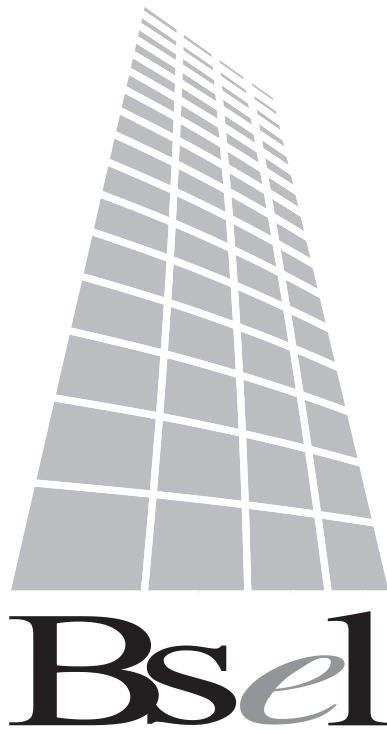


BSEL Infrastructure Realty Limited



17th Annual Report
2011-2012

BSEL INFRASTRUCTURE REALTY LIMITED

BOARD OF DIRECTORS

Kirit R. Kanakiya	Non Executive Director
Disha Devrukhkar	Whole Time Director
Vijay Jain	Non-Executive Independent Director
Hitesh Vora	Non-Executive Independent Director

COMPLIANCE OFFICER

Disha Devrukhkar

REGISTERED OFFICE

737, 7th Floor, The Bombay Oil Seeds
& Oil Exchange Premises Co.op Soc. Ltd.,
The Commodity Exchange,
Plot No. 2,3 & 4, Sector 19,
Vashi , Navi Mumbai - 400 705

UAE

Sharjah Airport Int. Zone,
P.O.Box No.8729,
Sharjah, UAE

MALAYSIA

17-03, Susur Dewata,
Jalan Dewata,
Larkin Perdana,
80350 Johor Bahru

REGISTRAR & SHARE TRANSFER AGENT

Sharex Dynamic (India) Private Limited,
Unit No.1, Luthra Industrial Premises,
Safed Pool, Andheri-Kurla Road,
Andheri (E), Mumbai - 400 072

AUDITORS

CA. Avinash T. Jain, Partner
M/s. Raju and Prasad Chartered Accountants

ADVISORS

P.V. Bambolkar & Co.
Fortress Financial Services Limited

REGISTRAR & DEPOSITORY FOR GDRs

The Bank of New York,
New York Branch, 101, Barclay Street,
21st Floor, New York, NY 10286 USA

BANKERS

State Bank of India
Bank of Baroda, UAE
Ajman Bank
AXIS Bank Limited
Mashreq Bank
Emirates Islamic Bank

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DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present their 17th Directors' Report, on the business and operations of BSEL Infrastructure Realty Limited (hereafter referred to as 'BSEL') together with the Audited Annual Accounts for the financial year ended March 31, 2012.

FINANCIAL HIGHLIGHTS OF BSEL INFRASTRUCTURE REALTY LTD.

(₹ In lacs)

Particulars	Consolidated		Standalone	
	2012	2011	2012	2011
Year ended March 31				
Total Income	(1,931.58)	244.22	210.89	145.16
Total Expenditure (including adjustments)	(1,898.82)	(704.55)	(517.57)	(317.45)
Profit / (Loss) before tax and Extraordinary Items	(3,830.40)	(460.33)	(306.68)	(172.29)
Extraordinary Items	(24,152.41)	44.75	12.49	44.75
Profit/(Loss) before tax	(27,982.81)	(505.08)	(319.17)	(217.04)
Provision for tax (including deferred tax)	46.32	(37.29)	46.32	(37.29)
Profit/(Loss) After Tax – Amount Transferred to Balance Sheet	(27,936.49)	(542.37)	(272.85)	(254.33)

Review of Operations

Standalone income for the year under review is ₹ 210.89 lacs and the standalone net loss is ₹ 272.85 lacs. Your Company was able to minimize its loss as compared to the last year standalone loss. Your Company has incurred a consolidated loss of ₹ 27,936.49 lacs.

Segmental Demerger of BSEL was under consideration and was put forward for feasibility study. After undertaking detailed study, Board is of opinion to drop down the proposal of Demerger as its not feasible considering prevailing conditions in industry and the Company.

Dividend

Directors of the Company are unable to declare any dividend for the financial year ended on March 31, 2012 as Company has incurred loss in the financial year under consideration.

Share Capital

The share capital of the Company remained unchanged during the year under review. The total Equity Share Capital of the Company is comprised of 82,616,840 Equity Shares of ₹ 10/- each. Considering volatile conditions of the market, your Company does not intend to raise any funds.

