



POWER BEHIND POWER

## **BIL ENERGY SYSTEMS LIMITED**

**Annual Report 2011 - 2012**

**Board of Directors**

Mr. Suresh Kumar Choudhary  
Mr. Naresh Kumar Choudhary  
Mr. Rajendra Kumar Choudhary  
Mr. Mrugen Shah  
Mr. Sugathan Mudakarapillil Kesavan

**Registered Office**

2nd Floor, Vikas Chambers,  
Link & Marve Road,  
Malad (West), Mumbai - 400 064  
Tel – (91 22) 40897777  
Fax - (91 22) 2881 1225  
Email – info@bilenergy.com

**Manufacturing Unit**

Village – Kanchad,  
Taluka – Wada, Dist – Thane  
Phone – (02526) 645947  
Fax - (02526) 235622

**Statutory Auditors**

M/s Bansal, Bansal & Co.,  
Chartered Accountants  
6 / 120, 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

**Bankers****State Bank of India**

Industrial Finance Branch  
Natraj Building, 201, 1st Floor, 194,  
Sir M.V. Road, W. Exp. Highway,  
Andheri (East), Mumbai - 400 069.

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**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to update their email address with the Company or M/s. System Support Services (RTA), to enable us to send all the documents through electronic mode in future.

# BIL ENERGY SYSTEMS LIMITED



## NOTICE

NOTICE is hereby given that the 3rd Annual General Meeting of the Members of BIL ENERGY SYSTEMS LIMITED will be held at 1st Floor, Landmark Building, Mith Chowky, Link Road, Malad (West), Mumbai – 400 064 on Monday, 24th September, 2012 at 05.30 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 2012, Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Kumar Choudhary, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Naresh Kumar Choudhary, who retires by rotation and being eligible offers himself for re-appointment.
4. 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, having firm registration number 100986W issued by the Institute of Chartered Accountants of India (ICAI), 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”.

By Order of the Board of Directors,  
**For Bil Energy Systems Limited**  
**Astha Rathi**  
Company Secretary

Mumbai, 14th August, 2012

### Registered Office:-

2nd Floor, Vikas Chambers, Jn. of Link & Marve Road,  
Malad (West), Mumbai – 400 064.

### NOTES:-

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY/PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b. 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.
- c. The Company has notified closure of register of members and transfer books from 21st September, 2012 to 24th September, 2012 (both days inclusive).
- d. Members holding shares in Physical form are requested to notify change of address, if any, to Registrar and Share Transfer Agents and those who hold shares in dematerialized form are requested to notify to their Depository participants their change in address.
- e. 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.
- f. 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.
- g. 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.
- h. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the 3rd Annual General Meeting.

By Order of the Board of Directors,  
**For Bil Energy Systems Limited**  
**Astha Rathi**  
Company Secretary

Mumbai, 14th August, 2012

### Registered Office:-

2nd Floor, Vikas Chambers, Jn. of Link & Marve Road,  
Malad (West), Mumbai – 400 064.

**DIRECTORS' REPORT**

Dear Members,

The Directors of your Company have pleasure in presenting third Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2012.

**1. Financial Performance:-**

The financial performance of the Company for the Year ended 31st March, 2012 is as summarized below:-

(₹. In Lacs)

Particulars	2011-12	2010-2011
<b>Gross Turnover &amp; Other Income</b>	<b>10177.02</b>	7025.70
<b>Profit before Interest, Depreciation &amp; Taxation</b>	<b>346.50</b>	845.85
Less – Interest	<b>798.33</b>	430.30
Profit / (Loss) before Depreciation & Taxation	<b>(451.83)</b>	415.55
Less – Depreciation	<b>297.63</b>	280.79
Profit / (Loss) before tax	<b>(749.46)</b>	134.76
Less– Provision for Taxation (Incl. Deferred Tax)	-	44.76
Net Profit / (Loss) for the year	<b>(749.46)</b>	90.00
Add/ (less) – Balance brought forward from previous Year	<b>87.93</b>	(2.07)
Balance Carried to Balance Sheet	<b>(661.53)</b>	87.93

**2. Performance Review:-**

For the year 2011-12, the Turnover of the Company increased and stood at ₹. 10136.64 Lakhs and Loss incurred was ₹. 749.46 Lakhs, which is mainly due to lower capacity utilization, falling margins and higher interest rates.

**3. Directors:-**

Mr. Suresh Kumar Choudhary and Mr. Naresh 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 proposal for re-appointment of Directors. The Company has received notices in writing from members proposing the candidature of above directors.

Brief resumes of the above Directors, nature of their expertise in specific functional areas and names of the Public Limited companies in which they hold directorships and memberships / chairmanships of Committees of the Board 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.

**4. 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, 2012 and of the Profit / loss of the Company for the accounting year ended on that date;
- Proper & sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing & detecting fraud and other irregularities; and
- The annual accounts of the Company have been prepared on a going concern basis.

**5. 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 reappointment is recommended by the board.

**6. Auditors' Report:-**

As regards Auditors remarks in the Audit report, comments of the Board of Directors are as under:

- a. As regards Auditors' remarks in Annexure to their report under Item No. 1 (b) & 2 (a), with regard to physical verification report of fixed assets and inventories, the same are self explanatory;
- b. As regards Auditors' remarks in Annexure to their report under Item No. 7, with regard to report of internal audit, Internal Audit is sort of concurrent Internal Audit wherein Internal Auditor does not submit formal report.

**7. Cost Auditors:**

The Ministry of Corporate Affairs (MCA) has introduced The Companies (Cost Accounting Records) Rules, 2011 published vide GSR 430(E) dated 03rd June, 2011 which have become applicable to the Company with effect from the financial year 2011-12. Henceforth, the Company is required to maintain and keep cost records of all its units and branches. Further the Company to which these rules apply is required to submit a Compliance Report duly certified by a Cost Accountant, along with the Annexure to the Central Government in prescribed Form. In view of the above, based on the recommendations of Audit Committee, the Board of Directors at its meeting held on 13th February, 2012, has appointed Mr. Jayant J. Paleja, a Practicing Cost Accountant, as the Cost Auditor to issue Compliance Certificate for the financial year 2011-2012.

Further, in compliance with the Industry wise specific Cost Audit order no. 52/26/CAB-2010 dated 24th January, 2012, which became applicable to the products manufactured by the company, Mr. Jayant J Paleja has been appointed as the cost Auditor to conduct cost audit for the financial year 2012-13 at Board meeting of the company held on 15th May, 2012.

**8. 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.

**9. Fixed Deposits:-**

During the year ended on 31st March 2012, the Company has not accepted any Fixed Deposit from public under Section 58A & 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

**10. Corporate Governance:-**

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

**11. Management's Discussion and Analysis Report:-**

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

**12. Energy Conservation and Technology Absorption:-**

The nature of business of the Company is such where electricity consumption comprises of internally DG set generated electricity as well as electricity made available by MSEDCL. Since it is not possible to bifurcate accurately between these two sources, 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.

**13. Foreign Exchange earnings and outgo:-**

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

Earnings	:	₹. Nil
Outgo	:	₹. 1162.31 Lacs

**14. Particulars of Employees:-**

There are no employees covered under Section 217(2A).



### 15. Acknowledgement:-

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

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

On behalf of the Board of Directors,  
**For Bil Energy Systems Limited**

**Rajendra Kumar Choudhary**  
Managing Director

Mumbai, 14th August, 2012

### Annexure I to the Directors' Report

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

### Background

Bil Energy Systems Limited manufactures Stamping Rotating Machines and Transformer core and Laminations. It is specialized in tailor-made circular stampings up to 1400 mm diameter and segmental stampings of width up to 1250 mm with focused end products for Alternators (Domestic / Industrial), Motors (Micro / HT / LT), Wind Mill Generators, Hydro Generators, Turbo Generators, Compressors for Air conditioners and Refrigerators, AC / DC Motors for Agriculture Pumps, Fans, Computer transformer and Ballasts. The Company also has a wide range of IEC frame tools to manufacture circular stampings. As regards Transformer Cores and Lamination, the Company manufactures the same in various shapes and sizes up to 1000 mm width and also rectangular shaped cores with or without holes. The facility is in place to meet customer specific requirements. Rotors are supplied either loose wire tied, welded or aluminum die-casted. Further, stampings made out of semi-processed steel is decarbed, annealed and blued at the Company's unit itself. The Company is fully equipped with Continuous burn-off, decarb annealing and blueing furnace.

