	70000	79.00	7.00
Tarapur Transformer Ltd.	(F.V. ₹ 10/-)	8264323	8085595	1583.15	1540.94
In Others					
Marsons Limited	(F.V. ₹ 10/-)	5500	-	0.83	-
II. Equity Shares, Unquoted, Valued at Cost					
In Associates					
Choudhary Global Ltd	(F.V. ₹ 10/-)	1750000	1750000	350.00	350.00
Nik San Eng. Co. Pvt. Ltd.	(F.V. ₹ 10/-)	400000	400000	120.00	120.00
In Others					
The GBCB Ltd.	(F.V. ₹ 10/-)	4000	4000	1.00	1.00
HMTD Engineering Pvt.Ltd.	(F.V. ₹ 100/-)	1000	-	13.01	-
				<u>2146.99</u>	<u>2018.94</u>
Market Value of Quoted Shares				<u>1990.71</u>	<u>-</u>
SCHEDULE (F) - CURRENT ASSETS, LOANS & ADVANCES					
I Inventories					
(As Taken, Valued & Certified by the Management)					
Raw Material				126.74	1391.41
Work-In-Progress				1427.14	3330.10
Finished Goods				2786.95	3155.94
				<u>4340.83</u>	<u>7877.45</u>
II Sundry Debtors					
(Unsecured, Considered Good by the Management)					
Outstanding for Periods Exceeding Six Months				4169.03	6370.63
Other Debts				9920.44	15235.62
				<u>14089.47</u>	<u>21606.25</u>
III Cash & Bank Balances					
A. Balance With Scheduled Banks					
In Current Accounts				53.18	65.13
In Deposit Accounts				997.16	1007.02
In Margin Money Accounts				3.90	7.91
				<u>1054.24</u>	<u>1080.06</u>
B. Cash In Hand					
				<u>22.31</u>	<u>12.39</u>
				<u>1076.55</u>	<u>1092.45</u>
IV Loans & Advances					
(Unsecured, Considered Good by the Management)					
Income Tax & TDS (Net of Provision)				120.29	103.41
Prepaid Expenses				45.43	77.44
Advances Recoverable In Cash or Kind or for Value to be Received				4550.18	3142.05
Deposits				7.11	65.53
				<u>4723.01</u>	<u>3388.43</u>