Global Depository Receipts

As on March 31, 2012, there were a total of 1,83,647 outstanding Global Depository Receipts. No conversion of GDRs into shares was noted during this financial year.

Quality Assurance

Your Company is an ISO 9001:2000 Company. The Company firmly believes in the pursuits of excellence in this ever growing infrastructure and realty sector. Our focus has been on providing consistently quality products and services to our clients. We have maintained ISO 9001 status since 2003.

Subsidiaries

Ministry of Corporate Affairs (MCA) issued General Circular No. 2/2011 vide letter no. 51/12/2007-CL-III dated February 8, 2011, through which it granted a general exemption to companies from attaching Directors' Report, Balance Sheet and Profit & Loss Account of subsidiaries to its Balance Sheet. The Conditions prescribed by the MCA, for availing exemption under this circular, have been fulfilled by your Company. BSEL is having three Wholly Owned Subsidiaries including step down subsidiaries namely (I) BSEL Infrastructure Realty FZE (II) BSEL



Infrastructure Realty Sdn. Bhd. and (III) BSEL Waterfront Sdn. Bhd. Balance Sheets, Profit & Loss accounts, Reports of the Directors and Auditors will be made available upon request by any member on application and will also be kept for inspection at the Registered Office of your Company. The financial data of the subsidiaries has been furnished in the statement pursuant to Section 212 of the Companies Act, 1956 forming part of the Annual Report. Also, pursuant to Accounting Standard - 21 (AS-21) issued by the Institute of Chartered Accountants of India and Listing Agreement, your Company has presented its consolidated financial statements which include the financial information relating to its subsidiaries and forms part of this Annual Report.

Depository Systems

The Company continues with its arrangement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of securities in accordance with the provisions of the Depositories Act, 1995 and members may avail of such facilities. With this, the members have an option / discretion to hold demated shares with NSDL and / or CDSL.

Directors

Mr. Vijay Chauhan was appointed as an Additional Director in the Board Meeting held on June 16, 2011. His appointment was approved by members of the Company in the Annual General Meeting held on September 30, 2011. Mr. Vijay Chauhan resigned from the office of Executive Director on December 28, 2011 and has been appointed as Chief Financial Officer (CFO) of the Company.

Mr. Dharmendra Raichura resigned from the office of Managing Director on October 04, 2011. The Board has duly accepted his resignation and has relieved him from his duties and responsibilities in the capacity of Director, Managing Director, CEO, CFO and Compliance Officer.

The Board of Directors, in their meeting held on December 28, 2011, appointed Ms. Disha Devrukhkar as Whole Time Director of the Company for the period of 1 (one) year commencing from December 28, 2011 to December 27, 2012. The appointment is subject to the approval of Members of the Company in ensuing Annual General Meeting. Brief profile of Ms. Disha Devrukhkar is given in the Explanatory Statement of the Notice of Annual General Meeting forming part of this Annual Report.

Mr. Kirit R. Kanakiya, Non – Executive Director, retires at this Annual General Meeting by rotation and being eligible offers himself for re-appointment. The Board recommends the re-appointment of Mr. Kirit R. Kanakiya as a Non-Executive Director of the Company.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, your directors' confirm that:-

1. In the preparation of the Annual Accounts for the financial year under consideration, the applicable Accounting Standards have been followed.
2. The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the Profit & Loss of the Company for the year under consideration.
3. The directors have taken proper and sufficient care 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 and detecting fraud and other irregularities.
4. The directors have prepared the annual accounts for the year under review on a going concern basis.

Corporate Governance

A detailed report on corporate governance forms part of this Annual Report. Certificate of the statutory auditors of the Company regarding compliance with the provisions of corporate governance as stipulated in Clause 49 of the Listing Agreement is also provided in the Corporate Governance Report.

Management Discussion and Analysis

BSEL incurred loss in the year under consideration; especially the Wholly Owned Subsidiary (WOS) has incurred heavy losses. BSEL is looking out for the feasible and profitable projects to invest in Infrastructure and real estate sector.

BSEL, a zero debt company, has been able to maintain its liquidity throughout the year.

Deposits

The Company has not invited or accepted from public or its employees any deposits in terms of provisions of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975 and therefore no amount of principle or interest was outstanding to be paid as on the balance sheet date.

Auditors

M/s Raju & Prasad Chartered Accountants, Mumbai, who hold office of the statutory auditors of the Company retire at the conclusion of the Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them consenting to act as statutory auditors if appointed and that their appointment will be in terms with Section 224 (1) (b) of the Companies Act, 1956. The Audit Committee has recommended their appointment for the office of statutory auditors of the Company.

