



POWER BEHIND POWER

BIL ENERGY SYSTEMS LIMITED

Annual Report 2013 – 2014

Board of Directors

Mr. Sureshkumar Anandilal Choudhary
Mr. Rajendrakumar Anandilal Choudhary
Mr. Kesavan Mudakkarappillil Sugathan
Mr. Vasudev Gajanan Kulkarni

Company Secretary & Compliance Officer

Ms. Astha Rathi

Registered Office

2nd Floor, Vikas Chambers,
Link & Marve Road,
Malad (West), Mumbai – 400 064
Tel – +91 22 42728080
Fax – +91 22 28811225

Manufacturing Unit

Village – Kanchad,
Taluka – Wada, Dist – Thane
Phone – +02526 645947
Fax – +02526 235622

CORPORATE IDENTITY NUMBER

L28995MH2010PLC19969I

Website

www.bilenergy.com

Investor Relations Email ID

investors@bilenergy.com

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

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, Western Express 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 e-mail address with the Company or M/s. System Support Services (RTA), to enable us to send all the documents through electronic mode in future.

NOTICE

NOTICE is hereby given that the 5th Annual General Meeting of the Members of **BIL ENERGY SYSTEMS LIMITED** will be held at IJMA, 1036/37/38, 10th Floor, IJMIMA Complex, Raheja Metroplex, Link Road, Behind Goregaon Sports Club, Malad (W), Mumbai – 400 064 on Monday, 29th September, 2014 at 3.00 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 of the Company as at 31st March, 2014 and statement of Profit & Loss Account for the year ended as on that date together with the reports of the Directors and Auditors thereon.
2. To appoint Mr. Sureshkumar Anandilal Choudhary (DIN : 00494510) as Director of the Company, who retires by rotation and being eligible offers himself for re – appointment
3. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-
“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Bansal Bansal & Co., Chartered Accountants, Mumbai having firm registration number 100986W issued by the Institute of Chartered Accountants of India (ICAI), be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Sixth Annual General Meeting (AGM), at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

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

SPECIAL BUSINESS:-

4. To appoint Mr. Kesavan Mudakkarappillil Sugathan(DIN: 00269892) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Kesavan Mudakkarappillil Sugathan(DIN: 00269892), who was appointed as a Director liable to retire by rotation, has submitted a declaration that he meets the criteria for Independent Director pursuant to section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from the said Director under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years starting from 29th September, 2014 up to 28th September, 2019 and who shall not be liable to retire by rotation.”
5. To appoint Mr. Vasudev Gajanan Kulkarni (DIN: 02791914) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vasudev Gajanan Kulkarni (DIN: 02791914), who was appointed as a Director liable to retire by rotation, has submitted a declaration that he meets the criteria for Independent Director pursuant to section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from the said Director under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years starting from 29th September, 2014 up to 28th September, 2019 and who shall not be liable to retire by rotation.”

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. A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share Capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- c. 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.
- d. The Company has notified closure of register of members and transfer books from Thursday, September 25, 2014 to Monday, September 29, 2014 (both days inclusive).
- e. 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.
- f. As per the provisions of the Companies Act, 2013, 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.
- g. 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.
- h. 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.
- i. 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 5th Annual General Meeting.



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- j. Members holding shares in physical form and who have not registered their email IDs, are requested to register the same with the Company's registrar and share transfer agents M/s. System Support Services.
- k. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
- l. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's registrar and share transfer agents M/s. System Support Services.
- m. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

Instructions for Members for e-voting are as under:-

- i. Log on to the e-voting website <https://www.evotingindia.com>
- ii. Click on "Shareholders" tab.
- iii. Now, select "BIL ENERGY SYSTEMS LIMITED" from the drop down menu and click on "SUBMIT"
- iv. Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- v. If you are holding shares in electronic form and had logged on to <https://www.evotingindia.com> and voted on an earlier e-voting of any company, then your existing password is to be used.
- vi. For Shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/DP are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their demat account number/Folio No., as the case may be, in the PAN field. • In case the Folio No. is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar and Folio No. is 1 then enter RA0000001 in the PAN field.
Date of Birth or Date of Incorporation OR Bank Account Number	<p>Enter the Date of Birth as recorded in your demat account or in the Company's records for the Said demat account in dd/mm/yyyy format or enter Folio No.</p> <p>OR</p> <p>Enter the Bank Account Number as recorded in your demat account or in the Company's records for the said demat account or Folio No. Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held in the Bank Account Number field.</p>

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. For Members holding shares in physical form, the login details can be used only for e-voting on the resolutions contained in this Notice. On logging in, Members holding shares in physical form will be directed to the Company selection screen.
- ix. Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the electronic holders for voting on resolutions of other companies, as well, on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. Click on the EVSN for the BIL ENERGY SYSTEMS LIMITED.
- xi. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO, as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "Resolutions File" Link if you wish to view the entire Notice.
- xiii. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the voting done by you.
- xvi. If an electronic account holder has forgotten the set password, then he has a 'Forgot password' option to reset the password.
- xvii. Note for Institutional Shareholders:
 - Institutional shareholders (i.e. other than Individuals, HUFs, NRIs etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at <https://www.evotingindia.com> under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- i. The e-voting period commences on 23rd September, 2014 (10.00 A.M. IST) and ends on 25th September, 2014 (6.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 22nd August, 2014 which is the cutoff date for the purpose of e-voting.
- iii. M/s. Bhuvnesh Bansal & Associates, Practicing Company Secretary (Membership No. FCS 6526 & COP 9089), has been appointed as the Scrutinizer to conduct the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.
- v. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.bilenergy.com and on the website of CDSL <https://www.evotingindia.com> within two days of the passing of the resolutions at the Fifth AGM of the Company on 29th September, 2014 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

Registered Office:-

2nd Floor, Vikas Chambers, Junction of Link & Marve Road, Malad (West), Mumbai - 400 064

Tel.: +91 22 42728080, Fax: +91 22 28811225

Website: www.bilenergy.com • E-mail: investors@bilenergy.com

CIN- L28995MH2010PLC19969 I

Mumbai, 14th August, 2014

Explanatory Statement

Statement Pursuant to Section 102(1) of the Companies Act, 2013

The following Explanatory Statement sets out the material facts relating to the business under Item No. 4 & 5 of the accompanying Notice:

Item No. 4 & 5

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and amended Listing agreement the Board of Directors of the Company should have at least one-third of the total number of Directors as Independent Director. The tenure of Independent Director will be for a period of five years and provisions relating to retirement of Directors shall not be applicable to Independent Directors.

The Board recommends the appointment of Mr. Kesavan Mudakkarappillil Sugathan (DIN: 00269892) and Mr. Vasudev Gajanan Kulkarni (DIN: 02791914) as Independent Directors, in accordance with the Provisions of Section 149 read with Schedule IV of the Companies Act, 2013 to hold office for a term up to five consecutive years on the Board of Directors of the Company with effect from the date of this Annual General Meeting.

The Company has received Notices in writing from the respective directors along with the requisite deposit in accordance with Section 160 of the Companies Act, 2013 proposing themselves as candidates to be appointed as Independent Director.

The Company has also received the declarations from the above mentioned Independent Directors to the effect that they meet the criteria of Independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

In the opinion of Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 read with the relevant Rules and the Listing Agreement, for their respective appointment as Independent Director and they are independent of Management.

Brief Profile of the Independent Directors to be appointed, the nature of their expertise, names of Companies in which they hold Directorship and Membership/ chairmanship of Board Committee shareholding in the Company etc. as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange are furnished in the Corporate Governance Report forming part of the Annual Report.

The Board commends the Ordinary Resolutions set out at Items Nos. 4 & 5 of the Notice for the approval of Members.

The above Independent Directors are interested in the Resolutions mentioned at Item Nos. 4 & 5 of the Notice with regard to their respective appointments only.

Except as provided above, none of the other Directors, Key Managerial Personnel of the Company or their respective relative is in any way concerned or interested in the said resolutions. The explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

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

Registered Office:-

2nd Floor, Vikas Chambers, Junction of Link & Marve Road, Malad (West), Mumbai - 400 064

Tel.: +91 22 42728080, Fax: +91 22 28811225

Website: www.bilenergy.com • E-mail: investors@bilenergy.com

CIN- L28995MH2010PLC19969 I

Mumbai, 14th August, 2014

**DIRECTORS' REPORT**

Dear Members,

The Directors of your Company have pleasure in presenting Fifth Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2014.

1. Financial Performance:-

The financial performance of the Company for the Year ended 31st March, 2014 is as summarized below:-

(₹ In Lacs)

Particulars	2013-14	2012-13
Gross Turnover & Other Income	5952.72	9788.21
Profit /(Loss) before Exceptional Item Interest, Depreciation & Taxation	(166.08)	89.90
Less : Exceptional Item	280.14	-
Profit /(Loss) before Interest, Depreciation & Taxation	(446.22)	89.90
Less – Interest	1054.76	841.77
Profit / (Loss) before Depreciation & Taxation	(1500.98)	(751.87)
Less – Depreciation	304.72	303.41
Profit / (Loss) before tax	(1805.70)	(1055.28)
Less– Provision for Taxation (Incl. Deferred Tax)	-	(463.73)
Net Profit / (Loss) for the year	(1805.70)	(591.55)
Add/ (less) – Balance brought forward from previous Year	(1253.08)	(661.53)
Balance Carried to Balance Sheet	(3058.78)	(1253.08)

2. Performance Review:-

For the year 2013-14, the Turnover of the Company decreased and stood at ₹ 5860.71 Lakhs and Loss incurred was ₹ 1805.70 Lakhs, which is mainly due to exceptional item and lower capacity utilization coupled with falling margins.

3. Dividend:

Your Directors do not recommend any dividend for the year under review in view of losses incurred.