### Industry Overview

In the last financial year, the Indian economy had witnessed slowdown due to global uncertainties, domestic challenges, low investment, delay in policy making, etc. This slowdown was seen in all major sectors of the economy which also include power sector. The Indian economy uses a variety of energy sources, both commercial and non-commercial. The non-commercial fuels are gradually getting replaced by the "commercial fuels" such as coal, lignite, petroleum products, natural gas and electricity.

As electricity is one of the most important inputs in the Industrial Sector, the development of a nation is generally compared by the per capita consumption of electricity. In developing countries, the indicator cannot be related directly with the average development of the nation. The use of Electricity is basically in Industrial sector, Commercial & Residential lighting and Agriculture and Irrigation. Your Company endeavors to utilize its full capacity so as to fulfill the increasing demands in the domestic market and earn profits in near future.

### 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 ₹. 10136.64 Lacs
- Net Loss of ₹. 749.46 Lacs

The Company has a net worth of about ₹. 4761.16 Lacs as on 31st March, 2012.

### Outlook for the Company

The Company's customers list, which includes well respected big companies and our product acceptability, give us hope to overcome the losses and post a decent top-line and bottom-line in the ensuing year.

**Internal Control and its adequacy**

The Internal audit was carried out by an independent firm of Chartered Accountants which conducts the audit on the basis of Annual Audit Plan. The process includes review and evaluation of effectiveness of the existing process, controls and compliance. It also ensures adherence to policies and systems, and mitigation of the operational risk perceived for each area under audit. Significant observations including recommendations for improvement of the business process were reviewed by the Management before reporting to the Audit Committee which reviewed the status of implementation of the agreed action plan.

**Human Resources**

Your Company strongly believes that employees are central to the Company's transformation agenda and that it is important to build capabilities of employees to handle both current and future needs. During the year, the Company worked extensively on identifying the needs of employees across all categories and level. The Company has built a young and vibrant 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 foreign suppliers for import of CRGO and CRNGO. Any delay in procurement of the same would impact the financials of the Company. However, the Company has tied up with major players and has developed a strong relationship with these suppliers. Further, increase in the prices of Electrical Steel would also have an impact on the bottom line of the company. However, it is an established pattern of the company that any escalation in the cost is passed on to the customers to ensure that margins are not affected. While this is the broad understanding with the customers, they may not absorb the increase in raw material cost to full extent at all times and it may not be with immediate effect in all situations.

**Cautionary Statement**

Statements in the Management's Discussion and Analysis, describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable securities 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 Bil Energy Systems Limited**

**Rajendra Kumar Choudhary**  
Managing Director

Mumbai, 14th August, 2012

**Annexure II to the Directors' Report****REPORT ON CORPORATE GOVERNANCE**

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

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the 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.

In addition to these, the Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreements, 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 an Independent Non-Executive Director in the month of May, 2012, the Company, in accordance with the provisions of Clause 49(l) (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 three Promoter Directors and Two Independent Directors. The Board Members possess the skills, expertise & experience necessary to guide the Company.

Name of Director	Category of Directorship	Designation
Mr. Rajendra Kumar Choudhary	Promoter – Executive	Managing Director
Mr. Suresh Kumar Choudhary	Promoter – Non-Executive	Director
Mr. Naresh Kumar Choudhary	Promoter – Non-Executive	Director
Mr. Mrugen Shah	Independent – Non Executive	Director
Mr. M.K. Sugathan	Independent – Non Executive	Director

**b) Board Meetings and attendance of Directors:-**

During the financial year ended on 31st March 2012, Four (4) Board Meetings were held on the following dates:-

14th May, 2011, 16th July, 2011, 14th November, 2011 and 13th February, 2012.

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

The information as specified in Annexure IA 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 August, 2011	# Directorship held in other Companies	Committee Memberships / Chairmanships	
				Membership	Chairmanship
Mr. Suresh Kumar Choudhary	--	No	- Bilpower Ltd. - Nik-san Engineering Company Ltd. - Choudhary Global Ltd.	--	--
Mr. Naresh Kumar Choudhary	04	No	- Bilpower Ltd. - Tarapur Transformers Ltd. - Nik-san Engineering Company Ltd.	--	--
Mr. Rajendra Kumar Choudhary	04	Yes	- Bilpower Ltd. - Tarapur Transformers Ltd. - Choudhary Global Ltd.	06	01
Mr. Mrugen Shah	04	Yes	- Bilpower Ltd. - Tarapur Transformers Ltd. - Unibios Laboratories Ltd.	07	05
*Mr. Harish Mehta	03	No	Nil	--	--
Mr. M.K. Sugathan	02	Yes	Nil	02	--

\* Resigned as Director during the year.

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

The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all companies in which they are Director. As per Clause 49 of the Listing agreement, for the purpose of reckoning the said limit, Chairmanship/ membership of the Audit Committee and the Shareholders' Grievance Committee alone shall be considered.



**c) Information of Directors' Appointment / Re-appointment:-**

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

Mr. Suresh Kumar Choudhary aged 54 years, designated as "Promoter Director" has more than 29 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 as on 31st March, 2012.

Mr. Naresh Kumar Choudhary aged 53 years, designated as "Promoter Director" is having to his credit, an experience of more than 28 years in the field of manufacturing of electrical lamination, distribution and power transformers, CT/PT Metering Sets. He is holding 1,25,000 equity shares of the company as on 31st March, 2012.

**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. Mrugan Shah	Chairman	Independent & Non Executive Director	04
Mr. Rajendra Kumar Choudhary	Member	Promoter & Managing Director	04
Mr. M.K. Sugathan	Member	Independent & Non Executive Director	01

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 year 2011-12, Audit Committee meetings were held on 13th May 2011, 15th July, 2011, 14th November, 2011 and 13th February, 2012.

**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 includes 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 Statutory Auditors are invited to the meeting.

**4. Remuneration Committee:-**

**a) Composition and attendance:-**

The Remuneration Committee comprises of two (2) members who are Independent & Non Executive Directors. The composition of Remuneration Committee is as follows:-

Name of the Members	Position	Category
*Mr. Harish Mehta	Chairman (Resigned on 15.05.2012)	Independent & Non Executive Director
Mr. Mrugan Shah	Member (Chairman w.e.f. 15.05.2012)	Independent & Non Executive Director
**Mr. Rajendra Kumar Choudhary	Member	Promoter & Managing Director
Mr. M.K. Sugathan	Member	Independent & Non Executive Director

Note: \* Resigned as Director during the year.

\*\* Resigned as member during the year.

During the year 2011-12, one Remuneration Committee meeting was held on 16th July, 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 of Three (3) Directors. The quorum for functioning of the committee is any two (2) Directors present. 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	03
Mr. Rajendra Kumar Choudhary	Member	Promoter & Managing Director	03
Mr. M.K. Sugathan	Member	Independent & Non Executive Director	--

Shareholders' / Investors' Grievance Committee meetings were held on 10th May, 2011, 24th December, 2011 and 31st March, 2012.

**b) Terms of Reference:-**

The Committee looks into redressal 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 secretarial department of the Company and registrar and transfer agents viz. System Support Services attend expeditiously to all grievances / correspondences of the shareholders / investors, received directly or through SEBI, Stock Exchanges, Department of Corporate Affairs, and 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.

The Securities and Exchange Board of India (SEBI) vide its circular no. CIR/MIRSD/8 /2012 dated 05th July, 2012, has reduced the time-line for registering transfer of Equity shares from 30 days to 15 days and the same shall come into force with effect from 01st October, 2012. The Company and System Support Services, Registrar and Transfer Agents, shall adhere to the said circular.