Comments on Auditors' Report

With reference to the comments given by the Auditors in the Auditors' Report on accounts of the Company, the management's explanations have been suitably made in the Notes to Accounts of the Balance Sheet and Profit and Loss account and are self explanatory.

Particulars of Employees

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, no employee is drawing remuneration at or above the limits mentioned therein.

Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo

Disclosure under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule, 1988 are as follows:

Conservation of Energy: The operations of the Company are not energy intensive. Adequate measures, have, however been taken to conserve and reduce the energy consumption

Technology Absorption: No technology has been developed and / or imported by way of foreign collaboration.

Foreign Exchange Earnings and Outgo: There are no foreign exchange earnings or outgo during the year under review.

Acknowledgment

Your directors sincerely appreciate the contributions made by all employees and business associates who have supported the Company to stand firmly in the critical and challenging situations emerged out of economic crisis. Your directors are also thankful for the co-operation, support and assistance received from banks, investors, customers, central and state government departments, local authorities, vendors, strategic alliance partners and all other associated with the activities of the Company. Your directors would also like to acknowledge the continued support of the Company's shareholders.

For and on behalf of the Board

Place : Navi Mumbai
Date : August 14, 2012

Sd/-
Disha Devrukhkar
Whole Time Director



CORPORATE GOVERNANCE REPORT

Corporate Governance - BSEL's Philosophy

Corporate governance has succeeded in attracting a good deal of public interest because of its apparent importance for the economic health of corporations and society in general. BSEL firmly recognises that observance of Corporate Governance is an integral part of an organisational system as it's a key for an indeed important harmonised relationship among stakeholders of the Company. Keeping eye on this, BSEL endeavours to adopt infallible policies for corporate governance to be implemented in the interest of stakeholders which ultimately benefits the organisation.

Board of Directors

The Board of Directors, an apex body formed by the shareholders and entrusted with the responsibility to serve and protect the overall interests of stakeholders. Making allowance for this, BSEL always endeavoured to have righteous Board panel composed of eminent personalities in various fields.

The Company was having an optimum combination of directors as required by Listing Agreement as on March 31, 2012. In the Board Meeting held on June 16, 2011, the Board appointed Mr. Vijay Chauhan as an Additional Executive Director. Mr. Dharmendra Raichura, Managing Director, resigned from the office of Director on October 04, 2011.

Information Placed Before the Board

- Operating and financial plans for its review, modifications and necessary approvals;
- Quarterly results and half yearly statement of Assets and Liabilities of the Company;
- Minutes of meetings of Audit Committee and other committees of the Board;
- The information on recruitment and remuneration of senior officers just below the Board level;
- Changes in Board of Directors and Management of the Company including core management of subsidiary.
- Change in Registered Office of the Company
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Details about dividend data;
- General notices of interest of directors.
- Details of Investment made by the Company and plans for further investment
- Opportunities available for raising funds, if required, for the operations of the Company
- Proposal of segmental demerger of the Company and studies related to it.

The Board met 9 (nine) times during the year under review and the dates of such meetings are as follows:

(1) April 30, 2011; (2) May 30, 2011; (3) June 16, 2011; (4) June 30, 2011; (5) August 11, 2011; (6) October 4, 2011; (7) November 14, 2011; (8) December 28, 2011; (9) February 14, 2011.

The below given detailed table describes about attendance of Directors at Board Meetings and Annual General Meeting held during the last financial year. Further, it also provides with shareholding in and details of Memberships and Chairmanships of Committees of BSEL and also about the Directorships in other companies.

Name of Directors	Kirit R. Kanakiya	Dharmendra Raichura	Vijay Jain	Hitesh Vora	Vijay Chauhan	Disha Devrukhkar
Category	Promoter Director, Non Executive Chairman	Managing Director	Non-Executive Independent Director	Non-Executive Independent Director	Executive Director	Whole Time Director
Date of appointment	April 1, 1998	June 30, 2006 (Resigned on Oct. 4, 2011)	February 23, 2004	August 31, 2001	June 16, 2011 (resigned on Dec. 28, 2011)	December 28, 2011
Directorship in other companies	2	0	0	0	0	0
Chairmanship / Membership in committees of Board of other companies	0	0	0	0	0	0
No. of Board meetings attended	9	5	4	4	6	2
Attendance at last AGM	YES	YES	YES	YES	YES	NA
No. of shares held as on March 31, 2012	4,942,180	NIL	NIL	6,500	NIL	NIL
Director Identification Number	00266631	00371160	00594901	00342768	00388336	05156891

Notes:

1. Ms. Disha Devrukhkar was appointed as Whole Time Director on the Board of the Company in the Board Meeting held on December 28, 2011. Her appointment is subject to approval of members in the ensuing Annual General Meeting.
2. None of the independent directors have any pecuniary interest or relationship with the Company apart from sitting fees that they are entitled to receive.
3. The Directorship does not include directorship in private companies / foreign companies.
4. None of the directors is member of more than ten committees and has acted as chairman in more than five committees at any point of time.