4. Directors:-

Mr. Sureshkumar Anandilal Choudhary, Director, retires from the Board by rotation and is eligible offered himself for re – appointment at the ensuing Annual General Meeting.

Pursuant to Sections 149 , 150 & 152 of the Companies Act, 2013 read with Companies (Appointment and qualification of Director) Rules, 2014 along with Schedule IV or re-enactment thereof for the time being in force, the Independent Directors can hold office for a term of Five consecutive years on the Board of your Company. Accordingly, it is proposed to appoint Mr. Kesavan Mudakkarappillil Sugathan (DIN: 00269892) and Mr. Vasudev Gajanan Kulkarni (DIN: 02791914), existing Directors as Non – Executive Independent Directors for a term of five consecutive years and they shall not be liable to retire by rotation. The Company has received requisite notice from the respective directors proposing their candidature for appointment as an Independent Director and has also received declaration from the aforesaid Independent Directors confirming that they meet the criteria of Independence as prescribed under provisions of Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief resume of the Directors proposed to be appointed / re-appointed, qualification, experience and the names of the Companies in which they hold directorship, membership of the board committees, as stipulated in the clause 49 of the listing agreement are provided in the Report on Corporate Governance forming a part of the annual report.

5. 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 for the financial year 2013-14, the applicable accounting standards have been followed and there are no material departures;
- 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, 2014 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.

6. Auditors:-

M/s. Bansal Bansal & Co, Chartered Accountants, who are the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint M/s. Bansal Bansal & Co as statutory auditors of the Company from the conclusion of the Fifth Annual General Meeting (AGM) till the conclusion of Sixth Annual General Meeting (AGM).

The Company has received a Certificate from them that their re-appointment, if made, would be within the limits and that they are not disqualified for such an appointment under the Companies Act, 2013. Their reappointment is recommended by the board.

7. Auditors' Report:-

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

1) Auditor Remark:

The company has sent letters to customers in respect of trade receivables for confirming balances outstanding as at March 31, 2014, but in most of the cases the customers have not sent written confirmation confirming the balance outstanding as at March 31, 2014. In the absence of confirmation any provision to be made for adverse variation in the carrying amounts of trade receivables is not quantified.

Boards Comments on the same:

The Board considers all outstanding balance of customers as on 31st March 2014 as good and recoverable excepting those considered doubtful and

provided for during the financial year 2013-14.

2) Auditor Remark:

The Lender Bank of Bilpower Limited has pursuant to certain Corporate Guarantees given by the Company demanded from the Company their dues from Bilpower Limited amounting to ₹ 178.80 crores. No provision has been made in the accounts for the probable loss that may arise on account of above demand of ₹ 178.80 crores.

Boards Comments on the same:

Bilpower Limited, the Borrower in whose favour the Company has given Corporate Guarantee to State Bank of India, has Informed the Company that they are in negotiation with the Lender Bank for settlement/ Re-schedulement of dues and Hence no provision has been made in the account.

- 3) 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;
- 4) As regards Auditors' remarks in Annexure to their report under Item No.7, with regard to report of internal audit, Company has in house internal audit system commensurate with the size and nature of its business and hence no formal audit report is available, the same are self explanatory.

8. Cost Auditors:

Jayant J. Paleja, Practicing Cost Accountant, has been appointed as Cost Auditor to conduct cost audit of the records of the Company for the financial year 2014-2015.

The Company has received a Certificate from them that their appointment would be within the limits and that they are not disqualified for such an appointment under the Companies Act, 2013. Their appointment is accepted by the board.

9. 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.

10. Fixed Deposits: -

During the year ended on 31st March, 2014, 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.

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. 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. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached with the Corporate Governance Report as Annexure II.

13. 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.

14. Foreign Exchange earnings and outgo:-

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

Earnings	:	₹ Nil
Outgo	:	₹ 418.74 Lacs

15. Particulars of Employees:-

There are no employees covered under Section 217(2A) of the Companies Act, 1956.

16. 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**

**Rajendrakumar Anandilal Choudhary
Din : 00494663
Chairman**

Mumbai, 28th May, 2014



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 bluing furnace.

INDUSTRY OVERVIEW

The latest slowdown in growth of emerging market countries and higher inflation levels, combined with domestic supply and infrastructure constraints, have reduced India's annual inflation-adjusted gross domestic product (GDP) growth from a high of 10.3% in 2010 to 4.4% in 2013, according to the International Monetary Fund (IMF). India was the third-largest economy in the world in 2013, as measured on a purchasing power parity basis. Risks to economic growth in India include high debt levels, infrastructure deficiencies, delays in structural reforms.

Primary energy consumption in India has more than doubled between 1990 and 2012, reaching an estimated 32 quadrillion British thermal units (Btu). The country has the second-largest population in the world, at more than 1.2 billion people in 2012, growing about 1.3% each year since 2008, according to World Bank data. At the same time, India's per capita energy consumption is one-third of the global average, according to the International Energy Agency (IEA), indicating potentially higher energy demand in the long term as the country continues its path of economic development. In the International Energy Outlook 2013, IEA projects India and China will account for about half of global energy demand growth through 2040, with India's energy demand growing at 2.8% per year. 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 ₹ 5860.71 Lacs
- Net Loss of ₹ 1805.70 Lacs

The Company has a net worth of about ₹ 2363.91 Lacs as on 31st March, 2014.

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.

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 Report, 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

Rajendrakumar Anandilal Choudhary
Din : 00494663
Chairman

Mumbai, 28th May, 2014

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.

The present strength of the Board is Four (4) Directors, comprising of two 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. Rajendrakumar Anandilal Choudhary	Promoter – Executive	Managing Director
Mr. Sureshkumar Anandilal Choudhary	Promoter – Non-Executive	Director
Mr. Kesavan Mudakkarappillil Sugathan	Independent – Non Executive	Director
Mr. Vasudev Gajanan Kulkarni	Independent – Non Executive	Director

b) Board Meetings and attendance of Directors:-

During the financial year ended on 31st March, 2014, Four (4) Board Meetings were held on the following dates:-

29th May, 2013, 13th August, 2013, 13th November, 2013 and 10th February, 2014.

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 / Chairmanship in committees across various companies of which the Director is a Member / Chairman are given below: -

Name of Directors	No. of Board Meetings Attended	Attendance at last AGM held on 30th September, 2013	# Directorship held in other Companies	Committee Memberships / Chairmanships	
				Membership	Chairmanship
Sureshkumar Anandilal Choudhary	3	Absent	- Bilpower Ltd - Nik-san Engineering Company Ltd - Choudhary Global Ltd	-	-
Rajendrakumar Anandilal Choudhary	4	Present	- Bilpower Ltd - Tarapur Transformers Ltd - Choudhary Global Ltd	9	-
*Kesavan Mudakkarappillil Sugathan	4	Absent	- Tarapur Transformers Ltd - Bilpower Ltd	3	6
Vasudev Gajanan Kulkarni	3	Absent	None	3	-
** Mrugen Shah	2	Present	None	-	-

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

* Appointed as Director w.e.f. 13th November, 2013.

** Resigned as Director w.e.f. 13th November, 2013.

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 Stakeholders Relationship Committee alone shall be considered.

None of the Directors of the Company are related to each other except Mr. Rajendrakumar Anandilal Choudhary and Mr. Sureshkumar Anandilal Choudhary who are relative.

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

Mr. Sureshkumar Anandilal Choudhary, aged 56 years, designated as "Promoter – Non-Executive" is a Bachelor of Commerce having to his credit, an experience of more than 34 years in the field of manufacturing of electrical lamination, distribution and power transformers, CT/PT Metering Sets. Mr. Sureshkumar Anandilal Choudhary is a Director in Nik-san Engineering Company Limited and Choudhary Global Limited, Bilpower Limited which are associate companies. He is holding 5576830 equity shares of Bil Energy Systems Limited as on 31st March, 2014.

Mr. Vasudev Gajanan Kulkarni, aged 47 years, designated as "Non Executive Independent Director" is having deep knowledge of e-Governance system in India, especially in the ULB, Municipal corporations and at district level. He possesses rich experience in co-coordination with Govt. Bodies, Social & Industrial forums. He is not holding any equity shares of the Company.

Mr. Kesavan Mudakkarappillil Sugathan, aged 66 years, has been appointed as "Non Executive Independent Director" of the Company by the Board of Directors. He is M.B.A. in Marketing and Advertising from Cochin University and also holds degree of Bachelor in Economics. He started his career with Kerala Electrical & Allied Engineering Co. Limited (owned by Kerala State Government) in 1974 and was subsequently designated as General Manager - Marketing and Director up to 2006. He was also a director in Travancore-Cochin Chemicals Limited (State Public Undertaking Owned by Kerala State Government). Mr. Kesavan Mudakkarappillil Sugathan has wide experience in Finance, Sales and Marketing especially in Alternators, Transformers and Structural Engineering and Lighting Alternators business. He is not holding any equity shares of the Company.

Committees of the Board of Directors of the Company:-

3. Audit Committee:-

a) Composition:-

The Audit Committee comprises of experts specializing in accounting / financial management. The Chairman of the Audit Committee is a "Non-executive Independent Director". The composition of audit Committee is at least three directors with a majority of independent directors is as follows:-

Name of the Members	Position	Category
*Mr. Kesavan Mudakkarappillil Sugathan	Chairman	Independent & Non Executive Director
Mr. Rajendrakumar Anandilal Choudhary	Member	Promoter – Executive
Mr. Vasudev Gajanan Kulkarni	Member	Independent & Non Executive Director
**Mr. Mrugen Shah	Chairman	Independent & Non Executive Director

*Appointed as a Director and Chairman of Audit Committee w.e.f. 13th November, 2013.