**c) Information on Investor Grievances for the period from 01st April, 2011 to 31st March, 2012:-**

Brought Forward	Received Afresh	Disposed	Carried Over
Nil	Nil	Nil	Nil

**d) Compliance Officer:-**

Mrs. Astha Rathi, Company Secretary, is the compliance officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 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.bilenergy.com](http://www.bilenergy.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 Managing 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 2011-12"**

**Rajendra Kumar Choudhary**  
**Managing Director**

**7. General Body Meetings:-**

a) Details of the last Annual General Meetings of the Company are given below:-

Financial Year	AGM	Date	Locations	Time	No. of Special Resolutions Passed
*1st Financial year - 4th February, 2010 to 31st March, 2010	1st	30th September, 2010	2nd Floor, Vikas Chamber, Link & Marve Road, Malad (West), Mumbai - 400 064	03.30 p.m.	Nil
2010-11	2nd	30th August, 2011	1st Floor, Landmark Building, Mith Chowky, Link Road, Malad (West), Mumbai – 400 064	04.30 p.m.	02

\* Bil Energy Systems Limited was incorporated on 4th February, 2010.

b) Resolution regarding approval under Section 372A of the Companies Act, 1956 was put through Postal Ballot during the year under reference. The details of voting pattern thereof are as under:

Total Number of Poll papers Cast	77
Less: Number of Poll papers rejected as invalid	4
Total Number of valid Poll papers	73
Total No. of Members voting in favour of the Resolution	71
Total No. of Members voting against the Resolution	2
Percentage of Members in favour of the Resolution	97.26%
Percentage of Members against the Resolution	2.74%
Total Nominal Value of Shares held by Members voting (Valid Votes)	16887820
Total Nominal Value of Shares held by Members voting IN FAVOUR of the Resolution	16882320
Total Nominal Value of Shares held by Members voting AGAINST the Resolution	5500

c) Mr. Bhuwadesh Bansal, Practicing Company Secretary was the Scrutinizer for the aforesaid postal ballot process.

d) There was no Extra Ordinary General Meeting held during the year under review.

**8. Subsidiary Company:-**

The Company does not have any subsidiary company in term 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:-**

**Disclosures:-**

a) **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.

**b) 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.

**c) 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.

**d) CEO / CFO Certification:-**

In line with the requirements of Clause 49 (V) of the Listing Agreement, the Managing 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, 2012 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.

**e) Statutory Compliance, Penalties and Strictures:-**

The Company has complied with all requirements of the Listing Agreements entered with Stock Exchanges as well as applicable regulation and guidelines of SEBI. There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authorities for non compliance of any matter related to the capital markets since incorporation\*.

\* Bil Energy Systems Limited was incorporated on 4th February, 2010.

**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: Free Press Journal Marathi: Navshakti
Any website, where results or official news are displayed.	www.bseindia.com www.nseindia.com www.bilenergy.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) 3rd Annual General Meeting:-**

Date	24th September, 2012
Venue	1st Floor, Landmark Building, Mith Chowky, Link Road, Malad (West), Mumbai – 400 064.
Day and Time	Monday, 05.30 p.m.

**b) Financial Calendar:-**

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

For the Financial Year 2012-13, Financial Results will be announced as per the following tentative schedule.

1st Quarter ending June 2012	By 14th August, 2012
2nd Quarter & Half Year ending September 2012	By 14th November, 2012
3rd Quarter ending December 2012	By 14th February, 2013
4th Quarter / year ending March 2013	Within 45/60 days from 31st March, 2013
Annual General Meeting for the Year 2012-13	By September, 2013

**c) Book Closure Date:-**

Date of Book Closure	Friday, 21st September, 2012 to Monday, 24th September, 2012 (both days inclusive)
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**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 2012-13 to both the above exchanges.

**f) Custodial Fees to Depositories:-**

The Company has paid the custodial fees for the year 2012-13 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**g) Stock Code / Symbol:-**

Bombay Stock Exchange Ltd. (BSE)	533321
National Stock Exchange of India Ltd. (NSE)	BILENERGY - EQ
International Securities Identification Number (ISIN)	INE607L01011
Corporate Identity Number (CIN) Allotted by the Ministry of Corporate Affairs (MCA)	L28995MH2010PLC199691

**h) Stock Market Price Data for the year 2011-12 in comparison to BSE Midcap Sensex:-**

Month	BSE Share Price (Rs.)				NSE Share Price (Rs.)				BSE Midcap Sensex			
	Open	High	Low	Close	Open	High	Low	Close	Open	High	Low	Close
April - 11	22.20	32.55	22.2	28.15	23.05	32.00	21.50	27.25	6873.4	7309.29	6873.4	7094.26
May - 11	27.00	28.25	20.05	26.00	26.40	27.95	19.85	25.85	7094.56	7117.32	6607.78	6910.24
June - 11	24.35	27.00	21.00	25.35	26.00	27.45	21.00	24.55	6911.2	6987.72	6475.7	6854.05
July - 11	23.05	43.90	23.05	38.70	24.10	43.95	23.10	38.90	6854.13	7115.91	6854.13	6915.31
Aug - 11	36.80	43.95	31.90	43.80	38.00	45.95	31.35	43.90	6915.46	6987.82	6014.18	6273.6
Sep - 11	43.30	60.00	42.00	47.80	42.50	59.65	41.85	48.60	6273.56	6534.66	6066.34	6129.59
Oct - 11	45.55	56.85	44.65	54.15	48.15	55.10	45.30	54.80	6128.21	6313.3	5871.68	6297.99
Nov - 11	52.05	65.85	46.00	52.60	54.75	65.05	46.65	52.60	6297.99	6341.71	5459.92	5627.69
Dec - 11	50.55	65.75	50.10	59.50	50.05	65.70	46.00	59.00	5627.75	5804.38	5073.25	5135.05
Jan - 12	56.55	92.00	56.55	78.00	60.00	88.90	56.20	75.00	5135.05	5895.72	5101.95	5871.7
Feb - 12	75.50	85.45	66.10	83.00	77.45	85.00	68.90	85.00	5870.43	6654.98	5870.09	6386.82
Mar - 12	86.80	123.15	83.00	110.00	89.05	124.00	80.90	110.95	6384.39	6534.36	6149.74	6346.38

- Source : [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com)

**i) Registrar and Share Transfer Agent:-**

Share transfers 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, Next to Parke Davis,  
Saki Naka, Andheri Kurla Road, Andheri (East),  
Mumbai - 400072 Maharashtra, India  
Tel. No. 91 (22) 2850 0835 Email: [syss72@yahoo.com](mailto:syss72@yahoo.com)

**j) Share Transfer System:-**

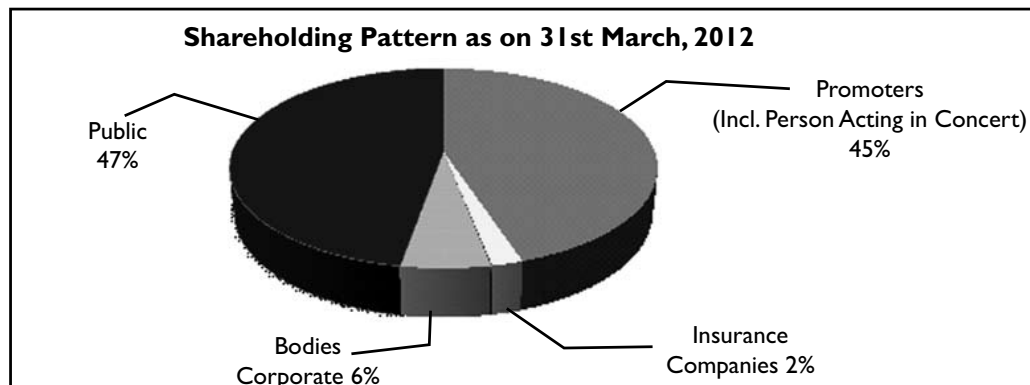
Presently, the share transfers received by the R&TA of the Company are processed and returned within a period of 30 days from the date of its receipt, subject to documents being valid and complete in all respect. The Board has delegated the authority for approving the transfers to the registrar & transfer 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 [which has been reduced to 15 days by SEBI, please refer point no.5(b) of Report on Corporate Governance]. The Company obtains from a Company Secretary in 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.