Audit Committee**Brief Description of Terms of Reference**

To oversee and direct the financial reporting system along with the disclosure process of the Company, it has constituted Audit Committee of three Directors on the Board and is chaired by an Independent Director; thereby the Company is complying with the terms of Clause 49 (II) (A) of the Listing Agreement and Section 292A of the Companies Act, 1956.

The role and terms of reference, authority and powers of Audit Committee are in conformity with the Companies Act, 1956 and Listing Agreement.

- Ensuring compliances with Accounting Standards and Generally Accepted Accounting Principles (GAAP) adopted for preparation of individual and consolidated financial statements;
- Verifying that internal information gathering and control procedures are properly applied;
- Ensuring the quality and relevance of information provided to the shareholders of the Company ;
- Reviewing drafts of quarterly, half yearly and annual financial statements submitted to it by the Chairman of the Board before they are submitted to the Board of Directors;
- Reviewing drafts of managements reports, activity and income tables and all accounts drawn up for specific purposes;
- Ensuring that the procedures comply adequately with relevant and financial institutions and stock exchanges;
- Meeting with statutory auditors to discuss the compliances by the Company of various Accounting Standards, recommending their appointment and fixation of their remuneration;
- Discuss and study the working plan of the Company and providing suitable recommendations to the Board and the management;
- Reviewing the utilisation / application of the proceeds of the funds raised through issue of securities;
- Analyse the system and procedures used to prepare the financial statements;
- Access the internal control system of the Company and check that the procedures are driven towards transparency, accountability and accuracy;
- Reviewing Company's risk management policies etc.

Composition, Name of Members and Chairperson

In compliance with provisions of Listing Agreement, the Audit Committee is comprised of three directors and is chaired by the independent director of the Company. The details of composition of the Audit Committee is provided hereunder.

Sr. No.	Name of the Member	Designation	No. of Meetings Attended
1.	Mr. Vijay Jain	Chairman	4
2.	Mr. Hitesh Vora	Member	1
3.	Mr. Kirit Kanakiya	Member	4

Meetings and Attendance during the Year

During the year, four meetings of Audit Committee were held, the dates thereof and attendance therein are as described hereunder meetings of Audit Committee: (1) May 30, 2011; (2) August 11, 2011; (3) November 14, 2011; (4) February 14, 2012.

Remuneration Committee**Brief Description of Terms of Reference**

The Remuneration Committee has been formed with an intention to direct and guide the Board in framing its Remuneration policy, compensation structure viz., monetary and non-monetary benefits to be paid to the Executive Directors and top management of the Company. It also undertakes to review the same from time to time.



The details of composition of Remuneration Committee and attendance at meetings of the Remuneration Committee are as follows:

Sr. No.	Name of the Member	Designation	No. of Meetings Attended
1.	Mr. Vijay Jain	Chairman	2
2.	Mr. Hitesh Vora	Member	1
3.	Mr. Kirit Kanakiya	Member	2

Committee met twice in the year under consideration. The meetings were held on (1) May 30, 2011; (2) December 28, 2011.

Remuneration Policy

The remuneration policy in respect of remuneration to Executive Directors and top management of the Company of the Company is in conformity with Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956.

Details of Remuneration to all Directors

The non-executive directors of the Company receive only sitting fees for the meetings attended by them. The Executive Directors of the Company receive salary from the Company for their services to the Company.

The details of remuneration paid to all the directors are as follows:

Sr. No.	Name of the Director	Category	Remuneration	Nature of Remuneration
1.	Mr. Dharmendra Raichura	Managing Director	4,22,500	Salary including perquisites
2.	Mr. Kirit R. Kanakiya	Chairman, Non-executive director	45,000	Sitting Fees
3.	Mr. Hitesh Vora	Non-executive, independent director	20,000	Sitting fees
4.	Mr. Vijay Jain	Non-executive, independent director	20,000	Sitting fees
5.	Mr. Vijay Chauhan	Executive Director	1,62,500	Salary including perquisites
6.	Ms. Disha Devrukhkar	Whole Time Director	31,750	Salary including perquisites

Shareholders' and Investors' Grievances Committee

The scope of Shareholders' and Investors' Grievances Committee includes the redressal of shareholders' and investors' grievances received directly at the office of the Company and to the R&T Agent and through other regulatory authority like stock exchange, SEBI, etc. The committee, in concert with the Registrar and Transfer Agent of the Company, M/s Sharex Dynamic (India) Pvt. Ltd. undertakes transfer and transmission of the shares of the Company, issuance of duplicate share certificate, renewal of dividend warrants, issuance of fresh dividend warrant or pay orders as the case may be, resolving all other issues regarding shareholders' and investors' grievances.