SCHEDULES FORMING PART OF BALANCE SHEET

	(₹ in Lacs)	
	2010-11	2009-10
SCHEDULE (G) - CURRENT LIABILITIES & PROVISIONS		
I Current Liabilities		
Sundry Creditors	7838.63	9125.47
Trade Advances	58.77	69.97
Unclaimed Dividend	5.74	5.75
Other Current Liabilities	81.61	144.73
	<u>7984.75</u>	<u>9345.92</u>
II Provisions		
Proposed Dividend	105.01	189.01
Provision For Tax On Dividend	17.03	25.25
Provision For Gratuity	16.37	14.82
	<u>138.41</u>	<u>229.08</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	(₹ in Lacs)	
	2010-11	2009-10
SCHEDULE (H) - OTHER INCOME		
Dividend Income	43.63	55.29
Miscellaneous Income	23.36	1.43
Duty Drawback	-	7.57
Labour Charges	1.28	12.42
	<u>68.27</u>	<u>76.71</u>
SCHEDULE (I) - COST OF SALES		
Opening Stock as on 01.04.2010	7877.45	7331.57
Less Stock Transfer to Bil Energy Systems Ltd	1700.54	-
As Per Scheme of Arrangements (Refer Note (B) 4 of Schedule "M")	6176.91	7331.57
Purchases	35969.46	41963.20
Custom Duty & License	119.99	376.36
Clearing & Forwarding Charges	47.97	101.59
Excise Duty on Closing Stock of Finished Goods	(2.21)	1.63
Stores & Spares Consumed	0.83	14.75
Transportation Charges	21.07	86.84
Insurance Charges on Imports	0.29	0.63
Repair & Maintenance (Plant & Machinery)	2.10	8.48
Wages	11.44	34.81
Power & Fuel	6.46	44.67
Other Direct Expenses	2.03	79.42
	<u>42356.34</u>	<u>50043.95</u>
Less - Closing Stock	4340.83	7877.45
	<u>38015.51</u>	<u>42166.50</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	2010-11	2009-10
SCHEDULE (J) - OFFICE & ADMINISTRATIVE EXPENSES		
Payment to & Provisions for Employees		
Salaries, House Rent Allowance and Bonus	143.96	237.43
Contribution / Provision to and for -		
Provident and other Funds	9.38	17.76
Staff Welfare	2.62	7.60
Travelling & Conveyance	23.98	48.23
Postage, Telegram & Telephone	7.31	11.07
Entertainment Expenses	0.56	0.66
Electricity Charges	4.85	5.75
Legal & Professional Charges	26.97	25.12
Insurance Charges on Assets	0.15	1.40
General Expenses	4.88	12.65
Stamp & Stamp Paper Charges	10.55	14.03
Rent, Rates & Taxes	5.02	21.63
Printing & Stationery	5.76	6.09
Loss on Sales of Assets	-	0.04
Foreign Exchange Fluctuation	2.58	(147.45)
Repairs & Maintenance (Others)	0.36	1.32
	248.93	263.33
SCHEDULE (K) - SELLING & DISTRIBUTION EXPENSES		
Advertisement Expenses	3.34	3.49
Freight Outward & Material Landing	28.38	63.09
Packing Expenses	5.53	18.71
Bad Debts Written off	-	6.53
Brokerage & Commission on Sales	-	0.38
Business Promotion	2.14	15.69
	39.39	107.89
SCHEDULE (L) - FINANCIAL EXPENSES		
Interest on Fixed Loans	372.06	240.00
Other Interest	365.06	606.73
Bank And Other Financial Charges	211.90	143.65
	949.02	990.38

SCHEDULE (M) - SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES -

1. Basis of Preparation of Financial Statements

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the applicable accounting standards issued by the ICAI.

2. Use of Estimates

The preparation of financial statements requires use of estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liability on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognised in the period in which the same are identified materialized.

3. Fixed Assets

- (a) Fixed Assets including Leasehold Land are recorded at cost. The Company capitalises all costs relating to Fixed Assets acquisition, installation and other financing cost till commencement of commercial production. The Company has stated its fixed assets net of CENVAT / Value Added Tax.
- (b) Capital Work in Progress is stated at the amount expended upto the date of Balance Sheet including pre operative expenditures, which is subsequently allocated to the relevant fixed assets on a pro-rata basis depending on the prime cost of the assets for new units.



4. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets till the asset is ready for its intended use. All other borrowing costs are charged to Revenue.

5. Depreciation / Amortisation

- (a) Depreciation on additions to Assets is calculated Pro-rata from the date of such additions and similarly on deletion from assets is calculated pro rata up to the date of deletion. Depreciation in the case of uninstalled Fixed Assets is not provided.
- (b) Cost of Leasehold Land is amortized over the periods of Lease.
- (c) Depreciation on Fixed Assets except to the extent stated in (a) and (b) above, is provided on Straight Line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.
- (d) Depreciation on assets, whose actual cost does not exceed Rupees Five Thousand each, is provided @ 100% p.a.

6. Inventories

- (a) Inventories are valued at lower of cost or net realizable value.
- (b) Excise duty is added in closing inventory of finished goods.
- (c) Cost includes the Purchase Cost, Customs Duty, Transportation and Clearing, Forwarding Charges and Exchange Rate Fluctuation arising on account of imports, if any and in case of Work in Progress and Finished Goods, includes labour and other factory overheads absorbed at normal capacity level.
- (d) Waste & Scrap is valued at Net Realizable Value.
- (e) Packing materials and Stores & Spares purchased are written off as expense in the year of purchase.
- (f) NRV is the estimated selling price in the ordinary course of business.