**k) Distribution of Shareholding as on 31st March, 2012:-**

Range of Shareholding	Number of Shareholders	% of Total	Number of Shares	% of Total
1 - 10	766	13.90	4583	0.04
11 - 25	705	12.79	14997	0.14
26 - 50	1106	20.07	51233	0.48
51 - 100	1189	21.58	112939	1.07
101 - 500	1219	22.12	330133	3.12
501 - 1000	187	3.39	156251	1.48
1001 - 5000	173	3.14	439022	4.15
5001 - 10000	48	0.87	378964	3.59
10001 - 100000	100	1.81	2803443	26.52
100001 and above	17	0.31	6279235	59.40
<b>Total</b>	<b>5510</b>	<b>100.00</b>	<b>10570800</b>	<b>100.00</b>

**l) Shareholding pattern (category wise) as on 31st March, 2012:-**

Category	Number of Shares held	% of Total Shareholding
Promoters (Incl. Person Acting in Concert)	4745683	44.89
Financial Institutions / Banks	0	0.00
Insurance Companies	213829	2.02
NRI / Foreign Institutional Investors	8412	0.08
Bodies Corporate	607948	5.75
Public	4994928	47.25
<b>Total</b>	<b>10570800</b>	<b>100.00</b>



**m) Dematerialization of shares and liquidity:-**

- About 99.56% of the shares have been dematerialized as on 31st March, 2012.
- Trading in the shares of the Company is permitted in dematerialized form only as per notification issued by SEBI.

**n) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and its impact on equity :**  
Nil**o) Plant / Unit locations:-**

The Company's manufacturing unit is situated at Village – Kanchad, Taluka – Wada, Dist – Thane.

**p) Address for correspondence:-**

The Compliance Officer,  
Bil Energy Systems Limited,  
2nd Floor, Vikas Chambers, Link & Marve Road,  
Malad (West), Mumbai – 400 064  
Email – info@bilenergy.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 and limited review report thereon are also put on the Company's website www.bilenergy.com. The same are not sent to the shareholders of the Company, individually.

By Order of the Board of Directors,  
**For Bil Energy Systems Limited**

**Astha Rathi**

Company Secretary

Mumbai, 14th August, 2012

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**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE****To The Members of Bil Energy Systems 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, 2012.

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

Membership No. 036718

Mumbai, 14th August, 2012



## AUDITOR'S REPORT

### To The Members of Bil Energy Systems Limited

1. We have audited the attached Balance Sheet of BIL ENERGY SYSTEMS LIMITED as at 31st March 2012, 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) *Save and except cases mentioned in the Statement of matters as per clause 3 above and Note No. 14.2 and 41, 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 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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, 2012;
    - 2) In the case of Profit and Loss Account, of the Loss 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

Membership No. 036718

Mumbai, 14th August, 2012

### ANNEXURE TO THE AUDITOR'S 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. *However, such physical verification report has not been made available to us during the course of our audit.* 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) It is explained to us that the inventory has been physically verified during the year by the management. *However, such physical verification report has not been made available to us during the course of our audit.* Hence we are unable to comment on the reasonableness of frequency and procedure of the verification of inventory. However, inventories have also been audited by independent auditors appointed by lending banks and also by bank officials from time to time and no adverse opinion has been given by said auditors and officials.
  - (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 interest free unsecured loans and advances to one party 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 ₹.137.00 Lacs and ₹.137.00 Lacs respectively.
  - (b) Except for the fact that these loans and advances are interest free, in our opinion and according to the information and explanations given to us, the other terms and conditions of loans given are not prima facie prejudicial to the interest of the Company.



- (c) The principle amount is repayable over the period of two to three years.
- (d) In respect of the aforesaid loans, there is no overdue amount.
- (e) The Company has taken interest free unsecured loans and advances from one party 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 ₹.148.50 Lacs and ₹.148.50 Lacs respectively.
- (f) The said loans are interest free loans. Other terms and conditions on which the loans have been taken are prima facie, not prejudicial to the interest of the Company.
- (g) According to information provided to us, there is no default in repayment of said loans.
- 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 contract or 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, however, *report of such internal audit has not been made available to us.*
- 8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 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, Sales 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, Service Tax, Professional Tax and TDS. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2012 for a period of more than six months from the date of becoming payable except ₹.3763304/- towards MVAT.
- 10) 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.
- 11) 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.
- 12) 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.
- 13) The company is not dealing or trading in shares, securities, debentures, and other investments. Hence the requirement of clause (xiv) of paragraph 4 of the order is not applicable to the company.
- 14) According to the information and explanation given to us the Company has not given any guarantee for loans taken by others from banks and other financial institutions.
- 15) Based on information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- 16) 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 utilized any amount from short term sources towards long term investments.
- 17) 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.
- 18) 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.
- 19) 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, 14th August, 2012



**BALANCE SHEET AS AT 31ST MARCH, 2012**

(₹ in Lacs)

	Note No.	As at 31st March 2012	As at 31st March 2011
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	1,057.08	1,057.08
Reserves & Surplus	3	3,704.08	4,453.54
		<u>4,761.16</u>	<u>5,510.62</u>
<b>Non-Current Liabilities</b>			
Long - Term Borrowings	4	1,257.00	2,101.00
Deferred Tax Liabilities (Net)	5	463.73	463.73
Long Term Provisions	6	2.53	1.95
		<u>1,723.26</u>	<u>2,566.68</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	3,274.27	2,246.22
Trade Payables	8	3,680.54	725.82
Other Current Liabilities	9	1,349.18	1,110.90
Short-Term Provisions	10	-	6.70
		<u>8,303.99</u>	<u>4,089.64</u>
		<u><u>14,788.41</u></u>	<u><u>12,166.94</u></u>
<b>II ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	11		
Tangible Assets		6,042.06	6,166.77
Capital Work in Progress		347.01	30.41
Long Term Loans and Advances	12	105.56	157.80
		<u>6,494.63</u>	<u>6,354.98</u>
<b>Current Assets</b>			
Inventories	13	2,586.06	2,154.96
Trade Receivables	14	4,038.62	2,927.85
Cash and Cash Equivalents	15	319.24	15.34
Short Term Loans and Advances	16	1,349.86	713.81
		<u>8,293.78</u>	<u>5,811.96</u>
		<u><u>14,788.41</u></u>	<u><u>12,166.94</u></u>
Significant Accounting Policies	I		

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: 14th August, 2012

**Astha Rathi**  
Company Secretary

**For and on behalf of the Board**

**N.K.Choudhary**  
Director

**R.K.Choudhary**  
Managing Director  
Mumbai: 14th August, 2012

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012**

(₹ in Lacs)

	Note No.	As at 31st March 2012	As at 31st March 2011
<b>I INCOME</b>			
Revenue from Operations(Net)	17	10,136.64	7,023.49
Other Income	18	40.38	2.21
Total Revenue		<u>10,177.02</u>	<u>7,025.70</u>
<b>II EXPENSES</b>			
Cost of Materials Consumed	19	4,682.41	5,272.49
Purchase of Stock-In-Trade	20	5,751.04	-
Change in Inventories of <small>Finish Goods/Work-In-Progress/Stock-In-Trade</small>	21	(1,323.09)	199.87
Employee Benefits Expenses	22	161.24	120.98
Finance Costs	23	870.45	468.72
Depreciation and Amortisation Expense	11	297.63	280.79
Other Expenses	24	486.80	548.09
Total Expenses		<u>10,926.48</u>	<u>6,890.94</u>
<b>Profit/(Loss) Before Tax</b>		(749.46)	134.76
Less Tax Expenses			
Current Tax		-	26.86
Deferred Tax		-	44.76
Mat Credit Entitlement		-	(26.86)
		-	<u>44.76</u>
<b>Profit/(Loss) For The Period</b>		(749.46)	90.00
Nos of Equity Shares For Computing EPS			
Basic		10570800	10570800
Diluted		10570800	10570800
Earnings Per Equity Share (Face Value ₹.10/- Per Share)			
Basic (₹.)		(7.09)	0.85
Diluted (₹.)		(7.09)	0.85