The composition of committee and details of attendance of committee meetings are described in following chart:

Sr. No.	Name of the Member	Designation	No. of Meetings Attended
1.	Mr. Vijay Jain	Chairman	1
2.	Mr. Hitesh Vora	Member	1
3.	Mr. Kirit Kanakiya	Member	1

Mr. Vijay Jain, non-executive and independent director heads the committee.

Shareholders' and investors' grievances committee met once in May 30, 2011 in the financial year under consideration.

Name and Designation of the Compliance Officer

Ms. Disha Devrukhkar is acting as a Compliance Officer of the Company. The email IDs of the compliance officer investorgrievance@bsel.com has been designated for the purpose of registering investor's complaints and other follow up actions.

Number of Shareholders' Complaints Received

The Company received 2 (two) complaints during the financial year and all the complaints were duly resolved to the satisfaction of the shareholders. No complaints were pending to be resolved at the end of the year.

General Body Meeting**Location and Time of the Last 3 Annual General Meetings**

Financial Year	Venue	Day and Date	Time	No. of Special Resolutions
2008-2009	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703	Wednesday, September 23, 2009	10.30 AM	NIL
2009-2010	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703	Thursday, September 30, 2010	09.30 AM	NIL
2010-2011	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703	Friday, September 30, 2011	10.00 AM	1 (One)

- Details of special resolutions passed at last 3 AGMs are provided in the chart above.
- No special resolution has been passed through postal ballot during year under consideration.
- The Company does not propose any special resolution to be passed through postal ballot.

Disclosures**Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company**

As per the Listing Agreement, the Company needs to disclose the transactions in which its promoters, directors or the management, their subsidiaries or relatives have potential conflict of interest.

Details of such materially significant transactions are forming part of the accounts in accordance with the provisions of Accounting Standard 18.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by stock exchange, SEBI or any other statutory authority in the past 3 Years

There are no penalties or any strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authorities in any matter related to capital markets during the last three years.

Code of Conduct:

The code of conduct of the Company sets out the policies, procedures, ethics and standards as to the Board as well as top management of the Company. The code of conduct laid down for Board and management of the Company has been made available on website of the Company www.bsel.com.

All the directors and senior managers have affirmed compliance of code of conduct laid down. The declaration to that effect is forming part of CEO and CFO certification given at the end of this corporate governance report.

Policy for Prohibition of Insider Trading:

SEBI (Prohibition of Insider Trading) Regulations, 1992 strictly forbids the trading in Company's securities, by directors and specified employees of the Company, on the basis of unpublished price sensitive information regarding affairs of the Company. The Company's policy is to preserve the confidentiality and prevent misuse of unpublished price sensitive information.

All disclosures, as required by these regulations, have been made from time to time and the Company has complied with the requirements of these regulations.

Means of Communication**Newspapers wherein Financial Results normally published**

During the Financial year ended on March 31, 2012, the Quarterly Financial Results of the Company and Half yearly Assets and Liability Statement were published in all India editions of "Business Standard" and "Mumbai Lakshadeep".



Any Website Where Displayed

The results, presentations and all other official news releases are displayed at the Companies' website: www.bsel.com alongwith the websites of the Stock Exchanges: www.bseindia.com and www.nseindia.com.

General Shareholder Information

Date, Time of AGM	Friday, September 28, 2012 at 9.30 A.M.
Venue of AGM	Hotel Abbott, Sector 2, Vashi, Navi Mumbai - 400 703.
Financial Year	2011-2012
Date of Book Closure	Wednesday, September 26, 2012 to Friday, September 28, 2012
Listing on Stock Exchange	
Listing of Equity Shares	Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE)
– Stock Code	BSE: 532123 NSE: BSELINFRA
Listing of GDR's	Luxembourg Stock Exchange
– Stock Code of GDR's	US11776M1009
– Security Type	BSELinfr GDR ne