** Resigned as a Director and Chairman of Audit Committee w.e.f. 13th November, 2013.

The terms of reference, role and scope of the Audit Committee are in line with those prescribed by Clause 49. The Company also complies with the provisions of Section 177 of the Companies Act, 2013 (the Act) pertaining to Audit Committee and its functioning. All the members of Audit Committee possess knowledge of corporate finance and accounts.

The Board has delegated the following powers to the Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

During the year 2013-14, four (4) Audit Committee meetings was held on 29th May, 2013, 13th August, 2013, 13th November, 2013 and 10th February, 2014

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.

4. Nomination and Remuneration Committee:-

a) Composition: –

In terms of Section 178(1) of the Companies Act, 2013 the Company reconstituted the Company's Remuneration Committee as Nomination and Remuneration Committee (NRC).

The Nomination and Remuneration Committee comprises of three (3) members. The composition of Nomination and Remuneration Committee is as follows:-

Name of the Members	Position	Category
* Mr. Kesavan Mudakkarappillil Sugathan	Chairman	Independent & Non Executive Director
Mr. Vasudev Gajanan Kulkarni	Member	Independent & Non Executive Director
Mr. Rajendrakumar Anandilal Choudhary	Member	Promoter – Executive
**Mr. Mrugen Shah	Chairman	Independent & Non Executive Director

*Appointed as a Director and Chairman of Nomination and Remuneration Committee w.e.f. 13th November, 2013.

** Resigned as a Director and Chairman of Nomination and Remuneration Committee w.e.f. 13th November, 2013.

During the year 2013-14, One (1) Nomination and Remuneration Committee meeting was held on 13th November, 2013

b) Terms of Reference:-

The broad terms of reference of the committee are to identify persons who are qualified to become directors and senior management personnel, to appraise the performance of Chairman, Managing Director, Whole Time Directors and Key Managerial Personnel and to determine and recommend to the Board compensation payable to Chairman, Managing Director, Whole Time Directors and Key Managerial Personnel. 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 and Key Managerial Personnel is fixed by the Nomination and Remuneration Committee. The remuneration is decided by the Nomination and Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc.

5. Stakeholders Relationship Committee:-

a) Composition :-

In terms of Section 178(5) of the Companies Act, 2013, the Company has rechristened the Shareholders'/Investors' Grievance Committee as Stakeholders Relationship Committee (SRC).

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 of Stakeholders Relationship Committee is as follows:-

Name of the Members	Position	Category
* Mr. Kesavan Mudakkarappillil Sugathan	Chairman	Independent & Non Executive Director
Mr. Rajendrakumar Anandilal Choudhary	Member	Promoter – Executive
Mr. Vasudev Gajanan Kulkarni	Member	Independent & Non Executive Director
**Mr. Mrugen Shah	Chairman	Independent & Non Executive Director

* Appointed as a Director and Chairman of Stakeholders Relationship Committee w.e.f. 13th November, 2013.

** Resigned as a Director and Chairman of Stakeholders Relationship Committee w.e.f. 13th November, 2013.

During the year 2013-14, One (1) Stakeholders Relationship Committee meeting was held on 13th November, 2013.

There was no pending Transfers/ Demats as on 31st March, 2014.

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, Ministry of Corporate Affairs and Registrar of Companies etc. The complaints are generally resolved within 15 days of receipt of letter, except in the cases that are constrained by disputes or legal impediment.

c) Information on Investor Grievances for the period from 01st April, 2013 to 31st March, 2014:-

Brought Forward	Received Afresh	Disposed	Carried Over
Nil	2	2	Nil

d) Compliance Officer:-

Ms. Astha Rathi, Company Secretary, is the compliance officer for complying various provision and requirement of the SEBI, 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

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 2013-14".

Rajendrakumar Anandilal Choudhary

**Managing Director
Din : 00494663**

7. General Body Meetings:-
a) Details of the last Three Annual General Meetings of the Company are given below:-

Financial Year	AGM	Date	Locations	Time	No. of Special Resolutions Passed
2010-11	2nd	30.08.2011	1st Floor, Landmark Building, Mith Chowky, Link Road, Malad (West), Mumbai – 400064	4.30 p.m.	02
2011-12	3rd	24.09.2012	1st Floor, Landmark Building, Mith Chowky, Link Road, Malad (West), Mumbai – 400064	5.30 p.m.	Nil
2012-13	4th	30.09.2013	IJMA, 1036/37/38, 10th Floor, IJMIMA Complex, Raheja Metroplex, Link Road, Behind Goregaon Sports Club, Malad (W), Mumbai-400 064	4.00 p.m.	Nil

Details of Special Resolutions passed in the previous three AGMs

Date of AGM	Particulars of Special Resolutions passed thereat
30.08.2011	- Inter-corporate loans and investments - Appointment of Mr. Rajendrakumar Anandilal Choudhary as Managing Director of the Company
24.09.2012	No Special Resolution was passed at this AGM
30.09.2013	No Special Resolution was passed at this AGM

b) No resolution was put through Postal Ballot during the year under reference.
c) No Extra Ordinary General Meeting of the Company was held during the year.
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:-
1) 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, 2014 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 during the last three years.

f) Whistle Blower Policy:

The Board of Directors of the Company has adopted a Whistle Blower Policy for establishing a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The said policy has been posted on the Company's website. The Company affirms that no employee has been denied access to the Audit Committee.

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: Financial Express Marathi: Mumbai Mitra
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

NSE Electronic Application Processing System (NEAPS) and BSE Online Portal: The Company also submits to NSE, all disclosures and communications through NSE's NEAPS portal. Similar filings are made to BSE on their Online Portal - BSE Corporate Compliance & Listing Centre.

Extensive Business Reporting Language (XBRL): The Company has filed Balance sheets and Profit and Loss statements and also Cost Audit Report and Compliance Report on MCA through XBRL

11. General Shareholder Information:-

a) 5th Annual General Meeting:-

Date	29th September, 2014
Venue	IJMMA, 1036/37/38, 10th Floor, IJMIMA Complex, Raheja Metroplex, Link Road, Behind Goregaon Sports Club, Malad(W), Mumbai – 400 064
Day and Time	Monday, 03.00 p.m.

b) Financial Calendar:-

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

For the Financial Year 2014-15, Financial Results will be announced as per the following tentative schedule.

1st Quarter ending June, 2014	By 14th August, 2014
2nd Quarter & Half Year ending September, 2014	By 14th November, 2014
3rd Quarter ending December, 2014	By 14th February, 2015
4th Quarter / year ending March, 2015	Within 60 days from 31st March, 2015
Annual General Meeting for the Year 2014-15	By September, 2015

c) Book Closure Date:-

Date of Book Closure	25th September, 2014 to 29th September, 2014 (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 2014-15 to both the above exchanges.

f) Custodial Fees to Depositories:-

The Company has paid the custodial fees for the year 2014-15 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)	INE607L01029
Corporate Identity Number (CIN) Allotted by the Ministry of Corporate Affairs (MCA)	L28995MH2010PLC19969I

h) Stock Market Price Data for the year 2013-14 in comparison to BSE Midcap Sensex:-

Month	BSE Share Price (₹)				NSE Share Price (₹)				BSE Midcap Sensex			
	Open	High	Low	Close	Open	High	Low	Close	Open	High	Low	Close
Apr 13	6.37	7.79	6.01	6.01	6.65	6.87	6.42	6.67	6157.61	6368.11	6029.10	6344.04
May 13	5.71	5.90	3.33	4.04	4.49	4.55	4.45	4.50	6350.41	6661.12	6332.82	6389.47
June 13	3.85	5.95	3.85	5.70	4.74	4.92	4.67	4.89	6409.37	6468.98	5778.97	5964.50
July 13	5.95	6.58	5.43	5.77	5.76	5.89	5.63	5.76	5972.47	6111.29	5441.93	5543.13
Aug 13	5.49	5.49	3.94	3.94	5.10	5.10	5.10	5.10	5553.96	5606.72	5118.74	5300.40
Sep 13	3.75	3.75	2.33	3.04	4.55	4.55	4.55	4.55	5312.48	5744.17	5269.87	5605.98
Oct 13	3.19	3.46	2.71	2.71	4.03	4.03	4.03	4.03	5624.30	6115.28	5593.99	6107.35
Nov 13	2.58	2.70	1.92	1.92	4.00	4.00	4.00	4.00	6117.51	6355.01	6063.27	6325.58
Dec 13	1.83	2.58	1.48	2.58	3.29	3.32	3.29	3.32	6339.90	6707.87	6297.65	6705.56
Jan 14	2.46	3.40	2.27	2.27	2.69	2.76	2.64	2.70	6719.03	6802.60	6185.62	6308.05
Feb 14	2.16	2.36	2.00	2.00	2.27	2.29	2.25	2.26	6316.85	6504.50	6193.14	6500.42
Mar 14	2.10	2.20	1.63	1.81	1.80	1.80	1.80	1.80	6514.85	7091.15	6471.87	7082.86

• Source : www.bseindia.com & 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: sysss72@yahoo.com

j) Share Transfer System:-

Presently, the share transfers received by the Registrar and Share Transfer Agent of the Company viz. System Support Services are processed and



returned within a period of 15 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 and Share Transfer Agent subject to approval by Stakeholders Relationship Committee. Shareholders' Grievances and other miscellaneous correspondence on change of address, mandates, etc. received from Members are generally processed by Registrar and Share Transfer Agent of the Company within 15 days. 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, 2014:-

Range of Shareholding	Number of Shareholders	% of Total	Number of Shares	% of Total
1 – 500	2339	48.55	621106	0.59
501 – 1000	1061	22.02	1004274	0.95
1001 – 2000	543	11.27	977420	0.93
2001 – 3000	268	5.56	746798	0.71
3001 – 4000	93	1.93	353210	0.33
4001 – 5000	162	3.36	800048	0.76
5001 – 10000	161	3.34	1364355	1.29
10001 & above	191	3.97	99840789	94.44
Total	4818	100.00	105708000	100.00

l) Shareholding pattern (category wise) as on 31st March, 2014:-

Category	Number of Shares held	% of Total Shareholding
Promoters (Incl. Person Acting in Concert)	47493020	44.93
Financial Institutions / Banks	-	-
Insurance Companies	1748050	1.65
NRI	81670	0.08
Bodies Corporate	34235686	32.39
Public	22149574	20.95
Total	105708000	100.00

m) Dematerialization of shares and liquidity:-

- About 99.58% of the shares have been dematerialized as on 31st March, 2014.
- Trading in the shares of the Company is permitted in dematerialized form only as per notification issued by SEBI.

n) E-voting:-

E-voting is a common internet infrastructure that enables investors to vote electronically on resolutions of companies. The Company will have the E-voting facility for the items to be transacted at this AGM. The MCA has authorized NSDL and CDSL for setting up electronic platform to facilitate casting of votes in electronic form. The Company has entered into agreements with CDSL for providing e-voting facilities to the shareholders.