Significant Accounting Policies

I

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: 14th August, 2012

**Astha Rathi**  
 Company Secretary

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

**R.K.Choudhary**  
 Managing Director  
 Mumbai: 14th August, 2012



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

(₹ in Lacs)

	As at 31st March 2012	As at 31st March 2011
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extra Ordinary Items	(749.46)	134.76
Adjustment For -		
- Deferred Revenue Expenditure	-	19.10
- Depreciation	297.63	280.79
- (Gain)/Loss on Sale of Assets	(0.01)	2.55
- Interest Income	(37.84)	(2.20)
- Interest Paid	798.33	430.30
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>308.65</b>	<b>865.30</b>
Adjustment For -		
- Trade Receivable	(1,110.77)	(1,593.21)
- Inventories	(431.10)	(454.42)
- Trade and other Payables	3,193.58	1,124.72
Cash Generated from Operations	1,960.36	(57.61)
Decrease in Provision for Taxation	-	6.70
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,960.36</b>	<b>(50.91)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(489.65)	(712.46)
Sale of Fixed Assets	0.14	1.70
Interest Income	37.84	2.20
Movement in Loans and Advances	(590.51)	(261.54)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,042.18)</b>	<b>(970.10)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing Net	184.05	1482.87
Interest Paid	(798.33)	(430.30)
Miscellaneous Expenditure	-	(19.10)
Net Cash from Financing Activities	(614.28)	1,033.47
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>303.90</b>	<b>12.46</b>
Cash and Cash Equivalent at Beginning of the Year	15.34	
Adjustment For -		
Cash and Cash Equivalent Transfer from Bilpower Ltd. Pursuant to Scheme of Arrangement (Note 3)		2.88
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>319.24</b>	<b>15.34</b>

- NOTES: 1. All figures in brackets are outflow.  
2. Cash and Cash equivalent is Cash & Bank balances as per Balance Sheet.  
3. Includes ₹. 2.85 Lacs Transferred from Bilpower Limited as per scheme of arrangement.

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: 14th August, 2012

**Astha Rathi**  
Company Secretary

**For and on behalf of the Board**

**N.K.Choudhary**  
Director

**R.K.Choudhary**  
Managing Director  
Mumbai: 14th August, 2012

**NOTES TO FINANCIAL STATEMENT****I) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :-****A) 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.

**B) 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.

**C) 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.

**D) 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.

**E) 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) Depreciation on Fixed Assets except to the extent stated in (a) above, is provided on Straight Line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.
- (c) Depreciation on assets, whose actual cost does not exceed Rupees Five Thousand each, is provided @ 100% p.a.

**F) 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.

**G) Foreign Exchange Transactions**

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.

**H) 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.



## NOTES TO FINANCIAL STATEMENT

- (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.

### I) 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.

### J) 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. There is no impairment Profit/Loss for the year ending 31st March, 2012

### K) 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.

### L) 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.

### M) Recognition of Income and Expenditure

- (a) Incomes & Expenditures are generally accounted on Accrual as they are earned or incurred.
- (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. if any return and also Excise Duty and Service Tax, Vat, Sales Tax.
- (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.

### N) 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.

### O) 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.

### P) 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.

**NOTES TO FINANCIAL STATEMENT**

(₹ in Lacs)

As at 31st March 2012      As at 31st March 2011

**2 SHARE CAPITAL**
**Authorised**

 11000000 (11000000) Equity Shares of ₹. 10/- Each 1,100.00      1,100.00
**Issued, Subscribed & Paid Up**

 10570800 (10570800) Equity Shares of ₹. 10/- Each 1,057.08      1,057.08
1,057.08      1,057.08

2.1 10570800 Equity Shares Of ₹. 10/- Each, Fully Paid, Issued Without Payment In Cash Pursuant To Scheme Of Arrangement

2.2 Reconciliation of Number of Equity Shares Outstanding At the beginning and at the end of the year :

	As at 31st March 2012		As at 31st March 2011	
	No of Shares	₹. in Lacs	No of Shares	₹. in Lacs
Number of shares outstanding as at the beginning of the year	10570800	1,057.08	70000	7.00
Add: Number of Shares allotted as fully paid-up during the year	-	-	10500800	1,050.08
Less: Number of shares bought back during the year	-	-	-	-
Number of shares outstanding as at the end of the year	10570800	1,057.08	10570800	1,057.08

2.3 Terms/Rights attached to equity shares

The company has issued only one class of equity shares having a par value of ₹.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012 amount per share of dividend recognised as distributions to equity shareholders was ₹.Nil ( P.Y.₹.Nil) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by shareholders.

2.4 Details of Equity Shares held by each shareholders holding more than 5%

Equity shares of ₹.10/- each fully paid	as at 31st March 2012		as at 31st March 2011	
	No.of Share	% holding	No.of Share	% holding
Shares Held By				
Bilpower Limited	528677	5.00	361041	3.42
Choudhary Global Limited	860329	8.14	860329	8.14
Nareshkumar Choudhary (HUF)	557812	5.28	557812	5.28
Rajendrakumar Choudhary (HUF)	1372900	12.99	1362900	12.89
Sureshkumar Choudhary	557683	5.28	557683	5.28
Radiance Exim Pvt Ltd	1958	0.02	645000	6.10
Abhivadan Properties Pvt Ltd	-	-	701454	6.64

**3 RESERVES & SURPLUS**
**I General Reserves**

 As per last Balance Sheet 4,365.61      -

 Excess of Assets Over Liabilities (As per Scheme of Arrangement) -      4,365.61
4,365.61      4,365.61
**II Surplus in the Profit & Loss Account**

 Add: Profit/(Loss) for the Year 87.93      (2.07)

 Amount Available for Appropriations (749.46)      90.00
(661.53)      87.93

 Total (I + II) 3,704.08      4,453.54

3.1 Previous year General Reserve transfer from Bilpower Limited as per the pursuant to scheme of arrangement.



**NOTES TO FINANCIAL STATEMENT**

(₹ in Lacs)

As at 31st March 2012      As at 31st March 2011

**4 LONG TERM BORROWINGS**

Secured Loans

Term Loans

-From Bank

1,257.00

2,101.00

1,257.00

2,101.00

**4.1 Terms of repayment of Term Loan**

The Company has Common Loan Agreement during the previous year with State Bank of India. Rupee Term Loan amount ₹.3156.00 lacs sanctioned during previous year by State Bank of India

The initial interest base rate is 4.50% above base rate i.e. 14.50% p.a with monthly rest.

The Loan is to be paid in 15 equal quarterly installments from the date of Saction of loan

Nature of security for Term Loan from Bank :

Working Capital Facility and Corpoate Loan are secured by hypothecation of Stocks, Book Debts and all other Current Assets. The facilities are further collaterally secured by EMT of 3.00 acre of Land situated at (Wada), hypothication charge on Plant & Machinery and movable Fixed Assets of the Company. These facilities are personally guaranteed by Mr. Naresh Kumar Choudhary & Mr. Rajendra Kumar Choudhary, the Directors of the Company and also Corporate Guarantee of Bilpower Limited.

There has been no default in the repayment of loans or interest thereon as on date.

**5 DEFERRED TAX LIABILITIES(NET)**

I Deferred Tax Liabilities

Depreciation

463.73

463.73

463.73

463.73

II Deferred Tax Assets

-

-

-

-

Total (I+II)

463.73

463.73

**6 LONG TERM PROVISIONS**

Provision for Gratuity

2.53

1.95

2.53

1.95

**7 SHORT TERM BORROWINGS**

I Secured Loans

Loans Repayable on Demand

Working Capital Loan Repayable on Demand from Bank

3,025.77

2,046.70

3,025.77

2,046.70

II Unsecured Loans

Loans Repayable on Demand

From Related Party (Refer Note No.28)

148.50

199.52

From others

100.00

-

248.50

199.52

Total (I+II)

3,274.27

2,246.22

Unsecured Loan includes payable to related party Tarapur Transformers Limited ₹.148.50 Lacs/- (P.Y. ₹. Nil)

Unsecured Loan includes payable to related party Bilpower Limited ₹. Nil (P.Y. ₹.199.52 Lacs)

7.1 Working Capital Facility and Corpoate Loan are secured by hypothecation of Stocks, Book Debts and all other Current Assets. The facilities are further collaterally secured by EMT of 3.00 acre of Land situated at (Wada), hypothication charge on Plant & Machinery and movable Fixed Assets of the Company. These facilities are personally guaranteed by Mr. Naresh Kumar Choudhary & Mr. Rajendra Kumar Choudhary, the Directors of the Company and also Corporate Guarantee of Bilpower Limited.