7. Foreign Exchange Transactions

- (a) Foreign Currency Transactions are expressed in Indian Currency at the rates prevailing on the date of transaction. All the Foreign Currency Liabilities / Assets as at the Balance Sheet date are restated at the applicable exchange rates prevailing at that date. However, in the cases where the Company had used foreign currency forward contract to hedge the risk associated with foreign currency fluctuations, the liabilities / assets as at the Balance Sheet are reinstated at the applicable forward contract rates.
- (b) Exchange differences arising on repayment of liabilities incurred for the purpose of acquiring fixed assets are adjusted with the carrying amount of the respective fixed assets.

8. Employee Retirement Benefits

- (a) Provident Fund is a defined contribution scheme and the Company's contribution is charged to Profit & Loss account for the year to which the same relates.
- (b) Retirement benefits in the form of Gratuity and Leave encashment which are defined benefit plans are determined and accrued on the basis of an independent actuarial valuation and are recognized in Profit and Loss account of the year.
- (c) Short Term Employee Benefits are recognized as an expense in the Profit and Loss account of the year in which the related service is rendered.

9. Taxation

- (a) Tax expenses for an year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI.
- (b) Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date the Company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

10. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. The recoverable amount is greater of the asset's net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuous use of the asset to their present value. An impaired loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired.

11. Accounting of Cenvat Transactions

CENVAT benefit is accounted for on accrual basis on purchase of material and assets and incurring of expenses and appropriated against payment of Excise Duty on Clearance of Finished Goods.

12. Deferred Revenue Expenses

Deferred Revenue Expenses include expenses for Share Issue and increase in Authorized share capital. These expenses are being written off over a period of 5 Years.

13. Earnings Per Share

The earning considered in ascertaining the Company's EPS comprises the net profit after tax and includes the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is weighted average number of shares outstanding during the year. The number of shares used in computing diluted EPS comprises of weighted average shares considered for deriving basic EPS and also the weighted average number of Equity shares which could have been issued on the conversion of all dilutive potential equity shares.

14. Recognition of Income and Expenditure

- (a) Incomes & Expenditures are generally accounted on Accrual as they are earned or incurred except Interest on taxes and duties which are accounted on payment basis or at the time of assessment, whichever is earlier.
- (b) Sales are recognized when significant risks and rewards of ownership of the goods have passed to buyer which generally coincides with delivery. Export sales are accounted for on the basis of date of Bill of Lading. Sales are net of sales return, discount, rebates etc.
- (c) Export benefits (by way of entitlements for concessional custom duty) are accounted while availing the same.
- (d) Imports are recognised on presentation of Bill of Entry at the Customs or on retiring the Import Documents whichever is earlier.
- (e) Dividend income is recognized when the right to receive the dividend is unconditional.

15. Investments

Investments intended to be held for more than a year from the date of acquisition are classified as long term and are stated at cost of acquisition. No provision is made for diminution in value, if the decline is only temporary. Investments as on 31st March 2011 include Trade Investments, investment in Associates.

16. Tax on Dividend

Tax on distributable Profits by way of Interim and Final Dividend is accounted for in the year to which the declared dividends relate.

17. Contingent Liabilities

Contingent Liabilities as defined in AS-29 “Provisions, Contingent Liabilities” are disclosed by way of notes to the accounts. Disclosure is not made if possibility of outflow of resources embodying economic benefit is remote.

B. NOTES FORMING PART OF THE ACCOUNTS -

1. Contingent Liabilities

(₹ in Lacs)

Sr. No.	Particular	As at 31st March 2011	As at 31st March 2010
(a)	Income Tax demands including interest which is under dispute and pending in appeals.	38.75	434.35
(b)	Claims not acknowledged as debts	0.72	0.44
(c)	Guarantee given to custom department (margin of ₹ 3.28 Lacs is available).	2.16	2.16
(d)	Guarantees Outstanding given on behalf of associate Company	6.98	6.98
(e)	Guarantees outstanding	68.00	205.00
(f)	Custom duty on pending export obligation against import of machinery	795.69	706.15
(g)	Sales tax liability against non collection of various sales tax forms under relevant sales tax laws, not provided due to uncertainty in ascertainment of amount of liability, if any.	N.A.	N.A.
(h)	Custom Duty (Pending in appeal)	18.38	18.38

Apart from the above there exists contingent liability in case of LCs issued and LC discounted.