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

NIL

p) Plant / Unit locations:-

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

q) Address for correspondence:-

The Compliance Officer, Bil Energy Systems Limited, 2nd Floor, Vikas Chambers, Link & Marve Road, Malad (West), Mumbai – 400 064
Tel: +91 22 42728080, Fax: +91 22 28811225 Website: www.bilenergy.com, Email – investors@bilenergy.com

Non-Mandatory Requirements:-

a) Nomination and Remuneration Committee:-

The Board has set up a Nomination and Remuneration Committee. Please see details in Para on Nomination and Remuneration Committee

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.

c) Whistle Blower Policy:-

The Company has adopted a Whistle Blower Policy. Please refer to the Para under the head 'Disclosures' & 'Company's Policies'.

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

Astha Rathi
Company Secretary

Mumbai, 28th May, 2014

AUDITORS' 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 BSE Limited and National Stock Exchange of India Limited (NSE) for the year ended on 31st March, 2014.

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, 28th May, 2014

INDEPENDENT AUDITORS' REPORT**To the Members of Bil Energy Systems Limited.****Report on the Financial Statements**

We have audited the accompanying financial statements of Bil Energy Systems Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated September 13th, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

- 1) With regard to pending confirmation of balances
The company has sent letters to customers in respect of trade receivables for confirming balances outstanding as at 31st March, 2014, but in most of the cases the customers have not sent written confirmation confirming the balance outstanding as at 31st March, 2014. In the absence of confirmation any provision to be made for adverse variation in the carrying amounts of trade receivables is not quantified.
- 2) Regarding non provision of demand of ₹178.80 Crores received from State Bank of India in respect of Corporate Guarantee given by the company in respect of Loan Facilities availed by Bilpower Limited.
The lender Bank of Bilpower Limited has pursuant to certain corporate guarantees given by the company demanded from the company their dues from Bilpower Limited amounting to ₹178.80 crores. No provision has been made in the accounts for the probable loss that may arise on account of above demand of ₹178.80 crores.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion Paragraph*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the



POWER BEHIND POWER

Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) Except for the effects of the matters described in the Basis for Qualified Opinion Paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956; (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs)
 - e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause of Section 274(1)(g) of the Companies Act, 1956.

For **Bansal Bansal & Co.**
Chartered Accountants
Firm Regn. No. 100986W
Anand Drolia
Partner
Membership No: 036718

Mumbai, 28th May, 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph I under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. In respect of fixed assets:
 - (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals. However such physical report has not been made available to us during the course of our audit. It is explained that no material discrepancy has been reportedly noticed on such verification.
 - (c) There was no substantial disposal of fixed assets during the year
2. In respect of inventories:
 - (a) As explained to us that 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 the said auditors and officials.
 - (b) The Company has maintained proper book records of inventory. Packing and sample material and stores and spares purchased are written off as expenses in the year of purchase.
3.
 - (a) The Company has granted interest free unsecured loans, to two parties listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance of such loans aggregate to ₹ 1,96,49,564/- and ₹ 58,72,437.15 respectively.
 - (b) Except for the fact that these loans 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 principal amount is repayable over a period of two years.
 - (d) In respect of the aforesaid loans, there is no overdue amount.
 - (e) The Company has taken interest free loans from four parties listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance of such loans aggregate to ₹ 6,52,02,500/- and ₹ Nil respectively.
 - (f) The said loans are interest free loans. The other terms and conditions of loans taken are not prima facie prejudicial to the interest of the Company.
 - (g) No stipulations for repayment have been prescribed and as such no comments regarding regularity of payments are being made.
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 contractor arrangements referred to in section 301 of the Companies Act, 1956
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of the contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of the contracts /arrangements entered in the Register 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 Companies Act, 1956 and the rules framed thereunder. Therefore, the provision of clause (vi) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company
7. As explained to us, 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) Undisputed Statutory dues in respect of Service tax, Sales tax, Profession tax, Tax deducted at source and Wealth Tax have not been regularly deposited with the appropriate authorities. Undisputed statutory dues in respect of Provident fund, Customs, Excise Duty, Cess as applicable have generally been regularly deposited with the appropriate authorities barring few months.
 - b) According to the information and explanations given to us :

- (i) No amounts were outstanding as at year end on account of undisputed amounts payable in respect of investor education and protection fund, customs duty, excise duty and cess, service tax, tax deducted at source for a period of more than 6 months from the date they became payable.
- (ii) Undisputed amounts payable in respect of Sales Tax of ₹ 1,66,72,253/- (relating to Financial year 2011-12 ₹ 29,01,565/-, relating to financial year 2012-13 ₹ 93,78,242/- & relating to financial year 2013-14 ₹ 43,92,446/-), Interest on Sales Tax of ₹ 28,67,080/- (relating to Financial year 2010-11 ₹ 3,87,364/-, relating to financial year 2011-12 ₹ 10,29,906/-, relating to financial year 2012-13 ₹ 12,61,276/- & relating to financial year 2013-14 ₹ 1,88,534/-), Profession Tax ₹ 57,225/- (relating to financial year 2013-14) were outstanding for a period of more than six months from the date they became payable. The due dates for these amounts are as per the respective statutes.
- (iii) The disputed statutory dues aggregating to ₹ 1545.11 Lacs that have not been deposited, on account of matters pending before appropriate authorities are as under :-

Sr. No.	Name of the Statute	Nature of dues	Period for which the amount relates	Forum where dispute is pending	Amt (₹ in Lacs)
I	Central Excise Act	Excise Duty	F.Y. 2010-11, 2011-12, 2012-13 & 2013-14	Office of Commissioner of Central Excise, Thane-I	1545.11

10. Based on our audit procedures and according to the information and explanation given to us by the management, the company has defaulted in repayment of loans and interest to bank.
The company has defaulted in repayment of dues including interest and principal to State Bank of India, on its various fund facilities availed, outstanding at the year end amounting to ₹ 79.69 Crores (Previous Year ₹ Nil). The unpaid interest provided for in the books of accounts on the said loans amounts to ₹ 5.31 Crores (Previous Year ₹ 0.28 Crores due on 28/02/2013). Entire loans have been recalled by State Bank Of India during the financial year 2013-2014.
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 explanations given to us the Company has given guarantee for loans taken by one Associate company from Bank. According to the information & explanation given to us, we are of the opinion that the terms & conditions thereof are not prima facie prejudicial to the interest of the company.
15. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
16. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
17. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
18. The Company has not raised any money by public issue during the year.
19. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- 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, 28th May, 2014



BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lacs)

	Note No	As at 31 ST March 2014	As at 31 ST March 2013
I EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1057.08	1057.08
Reserves & Surplus	3	1306.83	3112.53
		<u>2363.91</u>	<u>4169.61</u>
Non-Current Liabilities			
Long-Term Borrowings	4	-	3232.60
Long Term Provisions	5	1.54	4.06
		<u>1.54</u>	<u>3236.66</u>
Current Liabilities			
Short-Term Borrowings	6	8033.91	3468.56
Trade Payables	7	438.20	2968.90
Other Current Liabilities	8	1410.65	618.46
		<u>9882.76</u>	<u>7055.92</u>
		<u>12248.21</u>	<u>14462.19</u>
II ASSETS			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		5526.19	5810.16
Capital Work in Progress		315.24	330.72
Long Term Loans and Advances	10	85.79	90.04
		<u>5927.22</u>	<u>6230.92</u>
Current Assets			
Current Investment	11	72.90	-
Inventories	12	1010.48	1809.66
Trade Receivables	13	3706.29	5026.19
Cash and Cash Equivalents	14	8.35	138.14
Short Term Loans and Advances	15	1522.97	1257.28
		<u>6320.99</u>	<u>8231.27</u>
		<u>12248.21</u>	<u>14462.19</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: 28th May, 2014