**NOTES TO FINANCIAL STATEMENT**

(₹ in Lacs)

As at 31st March 2012      As at 31st March 2011

**8 TRADE PAYABLES**

Trade Payables	3,680.54	725.82
	<u>3,680.54</u>	<u>725.82</u>

**8.1 Trade Payable includes following Related Parties**

₹. 519.23 Lacs (P.Y. ₹. 198.52 Lacs) payable to Tarapur Transformers Limited, ₹. 0.02 Lacs (P.Y. ₹. Nil) payable to Nik San Engineering Co Ltd

**8.2** The Company has not received any intimation from the suppliers under the Micro, Small & Medium Enterprises Development Act 2006 & therefore disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said act have not been given.

**9 OTHER CURRENT LIABILITIES**

I Current Maturities of Long Term Debts (Refer Note No.4.1)	1,055.00	844.00
II Other Statutory Dues	172.33	189.65
III Interest Accrued but not due on Borrowings	9.37	-
IV Trade Advances	71.96	32.81
V Other Payables	40.52	44.44
	<u>1,349.18</u>	<u>1,110.90</u>

**10 SHORT TERM PROVISIONS**

Provision for Income Tax(Net of Taxes Provision)	-	6.70
	<u>-</u>	<u>6.70</u>

**11 FIXED ASSETS**

(₹.in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2011	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2012	As at 01.04.2011	Deductions/ Adjustments During the Year	For the Year	As at 31.03.2012	As at 31.03.2012	As at 01.04.2011
<b>A) TANGIBLE ASSETS</b>										
1) Plant & Machinery	4989.11	159.95	-	5149.06	555.23	-	241.19	796.42	4352.64	4433.88
2) Land	215.71	-	-	215.71	-	-	-	-	215.71	215.71
3) Office Equipment	18.22	1.61	0.13	19.70	2.77	-	1.59	4.36	15.34	15.45
4) Furniture & Fixtures	15.55	-	-	15.55	3.49	-	0.92	4.41	11.14	12.06
5) Building & Premises	1605.15	11.49	-	1616.64	115.48	-	53.93	169.41	1447.23	1489.67
Sub Total	6843.74	173.05	0.13	7016.66	676.97	-	297.63	974.60	6042.06	6166.77
<b>B) INTANGIBLE ASSETS</b>	-	-	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)	6843.74	173.05	0.13	7016.66	676.97	-	297.63	974.60	6042.06	6166.77
Previous Year	6054.92	795.98	7.16	6843.74	397.77	1.59	280.79	676.97	6166.77	5657.15
Capital Work In Progress	30.41	449.20	132.60	347.01	-	-	-	-	347.01	30.41

**Note:** Capital work in progress not included advance given on account of capital expenditure  
Previous year figures have been regrouped wherever necessary.



NOTES TO FINANCIAL STATEMENT

(₹ in Lacs)

As at 31st March 2012 As at 31st March 2011

**12 LONG - TERM LOANS AND ADVANCES**

I Capital Advances (Unsecured, Considered Good)	52.43	96.52
	<u>52.43</u>	<u>96.52</u>
II Security Deposit (Unsecured, Considered Good)	7.50	15.65
III Other Loans And Advance Mat Credit Entitlement	26.86	26.86
Balances With Statutory/Revenue Authorities	18.77	18.77
	<u>45.63</u>	<u>45.63</u>
Total (I+II+III)	<u>105.56</u>	<u>157.80</u>

**13 INVENTORIES**

(As Taken Valued & Certified By The Management)

Raw Materials	1,142.93	2,034.92
Work In Progress	984.41	76.04
Finished Goods	48.09	44.00
Stock In Trade	410.63	-
	<u>2,586.06</u>	<u>2,154.96</u>

**14 TRADE RECEIVABLES**

(Unsecured And Considered Good)

I Due For A Period Exceeding Six Months From The Date They Are Due For Payment	347.37	46.12
II Other Receivables	3,691.25	2,881.73
	<u>4,038.62</u>	<u>2,927.85</u>

14.1 Trade (Other receivables) includes receivable from related party Bilpower Limited ₹.711.98 Lacs (P.Y. ₹. NIL) (Refer Note No.28)

14.2 Balance of Trade Receivables is subject to confirmation from the respective parties and resultant reconciliation, if any.

**15 CASH AND CASH EQUIVALENTS**

I Balances With Banks		
A) Current Accounts	13.90	5.88
B) Cash In Hand	36.26	4.71
	<u>50.16</u>	<u>10.59</u>
II Other Bank Balances		
A) Amount Held As Margin Money	0.61	0.39
B) Fixed Deposit With Banks	268.47	4.36
	<u>269.08</u>	<u>4.75</u>
Total (I+II)	<u>319.24</u>	<u>15.34</u>

15.1 Fixed Deposits held as margin money or security against guarantees, letter of credits and other commitments

**NOTES TO FINANCIAL STATEMENT**

(₹ in Lacs)

As at 31st March 2012      As at 31st March 2011

**16 SHORT-TERM LOANS AND ADVANCES**

(Unsecured And Considered Good)

I	Loan and Advance Recoverable in Cash or Kind		
	Dues from Related Party (Refer Note No. 28)	137.00	-
	Dues from others	505.02	34.64
II	Balance With Statutory/Revenue Authorities	666.65	644.40
III	Prepaid Expenses	35.82	34.77
IV	Advance Income Tax (Net of Provision)	5.37	-
		<u>1,349.86</u>	<u>713.81</u>

16.1 Loans and advances recoverable from related party from Bilpower Limited ₹.137.00 Lacs (P.Y. ₹. NIL)

**17 REVENUE FROM OPERATIONS**

I	Sales of Manufactured Goods (Refer Note No. 33)		
-	Electrical Lamination	3,048.79	4,001.47
-	Electrical Sheets	35.45	203.27
-	Stampings (Stator & Motor)	1,686.48	2,946.34
		<u>4,770.72</u>	<u>7,151.08</u>
II	Sales of Traded Goods (Refer Note No. 33)		
-	Iron & Steel (HR Sheet, CR Sheet/Coil, MS Plate)	5,350.13	-
		<u>5,350.13</u>	<u>-</u>
III	Sales Of Services		
-	Labour Job	65.72	25.74
		<u>65.72</u>	<u>25.74</u>
IV	Other Operating Revenues (Refer Note No. 33)		
-	Scrap Sales	476.68	573.38
		<u>476.68</u>	<u>573.38</u>
	Sub Total (I +II+III+IV)	<u>10,663.25</u>	<u>7,750.20</u>
	Less Excise Duty	526.61	726.71
	Revenue From Operations (Net)	<u>10,136.64</u>	<u>7,023.49</u>

**18 OTHER INCOME**

I	Interest Income		
-	Interest from Bank on Deposit	12.38	1.28
-	Interest on Loans and Advances	25.46	0.92
II	Other Non-Operating Income		
-	Sundry Balance Written Back	2.53	-
-	Miscellaneous Income	-	0.01
III	Gain on Sale of Assets	0.01	-
		<u>40.38</u>	<u>2.21</u>



NOTES TO FINANCIAL STATEMENT

(₹ in Lacs)

As at 31st March 2012 As at 31st March 2011

**19 COST OF MATERIALS CONSUMED**

Raw Materials Consumed		
Opening Stock	2,034.92	1,380.63
Add Purchases During The Year	3,790.42	5,926.78
Less Closing Stock	1,142.93	2,034.92
	<u>4,682.41</u>	<u>5,272.49</u>

(Refer Note No.31)