- 2. The Company is under receipt of a show cause notices from the Excise department asking why an aggregate amount of ₹ 23.58 crore should not be demanded from the Company along with appropriate interest and penalty. Since the same does not constitute a demand under the relevant laws and since the Company is submitting proper reply to the same, the same is not disclosed under contingent liability above. An amount of ₹ 32.00 Lacs has been paid and ₹ 30.90 Lacs debited in R.G. II against the above and is shown under Loans & advances.
- 3. Pursuant to a scheme of arrangement under sections 391 to 394 of The Companies Act, 1956 (the scheme), manufacturing unit at Wada belonging to The Company, was Demerged into Bil Energy Systems Limited (BESL) with effect from 1st April, 2010 on a going concern basis. The Scheme has been approved inter alia by the Shareholders of the Company on 18th May, 2010 and Hon'ble High Court of Bombay on 24th September, 2010 and the order has been filed with ROC on 14th October, 2010 and became effective.
- 4. Pursuant to the scheme, assets amounting in aggregate to ₹ 9412.77 Lacs and liabilities amounting to ₹ 3578.12 Lacs (both pertaining to the Wada Unit) have been transferred to Bil Energy Systems Limited. In turn, the shareholders of Bilpower Limited have received one equity share of BESL, of the face value of ₹ 10/- each, credited as fully paid up for every one equity share of ₹ 10/- each held by them on 5th November, 2010 the record date fixed for the purpose.

Consequently, an amount of ₹ 5415.69 Lacs (Net of ₹ 418.96 Lacs deferred tax liability transferred to Bil Energy Systems Limited) has been reduced from the Reserves & Surplus of Bilpower Limited.

Current period figures are not strictly comparable with the audited figures for year ended 31st March, 2010 as current period figures are exclusive of wada unit operations.

5. C.I.F. Value of Imports, Expenditures and Earnings in Foreign Currency (₹ in Lacs)

Particular	2010-2011 Amount	2009-2010 Amount
(a) C.I.F. Value of Imports		
Raw Material	1427.85	4055.78
Capital Goods	Nil	248.55
(b) Expenditure in Foreign Currency		
Traveling Expenses	Nil	1.65
Berlin Fair Expenses	Nil	7.72
Bank Charges	16.99	135.00
FCNR Loan Interest	85.53	158.12
(c) Earnings in Foreign Currency	Nil	Nil

6. Segment Reporting

The Company primarily deals in the business of Electrical Steel Products and Other Steel Products related to Transformer Industry and hence there is no Primary reportable segment in the context of Accounting Standard 17 issued by The Institute of Chartered Accountants of India.

7. Related Party Disclosures

(a) The Company had transactions with the following related parties

Sr.No	Name of the Related Party	Relationship
1)	Tarapur Transformers Limited	Associate
2)	Bil Energy Systems Limited.	Associate
3)	Niksan Engineering Co. Pvt. Limited	Associate
4)	Choudhary Global Limited	Associate
5)	Suresh Kumar Choudhary	Key Management Personnel
6)	Rajendra Kumar Choudhary	Key Management Personnel
7)	Naresh Kumar Choudhary	Key Management Personnel
8)	Ashok Bansal	Key Management Personnel (upto Dec 10)
9)	TRC Power	Proprietary concern of Relative of KMP
10)	Choudhary Stamping	Proprietary concern of Relative of KMP

(b) Related party transactions (₹ in Lacs)