Market Price Data: High, Low during each month during the last financial year

Month	BSE			NSE		
	High	Low	Sensex	High	Low	Nifty
April 11	7.95	5.38	19136	8.10	5.40	5911
May	6.47	4.91	18503	6.30	5.00	5701
June	5.70	4.40	18846	5.70	4.30	5647
July	5.23	4.45	18197	5.40	4.40	5729
August	4.70	3.19	16677	4.75	3.20	5517
September	4.51	3.40	16454	4.55	3.05	5153
October	4.00	3.17	17705	4.25	3.05	5361
November	4.32	2.75	16123	3.75	2.80	5289
December	3.50	2.51	15455	3.40	2.60	5063
January 12	4.58	2.70	17194	4.60	2.70	5205
February	4.43	3.57	17753	4.30	3.60	5607
March	4.04	2.86	17404	4.05	2.90	5464

Registrar and Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.
Unit no. 1, Luthra Industrial Premises,
Safed Pool, Andheri – Kurla Road,
Andheri (E), Mumbai – 400 072
Telephone No. (022) 2851 5606/5644 7
Fax: (022) 2851 2885

Share Transfer System

The Company has delegated its powers to effect the transfer of shares to its Registrar and Share Transfer Agents of the Company M/s. Sharex Dynamic (India) Pvt. Ltd.

Distribution of Shareholding as on March 31, 2012

Shares	No. of Holders	% of Holders	Total Shares	% of Shareholding
UPTO 100	18,277	32.27	13,18,924	1.60
101 TO 200	8,934	15.77	16,57,373	2.01
201 TO 500	12,686	22.40	50,21,297	6.08
501 TO 1000	7,860	13.88	67,82,759	8.21
1001 TO 5000	7,241	12.78	1,68,04,692	20.34
5001 TO 10000	910	1.61	68,49,432	8.29
10001 TO 100000	677	1.20	1,69,65,430	20.54
100001 AND ABOVE	56	0.10	2,72,16,933	32.94
TOTAL	56,641	100.00	8,26,16,840	100.00

Shareholding Pattern as on March 31, 2012

Sr.	Category of Shareholder	No. of Shareholders	Total No. of Shares	No. of Shares in Demat	% of Total No. of Shares
A.	Promoter Shareholding				
	Individuals/ HUF	4	77,87,860	77,87,860	9.43
	Bodies Corporate	9	99,52,108	99,52,108	12.05
	Total Promoter Shareholding	13	1,77,39,968	1,77,39,968	21.48
B.	Public Shareholding				
1.	Institutions				
	Financial Institutions / Banks	2	190	10	0.00
	Venture Capital Funds	1	500	500	0.00
	Foreign Institutional Investors	1	3,000	3,000	0.00
	Sub-Total (B)(1)	4	3,690	3,510	0.00
2.	Non-institutions				
	Bodies Corporate	665	75,77,939	75,76,679	9.17
	Individuals	55,574	5,25,04,081	5,24,07,199	63.55
	Other	384	29,54,692	29,54,532	3.58
	Sub-Total (B)(2)	56,623	6,30,36,712	6,29,38,410	76.30
	(B) Total Public Shareholding (B)(1)+(B)(2)	56,627	6,30,40,402	6,29,41,920	76.30
(C)	Shares Held by Custodians and Against which Depository Receipts have been Issued	1	18,36,470	18,36,470	2.22
	GRAND TOTAL (A)+(B)+(C)	56,641	8,26,16,840	8,25,18,358	100.00

* Promoters' shareholding in the Company is free from all/ any lien, encumbrance or pledge.



Dematerialization of Shares:-

The equity shares of the Company are traded in electronic form. As on March 31, 2012 a total of 82,518,358 equity shares or 99.88% of the total paid up equity capital were held in electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). All the demat requests were generally processed and confirmed within 7 days of receipt.

Demat ISIN in NSDL and CDSL for Equity Shares –

INE395A01016

Outstanding GDR's / ADR's Warrants or Any Convertible Instruments

As on March 31, 2012 the total number of outstanding GDR's was 183,647 wherein each GDR represents 10 underlying equity shares.

Registered Office

The Registered office of the Company has been shifted to 737, 7th Floor, The Bombay Oil Seeds and Oil Exchange Premises Co.op. Society Ltd., The Commodity Exchange, Plot No. 2, 3 & 4, Sector 19, Vashi, Navi Mumbai – 400 705 w.e.f. June 16, 2011 from the old address G – 101, 2nd Floor, Tower No. 7, International Infotech Park, Vashi Railway Station Complex, Vashi, Navi Mumbai – 400 705.