**20 PURCHASE OF STOCK-IN-TRADE**

Iron & Steel (HR Sheet,CR Sheet/Coil, MS Plate)	5,751.04	-
	<u>5,751.04</u>	<u>-</u>

(Refer Note No.32)

**21 CHANGES IN INVENTORIES**

I At the end of the Period		
Finished Goods	48.09	44.00
Work-In-Progress	984.41	76.04
Stock-In-Trade	410.63	-
	<u>1,443.13</u>	<u>120.04</u>
II At the Beginning of the Period		
Finished Goods	44.00	30.13
Work-in-Progress	76.04	289.78
Stock-in-Trade	-	-
	<u>120.04</u>	<u>319.91</u>
Total (II-I)	<u>(1,323.09)</u>	<u>199.87</u>

**22 EMPLOYEE BENEFITS EXPENSES**

Salaries,Wages,Bonus & Allowances	145.76	109.79
Contribution To Provident & Other Funds	4.19	4.55
Staff Welfare Expenses	11.29	6.64
	<u>161.24</u>	<u>120.98</u>

22.1 Salaries,Wages, Bonus & Allowances include provision of Leave Encashment ₹. 2.02 Lacs (P.Y. ₹. 1.02 Lacs)

**23 FINANCE COSTS**

Interest Expenses		
- Banks	782.56	75.35
- Others	15.77	354.95
	<u>798.33</u>	<u>430.30</u>
Other Borrowing Costs	72.12	38.42
	<u>870.45</u>	<u>468.72</u>

**NOTES TO FINANCIAL STATEMENT**

(₹ in Lacs)

As at 31st March 2012      As at 31st March 2011

**24 OTHER EXPENSES**
**Manufacturing Expenses**

Store & Spares	24.88	25.42
Power and Fuel	80.97	84.92
Factory Expenses	14.64	11.15
Labour Charges	79.39	121.89
Testing, Inspection Charges	0.85	0.54
Tools Development Charges	1.50	-
Packing Expenses	37.13	43.43
Increase / (Decrease) of Excise Duty on Inventory	1.18	1.29
Repair And Maintenance		
Repair and Maintenance-Plant & Machinery	15.66	10.63
Repair and Maintenance-Others	0.75	0.51

**Selling And Distribution Expenses**

Freight And Transport Charges	80.28	112.10
Commission And Brokerage	11.03	-
Advertisement And Publicity Expenses	2.11	0.66
Bad Debt Written Off	-	0.11
Business Promotion Expenses	25.01	10.17

**Administrative & Office Expenses**

Conveyance and Travelling	35.95	40.62
Insurance Charges	2.07	2.80
Loss on Foreign Exchange Fluctuation	6.50	32.79
Loss on Sales of Assets	-	2.55
Postage & Telegram and Telephone	6.56	3.17
Payment to Auditors		
Audit Fees (Including Tax Audit)	4.00	4.00
For Reimbursement of Expenses	0.46	0.41
Legal & Professional Fees-Other than Payment to Auditors		
Consultancy Fees	0.43	0.34
Legal & Professional Fees	28.64	4.26
Stamp Duty, Stamp Paper And Franking Charges	13.10	1.38
Office & General Expenses	8.92	7.73
Rates & Taxes	0.82	4.07
Listing, Registrar & Share Transfer Expenses	1.48	-
Printing & Stationery	2.49	2.05
Miscellaneous Expenditure	-	19.10
	<u>486.80</u>	<u>548.09</u>

**NOTES TO FINANCIAL STATEMENT**

**25. Contingent Liabilities**

(₹..in Lacs)

Sr.No	Particulars	As at 31st March 2012	As at 31st March 2011
a)	Guarantees outstanding	17.50	43.50
b)	Custom duty on pending export obligation against import of machinery	847.33	795.69

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

**26. C.I.F.Value of Imports, Expenditures and Earnings in Foreign Currency**

(₹..in Lacs)

Sr.No	Particulars	As at 31st March 2012	As at 31st March 2011
a)	C.I.F.Value of Imports		
	Raw Material	895.70	1155.25
	Capital Goods	252.47	488.17
b)	Expenditure in Foreign Currency		
	Travelling Expenses	9.39	0.39
	Berlin Fair Expenses	1.45	11.07
	Buyers Credit Interest	2.71	24.12
	Foreign Bank Charges	0.59	0.34
c)	Earnings in Foreign Currency	Nil	Nil

**27. Segment Reporting**

The company primarily deals in the business of Electrical Steel Products and Other Steel Products as single segment hence Segment Reporting as defined in Accounting Standard 17 (AS-17) issued by The Institute of Chartered Accountants of India is not applicable to the company.

**28. Related Party Disclosures**

**(A) The Company had transactions with the following related parties**

Sr.No	Name of the Related Party	Relationship
1	Bilpower Limited	Associate
2	Niksan Engineering Co.Limited	Associate
3	Tarapur Transformers Limited	Associate
4	Rajendra Kumar Choudhary	Key Management Personnel

**NOTES TO FINANCIAL STATEMENT**
**(B) Related party transactions**

(₹.in Lacs)

Sr.No	Nature of Transactions	Nature of Relationship		Total of Transaction
		Associates	Key Management Personnel (KMP)	
1	Purchase of Goods/Fixed Assets/Exp.	935.63 (1,671.50)	-	935.63 (1,671.50)
2	Sale of Goods	2,343.42 (182.13)	-	2,343.42 (182.13)
3	Labour Charges (Expenses)	0.12	-	0.12
4	Interest Income	-	-	-
5	Interest Expenses	(0.28)	-	(0.28)
6	Receiving of Services -Payment of Remuneration	-	7.00	7.00
7	Finance (Including Loans & Equity Contributions on Cash or Kind)			
	A) Loans & Advances Received	148.50	-	148.50
	B) Loans & Advances Given	(5,652.38) 137.00	-	(5,652.38) 137.00
8	Outstanding as at 31st March 2012			
	A) Trade Payable	519.25	-	519.25
	B) Loans & Advances Received	(198.52) 148.50	-	(198.52) 148.50
	C) Trade Receivable	-	-	-
	D) Loans & Advances Given	711.98	-	711.98
	E) Unsecured Loan Taken	-	-	-
		(199.52)	-	(199.52)

Note:- Figures in Brackets Relate to Previous Year



**NOTES TO FINANCIAL STATEMENT**

**Disclosure in respect of Material Related Party Transactions During the year :**

- 1 Purchase of Goods/Fixed Assets/Expenses includes : Bilpower Ltd ₹. 548.92 Lacs (P.Y. ₹. 1472.59 Lacs), Niksan Engineering Co.Ltd ₹. 0.02 Lacs (P.Y. ₹. Nil), Tarapur Transformers Ltd ₹. 386.69 Lacs (P.Y. ₹. 198.91)
- 2 Sale of Goods includes : Niksan Engineering Company Ltd ₹.Nil (P.Y. ₹.0.92 Lacs), Tarapur Transformers Ltd. ₹ 30.25 Lacs (P.Y. ₹.181.21 Lacs), Bilpower Ltd ₹. 2313.17 Lacs (P.Y. ₹. Nil)
- 3 Labour Charges (Expenses) includes : Tarapur Transformers Ltd ₹. 0.12 Lacs (P.Y. ₹. Nil)
- 4 Interest Income includes : Niksan Engineering Company Ltd ₹.Nil (P.Y. ₹.0.28 Lacs)
- 5 Interest Expenses includes : Bilpower Ltd ₹.Nil (P.Y. ₹.338.94 Lacs)
- 6 Receiving of Services -Payment of Remuneration includes : Rajendra Kumar Choudhary ₹.7 Lacs (P.Y. ₹. Nil)
- 7 Finance (Including Loans & Equity Contributions on Cash or Kind)
  - A) Loans & Advances Received includes : Tarapur Transformers Ltd. ₹.148.50 Lacs. (P.Y. ₹. Nil), Bilpower Ltd. ₹. Nil (P.Y. ₹.5652.38 Lacs)
  - B) Loans & Advances Given includes : Bilpower Ltd. ₹.137.00 Lacs (P.Y. ₹. Nil)
- 8 Outstanding as at 31st March 2012
  - A) Trade Payable : Niksan Engineering Company Ltd. ₹. 0.02 Lacs (P.Y. ₹. Nil) Tarapur Transformers Ltd. ₹. 519.23 Lacs (P.Y. ₹. 198.52 Lacs)
  - B) Loans & Advance Received : Tarapur Transformers Ltd. ₹. 148.50 Lacs. (P.Y. ₹. Nil)
  - C) Trade Receivable : Bilpower Ltd. ₹. 711.98 Lacs (P.Y. ₹. Nil)
  - D) Loans & Advances Given : Bilpower Ltd. ₹. 137.00 Lacs (P.Y. ₹. Nil)
  - E) Unsecured Loan Taken : Bilpower Ltd. ₹. Nil (P.Y. ₹. 199.52 Lacs)