Sr. No.	Nature of Transactions	Nature of Relationship				Total of Transaction
		Subsidiaries	Associates	Key Management Personnel (KMP)	Relatives of KMP & their Proprietary Concern	
1	Purchases of Goods/ Fixed Assets	-	-	-	-	-
		-	(17.33)	-	-	(17.33)
2	Sale of Goods	-	2163.37	-	82.41	2245.78
		(503.43)	(1074.64)	-	(165.28)	(1743.35)
3	Interest Income	-	345.45	-	12.18	357.63
		-	(7.63)	-	-	(7.63)
4	Receiving of Services Payment of Remuneration	-	-	71.75	-	71.75
		-	-	(96.00)	-	(96.00)
5	Finance (Including Loans and Equity Contributions on Cash or Kind)					
	A) Loans & Advances Received	-	345.74	-	-	345.74
		(321.21)	-	-	-	(321.21)
	B) Loans & Advances Given	-	5722.71	-	4.12	5726.83
		(759.99)	-	-	-	(759.99)
6	Investment (Subscription of Equity Shares)	-	2132.15	-	-	2132.15
		(607.00)	-	-	-	(607.00)
7	Dividend Received	-	43.43	-	-	43.43
		(53.14)	(2.00)	-	-	(55.14)
8	Outstanding Payable	-	-	-	-	-
		(5.10)	-	-	-	(5.10)
	Receivable	-	328.75	10.25	-	339.00
		(1174.23)	(328.51)	-	(137.60)	(1640.34)

Note : Figures in Brackets Relate to Previous Year.

8. Deferred Tax Liability Statement

(₹ in Lacs)

Particulars	Deferred tax liability/asset as at 01.04.2010 Amount	Transfer to Bil Energy Systems Ltd. Amount	Current year changes Amount	Deferred tax liability/asset as at 31.03.2011 Amount
Deferred Tax Liabilities				
Difference between book and tax Depreciation	489.62	418.96	0.01	70.67
(A)	489.62	418.96	0.01	70.67
Deferred Tax Assets				
Disallowance u/s. 43 B	-	-	0.60	0.60
(B)	-	-	0.60	0.60
Deferred Tax Liability (Net)	(A)-(B)	418.96	(0.59)	70.07

9. Turnover Details

(₹ in Lacs)

Sr. No.	Class of Goods	Opening Stock		Production & Purchase Qty. (M.T.)	Turnover		Closing Stock	
		Qty.(M.T.)	Amt.		Qty.(M.T.)	Amt.	Qty. (M.T.)	Amt.
1	Lamination /Stampings/ Electrical Steel Sheet	3406.848 (2995.758)	3155.94 (3,443.88)	48659.427 (40251.864)	48594.862 (39840.774)	39584.69 (45107.84)	3471.413 (3406.848)	2786.95 (3155.94)
2	Others (In Nos.)	-	-	434711 (817127.00)	434711 (817127.00)	285.21 (533.48)	-	-

Note : Figures in Brackets relate to Previous year.

10. (A) Material Consumed / Used

(₹ in Lacs)

Particulars	2010-2011		2009-2010	
	Qty.(M.T.)	Amount	Qty.(M.T.)	Amount
CRGO/CRNGO /HRGO/ HRNGO /Electrical Steel Strips/ Coils / Sheets	48659.427	37900.22	40251.864	41655.40

(B) Imported And Indigenous Consumption

(₹ in Lacs)

Particulars	2010-2011		2009-2010	
	Amount	%	Amount	%
Imported	2523.61	6.66	3893.54	9.35
Indigenous*	35376.61	93.34	37761.86	90.65
Total	37900.22	100.00	41655.40	100.00

* Indigenous consumption includes imported material purchased locally.

11. Earnings Per Share (EPS)

Particular	2010-2011	2009-2010
Profit After Tax - (₹ in Lacs)	430.02	1515.78
Weighted average number of Equity Shares - Basic and Diluted	10500800	10500800
Earning Per Share (in ₹) - Basic and Diluted	4.10	14.43

12. Payment to Auditors Included in Legal & Professional Fees Represents

(₹ in Lacs)

Particular	2010-2011	2009-2010
As Auditors	9.07	8.61
Tax Audit Fees	-	1.40
Company Matters	2.30	0.97
Certification & Other jobs	-	-
Service Tax	2.17	0.99
Total	13.54	11.97



13. During the year the Company has remitted dividend to Non resident shareholders in Indian Rupees ₹ Nil (Previous Year ₹ 0.31 lacs)

14. **Managerial Remuneration**

A) Paid to Executive Directors & CEO.