Thus the Address of Registered Office and Address of Correspondence with BSEL stands as **737, 7th Floor, The Bombay Oil Seeds and Oil Exchange Premises Co.op. Society Ltd. , The Commodity Exchange, Plot No. 2, 3 & 4, Sector 19, Vashi, Navi Mumbai – 400 705.**

Secretarial Audit Report

As stipulated by the Securities and Exchange Board of India, Secretarial Audits have been carried out, by a firm of Practising Chartered Accountant, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the board of directors. The audit, *inter alia*, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

Declaration under Clause 49(I)(D) of the Listing Agreement for compliance with the Code of Conduct

As per the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has laid down a Code of Conduct for its Board of Directors and Senior Management.

For and on behalf of the Board

Place : Navi Mumbai
Date : August 14, 2012

Sd/-
Disha Devrukhkar
Whole Time Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY

(Amount in ₹)

Sr. No.	Name of the Subsidiary	BSEL Infrastructure Realty FZE	BSEL Infrastructure Realty Sdn. Bhd.	BSEL Waterfront Sdn. Bhd.
1	Reporting Currency	AED	MYR	MYR
2	Exchange Rate as on March 31, 2012	14.11	16.90	16.90
3	Share Capital	423,432,000	1,690,310	33,806,200
4	Reserves & Surplus	(787,854,135)	(2,088,868)	(119,892,759)
5	Total Assets	5,257,649,215	33,811,271	5,071
6	Total Liabilities (other than 3 and 4)	5,622,071,351	34,209,829	86,091,630
7	Investments other than in subsidiary	15,138,668	NIL	NIL
8	Name of the Holding Company	BSEL Infrastructure Realty Limited	BSEL Infrastructure Realty FZE	BSEL Infrastructure Realty Sdn. Bhd.
9	% of Holding	100%	100%	100%
10	Sale and other income	(214,401,406)	NIL	NIL
11	Profit / (loss) before Tax	(2,646,130,154)	(1,295,944)	(119,001,931)
12	Provision for Tax	NIL	NIL	NIL
13	Profit / (loss) after Tax	(2,646,130,154)	(1,295,944)	(119,001,931)
14	Dividend	NIL	NIL	NIL



Infrastructure Realty Limited

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) OF THE COMPANY

WE, DISHA DEVRUHKAR, CHIEF EXECUTIVE OFFICER AND VIJAY CHAUHAN, CHIEF FINANCIAL OFFICER OF BSEL INFRASTRUCTURE REALTY LIMITED, TO THE BEST OF OUR KNOWLEDGE AND BELIEF, CERTIFY THAT:

- We have reviewed the balance sheet and profit and loss account (stand alone and consolidated) along with all its schedules and notes on accounts, as well as the cash flow statement and the directors report;
- Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the statements made;
- Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all, material respects, a true and fair view of Company's affairs, the financial condition, result of operations and cash flows of the Company as of, and for, the periods presented in this report and are in compliance with the existing Accounting Standards and/or applicable laws and regulations;
- To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- We are responsible for establishing and maintaining disclosure controls and procedure and internal controls over the financial reporting of the Company and have also disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and what we have done or propose to do to rectify these;
- We have also disclosed to the auditors as well as the Audit Committee, instances of significant fraud, if any, that involve management or employees having a significant role in the Company's internal control systems; and
- We have indicated to the auditors, the Audit Committee and in the notes to the accounts, whether or not there were any significant changes in internal control and / or accounting policies during the year.

Place : Navi Mumbai
Date : May 30, 2012

Sd/-
Disha Devrukhkar
(CEO)

Sd/-
Vijay Chauhan
(CFO)

AUDITORS' CERTIFICATE TO THE MEMBERS OF THE COMPANY ON COMPLIANCE OF THE CONDITIONS OF CLAUSE 49 OF THE LISTING AGREEMENT (CORPORATE GOVERNANCE) FOR THE YEAR ENDED MARCH 31, 2012

We have examined the compliance of conditions of corporate governance by BSEL Infrastructure Realty Limited, for the year ended as at 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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 conditions of the corporate governance. 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 state that no investor grievances are pending for a year exceeding one month against the Company as per the records maintained by the shareholder / investors grievance committee.

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

For RAJU & PRASAD
Chartered Accountants

Sd/-
CA. Avinash T. Jain
Partner
Membership No: 41689

Place : Mumbai
Date : August 14, 2012

AUDITORS' REPORT

To the Members of
BSEL INFRASTRUCTURE REALTY LIMITED

1. We have audited the attached Balance Sheet of BSEL Infrastructure Realty Limited as at 31st March, 2012 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 of India (the 'Act') and on the basis of such checks of the books and record of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - I. 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.
 - II. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - III. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - IV. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - V. On the basis of the written representation received from the Directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the Director is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - VI. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view and are 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, 2012.
 - (b) In the case of the Profit & Loss account, of the Loss for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For RAJU & PRASAD
Chartered Accountants
FRN NO. 003475 S