**29. Deferred Tax Liability Statement**

(₹.in Lacs)

Particulars	Deferred tax liability/asset as at 01.04.2011 Amount	Current Year Changes Amount	Deferred tax liability/asset as at 31.03.2012 Amount
Deferred Tax Liabilities			
Difference between book & tax depreciation	463.73	-	463.73
(A)	463.73	-	463.73
Deferred Tax Assets Disallowance u/s 43B	-	-	-
(B)	-	-	-
Deferred Tax Liability (Net)	463.73	-	463.73
(A-B)			

**30. Details of Material Consumed Comprises of Imported & Indigenous Items**

(₹.in Lacs)

Particulars	as at 31st March 2012		as at 31st March 2011	
	Amount	%	Amount	%
Imported	2,751.19	58.76	2,209.15	40.27
Indigenous *	1,931.22	41.24	3,277.08	59.73
Total	4,682.41	100	5,486.23	100

\* Indigenous consumption includes imported material purchase locally.

Note : Last years consumption of raw material is inclusive of consumption of WIP also.

**31. Raw Material Consumed**

(₹.in Lacs)

Particulars	as at 31st March 2012	as at 31st March 2011
CRGO/CRNGO/HRGO/HRNGO/ Electrical Steel Strips/Coils/Sheets	4,682.41	5,486.23

Note:- Last years consumption of raw material is inclusive of consumption of WIP also



**NOTES TO FINANCIAL STATEMENT**
**32. Purchase Of Traded Goods** (₹.in Lacs)

Sr No.	Category	as at 31st March 2012	as at 31st March 2011
1	C R Sheets	688.36	-
2	C.R.Sheets/Coils	850.48	-
3	G.P. Coils / Sheets	50.76	-
4	H.R.Plate	3,805.60	-
5	M.S.Plate	355.84	-
	Total Purchases of Traded Goods	5,751.04	-

**33. Sale Of Products Comprises**
**a) Manufactured goods** (₹.in Lacs)

Sr No.	Category	as at 31st March 2012	as at 31st March 2011
1	Electrical / CRGO Lamination	3,048.79	4,001.47
2	Electrical Sheets	35.45	203.27
3	Motor Stampings	1,686.48	2,946.34
4	Waste & Scrap	476.68	573.38
	Total Sales of Manufactured Goods	5,247.40	7,724.46

**b) Traded Goods** (₹.in Lacs)

Sr No.	Category	as at 31st March 2012	as at 31st March 2011
1	C R Sheets	600.37	-
2	C.R.Sheets/Coils	802.40	-
3	G.P. Coils / Sheets	0.00	-
4	H.R.Plate	3,629.33	-
5	M.S.Plate	318.03	-
	Total Sales of Traded Goods	5,350.13	-

**34. Details of Closing Stock**
**a) Closing Stock of Finished Goods** (₹.in Lacs)

Sr No.	Category	as at 31st March 2012	as at 31st March 2011
1	Electrical / CRGO Lamination	-	-
2	Electrical Sheets	-	-
3	Motor Stampings	-	-
4	Waste & Scrap	48.09	44.00
	Total Stock of Manufactured Goods	48.09	44.00



**NOTES TO FINANCIAL STATEMENT**

**b) Closing Stock of Traded Goods**

(₹. in Lacs)

Sr No.	Category	as at 31st March 2012	as at 31st March 2011
1	C R Sheets	88.93	-
2	C.R.Sheets/Coils	48.75	-
3	G.P.Coils / Sheets	50.76	-
4	H.R.Plate	183.47	-
5	M.S.Plate	38.72	-
	Total Stock of Traded Goods	410.63	-

**35. Earnings Per Share (EPS)**

(₹. in Lacs)

Particulars	as at 31st March 2012	as at 31st March 2011
Profit After Tax (₹ in Lacs)	(749.46)	90.00
Weighted average number of Equity Shares- Basic & Diluted	10570800	10570800
Earning Per Share (in ₹) - Basic & Diluted	(7.09)	0.85

36. The Company was incorporated as Bil Energy Systems Limited with an Authorized Share Capital of ₹. 1,00,00,000 divided into 10,00,000 Equity Shares of Face value ₹. 10 each, and later on the Authorised capital was increased to 11,00,00,000. The company took over from Bilpower Ltd its Wada unit as a going concern with effect from 1st April,2010.

**37. 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.

38. In terms of the requirements of the Accounting Standards-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the amount recoverable against Fixed Assets has been estimated for the period by the management based on present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value thereof has been considered necessary, by the management.

39. As per the best estimate of the management, no provision is required to be made as per Accounting Standard (AS) 29 "Provision, Contingent Liabilities & Contingent Assets" as notified by the companies (Accounting Standards) Rules 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources which would be required to settle the obligation.

40. Consumption of consumable stores is wholly indigenous in the current & previous year.

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

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

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

Signature to the Balance Sheet, Statement of Profit and Loss and Notes which form an integral part of 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: 14th August, 2012

**Astha Rathi**  
Company Secretary

**For and on behalf of the Board**

**N.K.Choudhary**  
Director

**R.K.Choudhary**  
Managing Director  
Mumbai: 14th August, 2012



# BIL ENERGY SYSTEMS LIMITED

Regd. Office: 2<sup>nd</sup> Floor, Vikas Chamber, Link & Marve Road, Malad (W), Mumbai - 400 064

## PROXY FORM

FOLIO NO. (Shares in physical mode)	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

I/We.....resident  
 at .....  
 being a Member/Member(s) of **Bil Energy Systems Limited** hereby appoint Mr./ Ms.....or  
 failing him/her, Mr. / Ms..... as my/our proxy to vote for me/us on my/our behalf  
 at the 3rd Annual General Meeting of the Company to be held on Monday, 24th September, 2012 at 05.30 p.m. at 1st Floor, Landmark  
 Building, Mith Chowky, Link Road, Malad (West), Mumbai - 400 064 and at any adjournment thereof.

Signed this ..... day of.....2012.

Affix ₹ 1.00 Revenue Stamp
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- Notes: a) The form should be signed across the stamp as per specimen signature registered with the Company.  
 b) The form should be deposited at the Registered Office of the Company forty-eight hours before the time for holding the Meeting.

✂----- Cut from here -----✂



# BIL ENERGY SYSTEMS LIMITED

Regd. Office: 2<sup>nd</sup> Floor, Vikas Chamber, Link & Marve Road, Malad (W), Mumbai - 400 064

## ATTENDANCE SLIP

FOLIO NO. (Shares in physical mode)	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the  
 3rd Annual General Meeting of the Company held on Monday, 24th September, 2012 at 05.30 p.m. at 1st Floor, Landmark Building, Mith  
 Chowky, Link Road, Malad (West), Mumbai - 400 064 and at any adjournment thereof.

.....  
Signature of Member/Proxy

(THIS ATTENDANCE SLIP DULY FILLED TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

**BOOK - POST**

If not delivered, please return to :

**BIL ENERGY SYSTEMS LIMITED**

**Registered Office:** 2nd Floor, Vikas Chambers, Link & Marve Road, Malad (West), Mumbai – 400 064

Tel.: (91 22) 4089 7777 Fax: (91 22) 2881 1225

Email: [info@bilenergy.com](mailto:info@bilenergy.com)