Astha Rathi

Company Secretary

For and on behalf of the Board

Suresh Kumar Choudhary

Director
Din : 00494510

Rajendra Kumar Choudhary

Managing Director
Din : 00494663
Mumbai: 28th May, 2014

	Note No	As at 31 ST March 2014	As at 31 ST March 2013
I INCOME			
Revenue From Operations(Net)	16	5860.71	9704.44
Other Income	17	92.01	83.77
Total Revenue		<u>5952.72</u>	<u>9788.21</u>
II EXPENSES			
Cost of Materials Consumed	18	2812.00	3349.43
Purchases of Stock-In-Trade	19	2501.80	5021.63
Changes In Inventories	20	121.50	462.54
Employee Benefits Expenses	21	175.16	176.57
Finance Costs	22	1109.01	955.07
Depreciation and Amortisation Expense	9	304.72	303.41
Other Expenses	23	454.09	574.84
Total Expenses		<u>7478.28</u>	<u>10843.49</u>
Profit/(Loss) Before Exceptional Items and Tax		(1525.56)	(1055.28)
Exceptional Items	24	280.14	-
Profit/(Loss) Before Tax		(1805.70)	(1055.28)
Tax Expenses		-	(463.73)
Deferred Tax		-	(463.73)
Profit/(Loss) for the Period		(1805.70)	(591.55)
Nos of Equity Shares for Computing EPS			
Face Value ₹ 1/- Per Share			
Basic		105708000	105708000
Diluted		105708000	105708000
Earnings Per Equity Share			
Face Value ₹ 1/- Per Share			
Basic (₹)		(1.71)	(0.56)
Diluted (₹)		(1.71)	(0.56)
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: 28th May, 2014

Astha Rathi

Company Secretary

For and on behalf of the Board
Suresh Kumar Choudhary

 Director
 Din : 00494510

Rajendra Kumar Choudhary

 Managing Director
 Din : 00494663
 Mumbai: 28th May, 2014



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

	As at 31 ST March 2014	As at 31 ST March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax, Exceptional & Extra Ordinary Items	(1525.56)	(1055.28)
Adjustment For –		
- Depreciation	304.72	303.41
- Gain on Sale of Assets	(3.93)	(4.75)
- Sundry Balance Written off	(15.33)	(0.05)
- (Gain)/Loss on Foreign Exchange Fluctuation	(9.81)	14.11
- Gratuity Expenses	1.53	1.54
- Bad Debts Written off	21.97	–
- Interest Income	(62.94)	(78.97)
- Interest Paid	1054.76	841.77
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(234.59)	21.78
Adjustment for –		
- Trade Receivables	1214.59	(987.57)
- Inventories	799.18	776.40
- Short Term Loans & Advances	110.72	260.53
- Trade and Other Payables	(1888.90)	(797.32)
Cash Generated from Operations	1.00	(726.18)
Decrease in Provision for Taxation	–	–
CASH FLOW FROM OPERATING ACTIVITIES	1.00	(726.18)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(13.69)	(83.46)
Sale of Fixed Assets	12.35	33.00
Purchase of Investments	(269.71)	–
Interest Income	62.94	78.97
Movement in Loans and Advances	(372.16)	(152.43)
NET CASH USED IN INVESTING ACTIVITIES	(580.27)	(123.92)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowing	4565.36	194.28
Long Term Borrowing	(3592.60)	1280.60
Interest Paid	(523.28)	(805.88)
NET CASH FROM FINANCING ACTIVITIES	449.48	669.00
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(129.79)	(181.10)
CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR	138.14	319.24
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	8.35	138.14
NOTES:	1. All Figures In Brackets Are Outflow.	
	2. Cash And Cash Equivalent Is Cash & Bank Balances As Per Balance Sheet.	

As per our attached report of even date.

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

Anand Drolia
Partner
Membership No. 036718
Mumbai: 28th May , 2014

Astha Rathi
Company Secretary

For and on behalf of the Board

Suresh Kumar Choudhary
Director
Din : 00494510

Rajendra Kumar Choudhary
Managing Director
Din : 00494663
Mumbai: 28th May , 2014

NOTES TO FINANCIAL STATEMENTS

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 identified/materialised.
- C Fixed Assets**
- 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.
 - 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 capitalised 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**
- 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.
 - 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.
 - Depreciation on assets, whose actual cost does not exceed Rupees Five Thousand each, is provided @ 100% p.a.
- F Inventories**
- Inventories are valued at lower of cost or net realisable value.
 - Excise duty is added in closing inventory of finished goods.
 - 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.
 - Waste & Scrap is valued at Net Realisable Value.
 - Packing materials and Stores & Spares purchased are written off as expense in the year of purchase.
 - 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**
- 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.
 - 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 recognised in Profit and Loss account of the year.
 - 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**
- Tax expenses for the 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.
 - 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 unrecognised deferred tax assets, to the extent they become reasonably certain or virtually certain of realisation, 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, 2014
- 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**
- Incomes & Expenditures are generally accounted on Accrual as they are earned or incurred.
 - Sales are recognised when significant risks and rewards of ownership of the goods have passed to buyer which generally coincides with delivery. Sales are net of sales return, discount, rebates etc. if any return and also Excise Duty and Service Tax, Vat, Sales Tax.
 - Imports are recognised on presentation of Bill of Entry at the Customs or on retiring the Import Documents whichever is earlier.
 - Dividend income is recognized when the right to receive the dividend is unconditional.



NOTES TO FINANCIAL STATEMENTS

- N Investments :** Investments intended to be held for less than a year from the date of acquisition are classified as short term and are stated at cost of acquisition. During the year provision is made for diminution in value ₹ 196.81 Lacs
- 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.

(₹ in Lacs)

as at 31st March 2014 as at 31st March 2013

2 SHARE CAPITAL

Authorised

11000000 Equity Shares of ₹ 1/- Each 1100.00 1100.00

Issued, Subscribed & Paid Up

105708000 Equity Shares of ₹ 1/- Each 1057.08 1057.08
1057.08 1057.08

- 2.1 10570800 Equity Shares of ₹ 10/- Each, Fully Paid, were allotted without payment in Cash Pursuant To Scheme of Arrangement during the period of Five Years immediately preceding the reporting date.
- 2.2 Reconciliation of Number of Equity Shares Outstanding At the beginning and at the end of the year :

	31 st March 2014		31 st March 2013	
	No of Shares	₹ in Lacs	No of Shares	₹ in Lacs
Number of shares outstanding as at the beginning of the year	105708000	1057.08	105708000	1057.08
Add: Number of Shares allotted as fully paid-up during the year	-	-	-	-
Less: Number of shares bought back during the year	-	-	-	-
Number of shares outstanding as at the end of the year	105708000	1057.08	105708000	1057.08
Subdivision of Ordinary Shares of ₹ 10/- each into 10 shares of ₹ 1/- each	-	-	105708000	1057.08
shares as on 31 st March 2014	105708000	1057.08	105708000	1057.08

- 2.3 Terms/Rights attached to equity shares
 The company has issued only one class of equity shares having a par value of ₹ 1/- per share (Previous Year ₹ 1/- per Share). Each holder of equity shares is entitled to one vote per share.
 During the year ended 31st March, 2014 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 ₹ 1/- each fully paid	31 st March 2014		31 st March 2013	
	No.of Shares	% holding	No.of Shares	% holding
Bilpower Limited	5286770	5.00	5286770	5.00
Choudhary Global Limited	8639340	8.17	8639340	8.17
Nareshkumar Choudhary (HUF)	5578120	5.28	5578120	5.28
Rajendrakumar Choudhary (HUF)	13729000	12.99	13729000	12.99
Sureshkumar Choudhary	5576830	5.28	5576830	5.28

3 RESERVES & SURPLUS

I General Reserves		
As at Beginning of the year	4365.61	4365.61
Add: during the year	-	-
As at End of the year	<u>4365.61</u>	<u>4365.61</u>
II Deficit i.e. Balance in Statement of Profit & Loss	(1253.08)	(661.53)
(Loss) for the year	(1805.70)	(591.55)
As at End of the year	<u>(3058.78)</u>	<u>(1253.08)</u>
Total (I+II)	<u>1306.83</u>	<u>3112.53</u>

4 LONG TERM BORROWINGS

Secured Loans

Term Loans	as at 31/03/2014	as at 31/03/2013		
Corporate Loan				
From Bank	-	2096.80		
Less Current Maturities of Long Term Debt	-	180.00	-	1916.80
Working Capital Term Loan				
From Bank	-	1495.80		
Less Current Maturities of Long Term Debt	-	180.00	-	1315.80
			-	3232.60

4.1 Additional Information for previous year loans:-
a) Terms of repayment of Corporate Loan

The Corporate Loan is repayable as follows: F.Y. 2013-14, 12 monthly installments of ₹ 15/-Lacs each amounting to ₹ 180/-Lacs, F.Y. 2014-15, 12 monthly installments of ₹ 30/-Lacs each amounting to ₹ 360/-Lacs, F.Y. 2015-16, 12 monthly installment of ₹ 45/-Lacs each amounting to ₹ 540/-Lacs, F.Y. 2016-17, 12 monthly installment of ₹ 50/-Lacs each amounting to ₹ 600/-Lacs, F.Y. 2017-18, 4 monthly installments of ₹ 104.30 Lacs each amounting to ₹ 417/-Lacs.

b) Terms of repayment of Working Capital Term Loan : F.Y. 2013-14, 12 monthly installments of ₹ 15/-Lacs each amounting to ₹ 180/-Lacs, F.Y. 2014-15, 12 monthly installments of ₹ 25/-Lacs each amounting to ₹ 300/-Lacs, F.Y. 2015-16, 12 monthly installment of ₹ 40/-Lacs each amounting to ₹ 480/-Lacs, F.Y. 2016-17, 12 monthly installment of ₹ 44.70 Lacs each amounting to ₹ 536/-Lacs.

c) Details of Security for Corporate Loan : The above facility is secured by Equitable Mortgage charge on Land admeasuring 3 Acres and Building admeasuring 87175 sq. feet constructed thereon at Wada Manor Road, Village Kanchad, Taluka Wada (Dist. Thane) owned by the Company and hypothecation charge on Plant & Machinery and all other movable Fixed Assets of the Company situated at Wada Manor Road, Village Kanchad, Taluka Wada (Dist. Thane). The facility is further collaterally secured by extension of charge on entire current assets of the company. The above facility is secured by Corporate Guarantee of Bilpower Limited

d) Details of Security for Working Capital Term Loan : The above facility is secured by Hypothecation of entire Stock and Current Assets of the Company. The facility is further collaterally secured by extension of Equitable Mortgage charge on Land admeasuring 3 Acres and Building admeasuring 87175 sq. feet constructed thereon at Wada Manor Road, Village Kanchad, Taluka Wada (Dist. Thane) owned by the Company and extension of hypothecation charge on Plant & Machinery and all other movable Fixed Assets of the Company situated at Wada Manor Road, Village Kanchad, Taluka Wada (Dist. Thane). This facility is further collaterally secured by Pledge of 15500000 equity shares of ₹ 1/-each of Bil Energy Systems Limited also Negative lien on 156.30 lakh promoter equity shares of ₹ 1/-each of Bil Energy Systems Limited. The above facility is also secured by Corporate Guarantee of Bilpower Limited

e) Rate of interest on Corporate Loan and Working Capital Term Loan: 2.25% above Base rate i.e 12.00% per annum with monthly rest, with annual reset.

