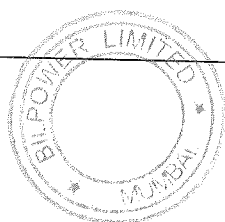


FORM B

Format of the covering letter of the Annual Report to be filed with the Stock Exchanges

1.	Name of the Company	BILPOWER LIMITED
2.	Annual Financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Qualified
4.	Frequency of observation	Appeared for the second time since last year 2012.
5.	Relevant notes in the annual financial statements and management response to the qualification in the directors report	<p>(Pls. refer page no. 05 and 13 of the Annual Report)</p> <p>1) With regard to the preparation of financial statements on going concern : The financial statements of the company have been prepared on a going concern basis, notwithstanding the fact that its net worth is substantially eroded due to high losses for the financial years 2011-2012 and 2012-2013. The appropriateness of the said business is interalia dependent on the company's ability to influence requisite funds for meeting its obligations, rescheduling of debt and resuming normal operations.</p> <p><i>The above Auditors remarks are self explanatory.</i></p> <p>2) 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 March 31, 2013, but in most of the cases the customers have not sent written confirmation confirming the balance outstanding as at March 31, 2013. In the absence of confirmation any provision to be made for adverse variation in the carrying amounts of trade receivables is not quantified.</p> <p><i>The Company has sent balance confirmation letter as advised by the bank as on 31st March 2013 with a request to send confirmation letter directly to State Bank of India, but as informed by the State Bank of India in most of the cases confirmation have not been received by them. However the Board considers all outstanding balance of customers except those which have been considered doubtful as on 31st March 2013 as good and recoverable.</i></p> <p>3) Recognition of Deferred Tax Credit in contravention of Accounting Standard 22 on 'Accounting for Taxes on Income'</p> <p>The company has recognized Deferred Tax Asset on account of unabsorbed losses and allowances</p>



		<p>during the year aggregating to Rs. 68,48,901.05 (For year ended March 31, 2012- NIL)(Total amount recognised upto March 31,2013 Rs. 68,48,901.05). This does not satisfy the virtual certainty test for recognition of deferred tax credit as laid down in Accounting Standard 22</p> <p><i>In the managements opinion Accounting Standard 22 states that recognition of deferred tax assets will not be prudent in case of absence of virtual certainty of future taxable income.</i></p> <p><i>However in this case deferred tax assets has been recognised only to the extent of deferred tax liabilities already in the books which have been reversed during this year.</i></p> <p>4) 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, <i>the same are self explanatory;</i></p> <p>5) As regards Auditors' remarks in Annexure to their report under Item No. 7, with regard to report of internal audit, <i>Company has in house internal audit system commensurate with the size and nature of its business and hence no formal audit report is available..</i></p>
6.	Additional comments from the board / audit committee chair	Same as above
5.	To be signed by -	
	<ul style="list-style-type: none"> CEO / Managing Director 	<p>For BILPOWER LIMITED</p> <p><i>Ruchandhary</i> Director</p>
	<ul style="list-style-type: none"> CFO 	
	<ul style="list-style-type: none"> Auditor of the Company 	<p>FOR BANSAL BANSAL & CO. CHARTERED ACCOUNTANTS</p> <p><i>ap</i> <i>sp</i></p> <p>(ANAND BROLIA) PARTNER MEMBERSHIP NO. 036718</p>
	<ul style="list-style-type: none"> Audit Committee Chairman 	<p><i>Amul</i></p>