(₹ in Lacs)

Particular	2010-2011	2009-2010
Salaries & Perquisites	71.75	119.33
Contribution to Provident Fund	2.95	6.70
Total	74.70	126.03

B) The computation of net profit in accordance with section 349 of the Companies Act, 1956 and remuneration payable to Directors and Managers u/s 198

(₹ in Lacs)

Particular	2010-2011	2009-2010
Profit Before tax as per Profit and Loss account	633.41	1906.33
Add : Managerial Remuneration	71.75	126.03
Depreciation as per P&L	48.35	282.65
Loss on sale of Fixed Asset	-	0.04
Total	753.51	2315.05
Less : Profit on sale of Fixed Assets	-	-
Depreciation u/s 350	48.35	282.65
Net Profit for Section 198	705.16	2032.40
Maximum permissible managerial remuneration as per section 198 of the Companies Act, 1956 @ 11% computed above	77.57	223.56
Restricted as per service Agreement	71.75	126.03

15. Disclosure Pursuant to Adoption of Accounting Standard 15

Gratuity liability for the year is determined on actuarial valuation by The Life insurance Company of India with whom the Company has taken a policy for settlement of future gratuity liability.

16. Term Deposit Receipts, wherever obtained, are endorsed in favour of Banks and Government Departments against Margin for Bank Guarantee, L/C Facilities etc.

17. Sundry Debtors include ₹ Nil being the amount due from a Company, in which some of the directors are interested as directors. (Previous Year ₹ 329.88 Lacs), and ₹ 129.23 Lacs due from Associate. (Previous Year ₹ 423.88 Lacs due from Subsidiary Company)

18. Loans & Advance include ₹ 199.52 Lacs due from Associate Company (Previous Year ₹ 750.35 Lacs due from Subsidiary Company). The maximum amount involved during the year ₹ 4730.88 Lacs. (Previous Year ₹ 750.35 Lacs)

19. Some of the Creditors / Debtors / Loans / Advances are subject to Confirmations and resultant reconciliation, if any.

20. Other Interest is net of interest income of ₹ 954.28 Lacs (TDS ₹ 94.25 Lacs) [(Previous year ₹ 434.08 Lacs (TDS ₹ 79.27 Lacs)].

21. Bills Payable represents Bills of Exchange drawn by suppliers in favour of Bank.

22. Sundry Debtors as on the date of Balance sheet are Net of amounts received after discounting of Letter of Credits.

23. Previous Year Figures have been regrouped / Re cast / rearranged wherever necessary.

24. Information required in terms of Part IV to Schedule VI of the Companies Act, 1956 is attached

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(₹ in Lacs)

I REGISTRATION DETAILS

Registration Number (CIN No.)	L51420MH1989PLC053772
State Code	11
Balance Sheet Date	March 31, 2011

II CAPITAL RAISED DURING THE YEAR

Public Issue	-
Rights Issue	-
Bonus Issue	-
Private Placement	-

III POSITION OF MOBILIZATION AND DEPLOYMENT OF FUND

Total Liabilities	18865.69
Total Assets	18865.69

Sources of Funds

Paid up capital	1050.08
Reserves & Surplus	7780.29
Secured Loans	9080.99
Unsecured Loans	884.27
Deferred Tax Liability	70.06

Application of Funds

Net Fixed Assets	605.70
Investment	2146.99
Net Current Assets	16106.70
Miscellaneous Expenditure	6.30
Accumulated Losses	-

IV PERFORMANCE OF THE COMPANY

Turnover	39938.17
Total Expenditure	39304.76
Profit Before Tax	633.41
Profit After Tax	430.02
Earning Per Share in ₹ (Basic & Diluted)	4.10
Dividend Rate %	10

V GENERIC NAMES OF THREE PRINCIPAL / SERVICES OF THE COMPANY (As Per Monetary Terms)

Item Code No. (ITC Code)	805049000
	48109900
Product Description	Electrical Lamination Stamping (Stator & Motor)

As per our attached report of even date.

For Bansal, Bansal & Co.

Chartered Accountants
Firm Regn.No. 100986W

Anand Drolia

Partner
Membership No. 036718
Mumbai: 13th August, 2011

Priyanka Jain

Company Secretary

For and on behalf of the Board

N.K.Choudhary
Director

R.K.Choudhary
Director

Mumbai: 13th August, 2011

BOOK-POST

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