5 LONG TERM PROVISIONS

Provision For Gratuity	1.54	4.06
	<u>1.54</u>	<u>4.06</u>

6 SHORT TERM BORROWINGS
I Secured Loans

Loans Repayable

- Working Capital Loan Repayable on Demand from Bank #	4496.31	3128.03
- From Bank -Working Capital Term Loan #	1435.80	-
- From Bank -Corporate Loan #	2036.80	-

(Above Loans Have Been Recalled by State Bank Of India during the Financial Year 2013-2014)

	<u>7968.91</u>	<u>3128.03</u>
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II Unsecured Loans

Loans Repayable on Demand

From Related Parties (Refer Note No.29)	-	223.53
From Others	65.00	117.00

	<u>65.00</u>	<u>340.53</u>
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Total (I+II)	<u>8033.91</u>	<u>3468.56</u>
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6.1 Additional information
a Details of Security for Working Capital Loan

The above facility is secured by Hypothecation of entire Stock and Current Assets of the Company present and future. The facility is further collaterally secured by extension of Equitable Mortgage charge on Land admeasuring 3 Acres and Building admeasuring 87175 sq. feet constructed thereon at Wada Manor Road, Village Kanchad, Taluka Wada (Dist. Thane) owned by the Company and extension of hypothecation charge on Plant & Machinery and all other movable Fixed Assets of the Company situated at Wada Manor Road, Village Kanchad, Taluka Wada (Dist. Thane). This facility is further collaterally secured by Pledge of 15500000 equity shares of ₹ 1/-each of Bil Energy Systems Limited also Negative lien on ₹ 156.30 lakh promoter equity shares of ₹ 1/- each of Bil Energy Systems Limited. The facility is also secured by Corporate Guarantee of Bilpower Limited

b Details of Security for Working Capital Term Loan

The above facility is secured by Hypothecation of entire Stock and Current Assets of the Company. The facility is further collaterally secured by extension of Equitable Mortgage charge on Land admeasuring 3 Acres and Building admeasuring 87175 sq. feet constructed thereon at Wada Manor Road, Village



NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

as at 31st March 2014 as at 31st March 2013

Kanchad, Taluka Wada (Dist. Thane) owned by the Company and extension of hypothecation charge on Plant & Machinery and all other movable Fixed Assets of the Company situated at Wada Manor Road, Village Kanchad, Taluka Wada (Dist. Thane). This facility is further collaterally secured by Pledge of 15500000 equity shares of ₹ 1/- each of Bil Energy Systems Limited also Negative lien on 156.30 lakh promoter equity shares of ₹ 1/- each of Bil Energy Systems Limited. The above facility is also secured by Corporate Guarantee of Bilpower Limited

c Details of Security for Corporate Loan

The above facility is secured by Equitable Mortgage charge on Land admeasuring 3 Acres and Building admeasuring 87175 sq. feet constructed thereon at Wada Manor Road, Village Kanchad, Taluka Wada (Dist. Thane) owned by the Company and hypothecation charge on Plant & Machinery and all other movable Fixed Assets of the Company situated at Wada Manor Road, Village Kanchad, Taluka Wada (Dist. Thane). The facility is further collaterally secured by extension of charge on entire current assets of the company. The above facility is secured by Corporate Guarantee of Bilpower Limited

6.2 The company has defaulted in repayment of dues including interest and principal to State Bank of India, on its various fund facilities availed, outstanding at the year end amounting to ₹ 79.69 Crores (Previous Year ₹ Nil). The unpaid interest provided for in the books of accounts on the said loans amounts to ₹ 5.31 Crores (Previous Year ₹ 0.28 Crores due on 28/02/2013). Entire loans have been recalled by State Bank Of India during the financial year 2013-14

6.3 Unsecured Loan Payable includes following related parties:-

Tarapur Transformers Limited ₹ Nil (P.Y. ₹ 117.53 Lacs), TRC Power ₹ Nil (P.Y. ₹ 25/-Lacs), Rajendra Kumar Choudhary ₹ Nil (P.Y. ₹ 57/-Lacs), Choudhary Global Limited ₹ Nil (P.Y. ₹ 24/-Lacs)

7 TRADE PAYABLES

Trade Payables (Refer Note No.29)

438.20	2968.90
438.20	2968.90

7.1 Trade Payable includes related party payable to Harsh Choudhary ₹ 1.18 Lacs (P.Y. ₹ Nil)

7.2 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.

8 OTHER CURRENT LIABILITIES

I Current Maturities of Long Term Debt (Refer Note No. 6.1)

II Interest Accrued But Not Due on Borrowings

III Interest Accrued and Due on Borrowings

IV Other Statutory Dues

V Trade Advances

VI Other Payables

-	360.00
-	2.52
531.48	35.89
236.47	160.54
564.39	21.03
78.31	38.48
1410.65	618.46

9 FIXED ASSETS

(₹ in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2013	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2014	As at 01.04.2013	Deductions/ Adjustments During the year	For the year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
A) TANGIBLE ASSETS										
1) Plant & Machinery	5173.48	24.52	8.60	5189.40	1040.48	0.21	246.35	1286.62	3902.78	4133.00
2) Land	215.71	-	-	215.71	-	-	-	-	215.71	215.71
3) Office Equipment	22.19	0.75	0.37	22.57	6.05	0.34	1.88	7.59	14.98	16.14
4) Furniture & Fixtures	17.26	-	-	17.26	5.35	-	1.02	6.37	10.89	11.91
5) Factory Building	1657.99	3.90	-	1661.89	224.59	-	55.47	280.06	1381.83	1433.40
Sub Total	7086.63	29.17	8.97	7106.83	1276.47	0.55	304.72	1580.64	5526.19	5810.16
B) INTANGIBLE ASSETS										
Sub Total	-	-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)	7086.63	29.17	8.97	7106.83	1276.47	0.55	304.72	1580.64	5526.19	5810.16
Previous Year	7016.66	99.77	29.80	7086.63	974.60	1.54	303.41	1276.47	5810.16	6042.06
Capital Work In Progress	330.72	-	15.48	315.24	-	-	-	-	315.24	330.72

Note: Capital work in progress not included advance given on account of capital expenditure

as at 31st March 2014 as at 31st March 2013

10 LONG-TERM LOANS AND ADVANCES			
I Capital Advances (Unsecured, Considered Good)		<u>30.65</u>	<u>34.77</u>
II Security Deposit (Unsecured, Considered Good)		<u>9.51</u>	<u>9.64</u>
III Other Loans And Advance (Unsecured, Considered Good)			
Mat Credit Entitlement		26.86	26.86
Balances With Statutory/Revenue Authorities		<u>18.77</u>	<u>18.77</u>
		<u>45.63</u>	<u>45.63</u>
Total (I+II+III)		<u>85.79</u>	<u>90.04</u>
11 CURRENT INVESTMENTS			
Other Investment	QTY		
Equity Shares, Quoted, Valued At Cost-Fully Paid Up	<u>31.03.2014</u>	<u>31.03.2013</u>	
In Other			
KDJ Holidayscapes & Resorts Limited (F.V. ₹.2/-)	272000	-	269.71
			<u>269.71</u>
Less Diminution in Value of Quoted Shares			<u>196.81</u>
			<u>72.90</u>
			<u>269.71</u>
Aggregate Amount of Quoted Investments			-
Market Value of Quoted Investments			73.44
			-
12 INVENTORIES			
(As taken valued & certified by the Management)			
Raw Materials		151.39	829.07
Work in Progress		276.07	414.65
Finished Goods		0.87	36.72
Stock in Trade		<u>582.15</u>	<u>529.22</u>
		<u>1010.48</u>	<u>1809.66</u>
13 TRADE RECEIVABLE			
I Due For a Period Exceeding Six Months			
- (Unsecured and Considered Good)		1451.91	1009.57
- (Unsecured and Considered Doubtful)		<u>83.33</u>	-
		<u>1535.24</u>	<u>1009.57</u>
Less : Provision for Doubtful Debts		<u>83.33</u>	-
		<u>1451.91</u>	<u>1009.57</u>
II Other Receivables			
- (Unsecured and Considered Good)		<u>2254.38</u>	4016.62
Total (I +II)		<u>3706.29</u>	<u>5026.19</u>
13.1 Trade receivables includes receivable from related party Bilpower Limited ₹ 181.18 Lacs (P.Y.₹ 296.44 Lacs), Tarapur Transformers Limited ₹ 18.91 Lacs (P.Y.₹ 0.70 Lacs) (Refer Note No. 29)			
13.2 Balance of Trade Receivables is subject to confirmation from the respective parties and resultant reconciliation, if any.			
14 CASH AND CASH EQUIVALENTS			
I Balances With Banks			
A) Current Accounts		0.20	32.57
B) Cash In Hand		<u>5.72</u>	4.51
		<u>5.92</u>	<u>37.08</u>
II Other Bank Balances			
A) Amount Held as Margin Money		0.93	0.68
B) Fixed Deposits with Banks		<u>1.50</u>	<u>100.38</u>
		<u>2.43</u>	<u>101.06</u>
Total (I+II)		<u>8.35</u>	<u>138.14</u>
14.1 Fixed Deposits held as margin money or security against guarantees, letter of credits and other commitments			



NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

as at 31st March 2014 as at 31st March 2013

15 SHORT-TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

I	Loans and Advance Recoverable in Cash or Kind		
	Dues from Related Party (Refer Note No.29)	58.72	137.00
	Dues from Others	1127.66	672.97
II	Balance with Statutory/Revenue Authorities	306.83	405.94
III	Prepaid Expenses	11.57	29.60
IV	Advance Income Tax (Net of Provision)	18.19	11.77
		<u>1522.97</u>	<u>1257.28</u>

15.1 Loans and advances recoverable from related party from Bilpower Limited ₹ NIL (P.Y. ₹ 137.00 Lacs), and from Tarapur Transformers Limited ₹ 58.72 Lacs (P.Y. ₹ NIL),

16 REVENUE FROM OPERATIONS

I	Sales of Manufactured Goods (Refer Note No. 34a)		
	- Electrical Lamination	1512.02	2245.61
	- Electrical Sheets	162.50	463.13
	- Stampings (Stator & Motor)	1625.88	2204.94
	- Other	155.32	-
		<u>3455.72</u>	<u>4913.68</u>
II	Sales of Traded Goods (Refer Note No. 34b)		
	- Iron & Steel (HR Sheet, CR Sheet/Coil, MS Plate)	2401.87	4911.38
	- Other	59.35	-
		<u>2461.22</u>	<u>4911.38</u>
III	Sales of Services		
	- Labour job	23.65	41.86
		<u>23.65</u>	<u>41.86</u>
IV	Other Operating Revenues (Refer Note No. 34a)		
	- Scrap Sales	334.46	434.52
		<u>334.46</u>	<u>434.52</u>
	Sub Total (I +II+III+IV)	6275.05	10301.44
	Less Excise Duty	414.34	597.00
	Total	<u>5860.71</u>	<u>9704.44</u>

17 OTHER INCOME

I	Interest Income		
	- Interest From Bank On Deposit	5.85	14.75
	- Interest On Loans And Advances	57.09	64.22
II	Other Non-Operating Income		
	- Sundry Balance Written Back	15.33	0.05
III	Gain On Sale Of Assets	3.93	4.75
IV	Gain On Exchange Rate Fluctuation	9.81	-
		<u>92.01</u>	<u>83.77</u>

18 COST OF MATERIALS CONSUMED

	Raw Materials Consumed		
	- Opening Stock	829.07	1142.93
	Add Purchases During The Year	2134.32	3035.57
	Less Closing Stock	151.39	829.07
		<u>2812.00</u>	<u>3349.43</u>

19 PURCHASES OF STOCK-IN-TRADE

	- Iron & Steel (HR Sheet, CR Sheet/Coil, MS Plate) (Refer Note No. 33)	2447.10	5021.63
	- Other (Refer Note No. 33)	54.70	-
		<u>2501.80</u>	<u>5021.63</u>

20 CHANGES IN INVENTORIES

I	At the End of the Period		
	Finished Goods	0.87	36.72
	Work-in-Progress	276.07	414.65
	Stock-in-Trade	582.15	529.22
		<u>859.09</u>	<u>980.59</u>
II	At the Beginning of the Period		
	Finished Goods	36.72	48.09
	Work-in-Progress	414.65	984.41
	Stock-in-Trade	529.22	410.63
		<u>980.59</u>	<u>1443.13</u>
	Total (II-I)	<u>121.50</u>	<u>462.54</u>

as at 31st March 2014 as at 31st March 2013

21 EMPLOYEE BENEFITS EXPENSES		
I Salaries,Wages,Bonus & Allowances	162.01	161.62
II Contribution to Provident & Other Funds	3.47	3.78
III Staff Welfare Expenses	9.68	11.17
	<u>175.16</u>	<u>176.57</u>
21.1 Salaries,Wages, Bonus & Allowances includes provision of Leave Encashment ₹ 0.39 Lacs (P.Y. ₹ 2.06 Lacs)		
22 FINANCE COSTS		
Interest Expenses		
- Banks	1025.55	819.14
- Others	29.21	22.63
	<u>1054.76</u>	<u>841.77</u>
Other Borrowing Costs	54.25	113.30
	<u>1109.01</u>	<u>955.07</u>
22.1 Interest others includes ₹ 25.88 Lacs(P.Y. ₹ 14.24 Lacs) paid/payable to Sales Tax Dep. On delayed payment of MVAT.		
23 OTHER EXPENSES		
Manufacturing Expenses		
Store & Spares	27.18	48.72
Power and Fuel	68.96	107.75
Factory Expenses	9.00	12.48
Labour Charges	116.54	121.83
Testing, Inspection Charges	1.37	0.31
Tools Development Charges	-	-
Packing Expenses	30.13	35.12
Increase / (Decrease) of Excise Duty on Inventory	(3.94)	(1.25)
Repair and Maintenance		
Repair and Maintenance-Plant & Machinery	9.95	17.44
Repair and Maintenance-Others	1.25	1.24
Selling and Distribution Expenses		
Freight and Transport Charges	73.20	100.82
Commission and Brokerage	-	0.79
Bad Debts Written Off	21.97	-
Advertisement and Publicity Expenses	0.49	0.63
Research & Developments Expenses	0.03	-
Business Promotion Expenses	8.41	4.69
Administrative & Office Expenses		
Conveyance and Travelling	34.47	35.41
Insurance Charges	2.85	2.72
Loss on Foreign Exchange Fluctuation	-	14.11
Postage & Telegram and Telephone	2.71	2.51
Payment to Auditors		
Audit Fees (Including Tax Audit)	4.00	4.00
For Reimbursement of Expenses	-	-
Legal & Professional Fees-Other than Payment to Auditors		
Consultancy Fees	0.55	0.39
Legal & Professional Fees	18.31	33.45
Stamp Duty, Stamp Paper and Franking Charges	0.10	0.22
Office & General Expenses	13.72	18.56
Rates & Taxes	9.06	7.45
Listing, Registrar & Share Transfer Expenses	1.89	3.31
Printing & Stationery	1.89	2.14
	<u>454.09</u>	<u>574.84</u>
24 EXCEPTIONAL ITEMS		
Provision for Doubtful Debts	83.33	-
Provision for Diminution in Value of Quoted Shares	196.81	-
	<u>280.14</u>	<u>-</u>
25 The lender Bank of Bilpower Limited has pursuant to certain corporate guarantees given by the company demanded from the company their dues from Bilpower Limited amounting to ₹ 178.80 crores. No provision has been made in the accounts for the probable loss that may arise on account of above demand of ₹ 178.80 crores.		

NOTES TO FINANCIAL STATEMENTS
26 CONTINGENT LIABILITIES

(₹ in Lacs)

Sr.No	Particulars	As at 31 st March 2014	As at 31 st March 2013
(a)	Guarantees outstanding	-	17.00
(b)	Excise Demand	1545.11	-
(c)	Sales tax liability against non collection of various sales tax forms under relevant sales tax laws, not provided due to uncertainty in ascertainment of amount of liability, if any.	Not Ascertainable	Not Ascertainable
(d)	Custom duty on pending export obligation against import of machinery	847.33	847.33

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

27 C.I.F.VALUE OF IMPORTS, EXPENDITURES AND EARNINGS IN FOREIGN CURRENCY

(₹ in Lacs)

Sr.No	Particulars	As at 31 st March 2014	As at 31 st March 2013
(a)	C.I.F.Value of Imports		
	Raw Material	408.78	807.17
	Capital Goods	4.85	8.67
(b)	Expenditure in Foreign Currency		
	Travelling Expenses	5.11	6.03
	Buyers Credit Interest	-	0.87
	Foreign Bank Charges	-	0.05
(c)	Earnings in Foreign Currency	Nil	Nil

28 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.

29 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	Tarapur Transformers Limited	Associate
3	Niksan Engineering Company Limited	Associate
4	Choudhary Global Limited	Associate
5	Rajendra Kumar Choudhary	Key Management Personnel
6	TRC Power	Relative of KMP & their Proprietary Concern
7	Harsh Choudhary	Relative of KMP

(b) Related party transactions

(₹ in Lacs)

Sr.No	Nature of Transactions	Nature of Relationship			Total of Transaction
		Associates	Key Management Personnel (KMP)	Relative of KMP & their Proprietary Concern	
1	Purchase of Goods/Fixed Assets/Exp.	- (67.26)	- -	- -	- (67.26)
2	Sale of Goods	18.91 (42.83)	- -	- -	18.91 (42.83)
3	Receiving of Services				
	A) Payment of Remuneration	- -	12.00 (12.00)	- -	12.00 (12.00)
	B) Commission & Brokerage	- -	- -	6.49 -	6.49 -
4	Finance (Including Loans & Equity Contributions on Cash or Kind)				
	A) Loans & Advances Received	453.55 (27.00)	2.50 (57.00)	- (25.00)	456.05 (109.00)
	B) Loans & Advances Given	88.78 (31.00)	- -	- -	88.78 (31.00)
5	Outstanding as at 31st March 2014				
	A) Trade Payable	- -	- -	1.18 -	1.18 -
	B) Loans & Advances Received	- (141.53)	- (57.00)	- (25.00)	- (223.53)
	C) Trade Receivable	200.09 (297.14)	- -	- -	200.09 (297.14)
	D) Loans & Advances Given	58.72 (137.00)	- -	- -	58.72 (137.00)

Note: - Figures in Brackets Relate to Previous Year

NOTES TO FINANCIAL STATEMENTS
Disclosure in respect of Material Related Party Transactions During the year :

- 1 Purchase of Goods/Fixed Assets/Expenses includes :- Tarapur Transformers Limited ₹ Nil (P.Y. ₹ 67.26 Lacs)
- 2 Sale of Goods includes :- Tarapur Transformers Limited ₹ 18.91 Lacs (P.Y. ₹ 42.83 Lacs).
- 3 Receiving of Services –
 - A) Payment of Remuneration includes :- Rajendra Kumar Choudhary ₹ 12.00 Lacs (P.Y. ₹ 12.00 Lacs)
 - B) Commission & Brokerage:- Harsh Choudhary ₹ 6.49 Lacs (P.Y. ₹ Nil)
- 4 Finance (Including Loans & Equity Contributions on Cash or Kind)
 - A) Loans & Advances Received includes :- Tarapur Transformers Limited ₹ 3.55Lacs (P.Y. ₹ Nil), Rajendra Kumar Choudhary ₹ 2.50Lacs (P.Y. ₹ 57.00Lacs), Choudhary Global Limited ₹ 450.00 Lacs (P.Y. ₹ 24.00 Lacs), TRC Power ₹ Nil (P.Y. ₹ 25.00 Lacs), Bilpower Limited ₹ Nil (P.Y. ₹ 3.00 Lacs)
 - B) Loans & Advances Given includes :- Tarapur Transformers Limited ₹ 88.78 Lacs (P.Y. ₹ 31.00Lacs)
- 5 Outstanding as at 31st March 2014
 - A) Trade Payable:- Harsh Choudhary ₹ 1.18 Lacs (P.Y. ₹ Nil)
 - B) Loans & Advance Received :- Tarapur Transformers Limited ₹ Nil (P.Y. ₹ 117.53 Lacs), Rajendra Kumar Choudhary ₹ Nil (P.Y. ₹ 57.00Lacs), Choudhary Global Limited ₹ Nil (P.Y. ₹ 24.00Lacs), TRC Power ₹ Nil (P.Y. ₹ 25.00Lacs)
 - C) Trade Receivable :- Bilpower Limited ₹ 181.18 Lacs (P.Y. ₹ 296.44 Lacs), Tarapur Transformers Limited ₹ 18.91 Lacs (P.Y. ₹ 0.70 Lacs)
 - D) Loans & Advances Given :- Bilpower Limited ₹ Nil (P.Y. ₹ 137/-Lacs), Tarapur Transformer Limited ₹ 58.72 Lacs (P.Y. ₹ Nil)

30 DEFERRED TAX LIABILITY STATEMENT

(₹ in Lacs)

Particulars	Deferred tax liability/asset as at 01.04.2013 Amount	Current Year Changes Amount	Deferred tax liability/asset as at 31.03.2014 Amount
Deferred Tax Liabilities			
Difference between book & tax depreciation	463.73	-	-
(A)	463.73	-	-
Deferred Tax Assets			
Unabsorbed Losses	463.73	-	-
(B)	463.73	-	-
Deferred Tax Liability (Net)	(A-B)	-	-

31 DETAILS OF MATERIAL CONSUMED COMPRISES OF IMPORTED & INDIGENOUS ITEMS

(₹ in Lacs)

Particulars	as at 31st March, 2014		as at 31st March, 2013	
	Amount	%	Amount	%
Imported	1134.14	40.33	1885.04	56.28
Indigenous *	1677.86	59.67	1464.39	43.72
Total	2812.00	100	3349.43	100

* Indigenous consumption includes imported material purchased locally.

32 RAW MATERIAL CONSUMED

(₹ in Lacs)

Particulars	as at 31st March, 2014	as at 31st March, 2013
CRGO/CRNGO/HRGO/HRNGO/Electrical Steel Strip/Coils/Sheets	2812.00	3349.43

33 PURCHASE OF TRADED GOODS

(₹ in Lacs)

Sr No.	Category	as at 31st March, 2014	as at 31st March, 2013
1	C R Sheets	283.40	505.60
2	C.R.Sheets/Coils	324.81	755.42
3	G.I.Sheets	657.83	1052.73
4	G.P. Coils / Sheets	348.09	947.56
5	H.R.Plates	655.48	1059.63
6	M.S.Plates	177.49	695.84
7	Mosquito Killing Systems	-	4.85
8	CRGO Coils	54.70	-
Total		2501.80	5021.63

34 SALE OF PRODUCTS COMPRISES

a) Manufactured goods

(₹ in Lacs)

Sr No.	Category	as at 31st March, 2014	as at 31st March, 2013
1	Electrical / CRGO Lamination	1512.02	2245.61
2	Electrical Sheets	162.50	463.13
3	Motor Stampings	1625.88	2204.94
4	Waste & Scrap	334.46	434.52
5	CRGO Coils	137.31	-
6	Transformers	18.01	-
Total		3790.18	5348.20



b) Traded Goods

(₹ in Lacs)

Sr No.	Category	as at 31st March, 2014	as at 31st March, 2013
1	C R Sheets	249.56	564.88
2	C.R.Sheets/Coils	338.24	737.28
3	G.I. Sheets	659.75	919.37
4	G.P. Coils / Sheets	346.67	930.68
5	H.R.Plate	620.55	1066.29
6	M.S.Plate	187.11	692.88
7	Mosquito Killing Systems	3.44	-
8	CRGO Coils	55.91	-
Total		2461.22	4911.38

35 DETAILS OF CLOSING STOCK

a) Closing Stock of Finished Goods

(₹ in Lacs)

Sr No.	Category	as at 31st March, 2014	as at 31st March, 2013
1	Waste & Scrap	0.87	36.72
Total		0.87	36.72

b) Closing Stock of Traded Goods

(₹ in Lacs)

Sr No.	Category	as at 31st March, 2014	as at 31st March, 2013
1	C R Sheets	65.42	30.56
2	C.R.Sheets/Coils	55.82	67.84
3	G.I.Sheets	136.92	136.04
4	G.P. Coils / Sheets	72.54	69.42
5	H.R.Plate	214.97	177.69
6	M.S.Plate	34.05	42.82
7	Mosquito Killing Systems	2.43	4.85
Total		582.15	529.22

36 EARNINGS PER SHARE (EPS)

(₹ in Lacs)

Particulars	as at 31st March, 2014	as at 31st March, 2013
Profit After Tax (₹ in Lacs)	(1805.70)	(591.55)
Weighted average number of Equity Shares – Basic & Diluted	105708000	105708000
Earning Per Share (in ₹) – Basic & Diluted	(1.71)	(0.56)

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 / recast / 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: 28th May, 2014

Astha Rathi

Company Secretary

For and on behalf of the Board

Suresh Kumar Choudhary
Director
Din : 00494510

Rajendra Kumar Choudhary

Managing Director
Din : 00494663
Mumbai: 28th May, 2014



BIL ENERGY SYSTEMS LIMITED

CIN - L28995MH2010PLC199691

Regd. Off.: 2nd Floor,Vikas Chambers, Link & Marve Road, Malad (W), Mumbai-400064

Tel: +91 22 42728080, Fax: +91 22 2881 1225, Email:investors@bilenergy.com,Website: www.bilenergy.com

ATTENDANCE SLIP

(To be presented at the entrance)

5th ANNUAL GENERAL MEETING ON MONDAY, SEPTEMBER 29, 2014 AT 3.00P.M.

At IJMA, 1036/37/38 10th Floor, IJMIMA Complex Raheja Metroplex, Link Road, Behind Goregaon Sports Club, Malad (W), Mumbai – 400 064

Folio No. _____

DP ID No. _____ Client ID No. _____

Name of the Member _____

Signature _____

Name of the Proxy holder _____

Signature _____

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

----- ✂----- Cut from here ----- ✂-----



BIL ENERGY SYSTEMS LIMITED

CIN - L28995MH2010PLC199691

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PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s):

Registered address:

E-mail Id :

Folio No. / Client ID No. : DP ID No.

I / We, being the member(s) of Shares of Bil Energy Systems Limited, hereby appoint:

1. Name: E-mail Id:

Address:

..... Signature:

or failing him

2. Name: E-mail Id:

Address:

..... Signature:

or failing him

3. Name: E-mail Id:

Address:

..... Signature:

or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 5th Annual general meeting of the company to be held on Monday 29th Day of September, 2014 at 3.00P.M. at IJMA, 1036/37/38 10th Floor, IJMIMA Complex Raheja Metroplex, Link Road, Behind Goregaon Sports Club, Malad (W), Mumbai – 400 064 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014.
2. Re appointment of Mr. Sureshkumar Anandilal Choudhary as Director of the Company.
3. Appointment of Statutory Auditors
4. Appointment of Mr. Kesavan Mudakkarappillil Sugathan as an Independent Director of the Company.
5. Appointment of Mr. Vasudev Gajanan Kulkarni as an Independent Director of the Company.

Signed this day of 2014

Signature of shareholder

Signature of Proxy holder(s)

NOTES:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 2nd Floor,Vikas Chambers, Link & Marve Road, Malad (W), Mumbai-400064, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.

Affix Revenue Stamp

Book Post

To,

If not delivered, please return to :

BIL ENERGY SYSTEMS LIMITED

CIN - L28995MH2010PLC199691

Regd. Off.: 2nd Floor, Vikas Chambers, Link & Marve Road, Malad (W), Mumbai-400064

Tel: +91 22 42728080, Fax: +91 22 2881 1225, Email:investors@bilenergy.com, Website: www.bilenergy.com