Sd/-
CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 30.05.2012



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials. The discrepancies noted during the physical verification were not material.
(c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- II. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- III. (a) The Company has not granted secured or unsecured loans to the company which is covered in the register maintained under section 301 of the Act.
(b) The Company has not granted interest free loan to the parties covered in the register maintained under section 301 of The Companies Act, 1956, hence the comment on the rate of interest and terms and conditions thereon is not required.
(c) The Company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Act, and there is no repayment schedule prescribed, hence the comment on the receipt of the principal and interest thereon is not required.
(d) The Company has not granted secured or unsecured loans to Companies, Firms or other parties covered in the register maintained under section 301 of the Act, and there is no overdue amount which is more than rupees one lakh, hence the comment on the overdue amount is not required.
(e) The Company has not taken secured/unsecured loans from the Company covered in the register maintained under section 301 of the Companies Act, 1956.
(f) The Company has not taken interest free loan from the parties covered in the register maintained under section 301 of The Companies Act, 1956, hence the comment on the rate of interest and terms and conditions thereon is not required.
(g) The Company has no outstanding secured or unsecured loans to the Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
- V. (a) According to the information and explanations given to us, we are of the opinion that particulars of the contracts or agreements that need to be entered have been so entered in the registers required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or agreements have been made at price which is reasonable having regard to the prevailing market price at relevant time.
- VI. According to the given information and explanation given to us, the Company has not accepted any deposits from the public in terms of section 58A and 58AA or any other relevant provision of the Act and the rules framed thereunder, therefore provision of clause 4 (vi) of the order are not applicable.
- VII. In our opinion, the Company has an internal audit system, commensurate with its size and the nature of its business.
- VIII. The Central Government has not prescribed maintenance of cost records by the Company under section 209 (1) (d) of the Act.
- IX. (a) According to the information and explanations given to us and records of the Company examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess is outstanding at the year end for a year of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute. However, the demand of are as under.

Name of the statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Demand for Tax	Rs. 26,424,532/-	AY 2001-02	CIT(Appeal)
The Income Tax Act, 1961	Demand for Tax	Rs. 6,070,321/-	AY 2006-07	Rectification under Sec 154 Pending.
The Income Tax Act, 1961	Demand for Tax	Rs. 25,230,340/-	AY 2009-10	Rectification under Sec 154 Pending.

- X. The Company has no accumulated losses at the end of the financial year. The Company has incurred cash losses in the current financial year as well as incurred cash losses in the immediately preceding financial year.
- XI. Based on our audit procedures and on the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
- XII. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of The Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') are not applicable to the Company.
- XIV. In our opinion, the Company is dealing in or trading in shares, securities, debentures and other investments and proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other securities have been held by the company, in its own name.
- XV. To best of our knowledge and belief and according to the information and explanation given to us, in our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- XVI. There are no term loans outstanding from any Financial Institution from the beginning of the financial year. .
- XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds have been raised on short term basis.
- XVIII. According to information and explanations given to us, the Company has not made any preferential allotment of shares to the parties and Companies covered in register maintained under section 301 of the Act.
- XIX. The Company did not have any debentures during the year.
- XX. The Company has not raised any funds by way of public issue during the financial year.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For RAJU & PRASAD
Chartered Accountants
FRN NO. 003475 S

Sd/-
CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date: 30.05.2012



Infrastructure Realty Limited

BALANCE SHEET AS AT 31ST MARCH, 2012

(All Figures in ₹)

Sl. No.	Particulars	Note No.	Current Year 2011-12	Previous Year 2010-11
I.	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
(a)	Share Capital	2	826,168,400	826,168,400
(b)	Reserves and Surplus	3	3,393,571,848	3,007,777,599
(c)	Money received against share warrants		—	—
2	Share application money pending allotment		—	—
3	Non-Current Liabilities			
(a)	Long-term borrowings		—	—
(b)	Deferred tax liabilities (Net)		—	4,632,396
(c)	Other long-term liabilities		—	—
(d)	Long-term provisions		—	—
4	Current Liabilities			
(a)	Short-term borrowings	4	1,950,000	1,950,000
(b)	Trade Payables	5	1,243,912	1,152,795
(c)	Other Current liabilities	6	570,820	6,004,875
(d)	Short-term provisions	7	1,501,669	2,005,548
	TOTAL-EQUITY AND LIABILITIES		4,225,006,649	3,849,691,613
II.	ASSETS			
1	Non-current assets			
(a)	Fixed assets			
(i)	Tangible assets	8	24,857,463	19,787,444
(ii)	Intangible assets		—	—
(iii)	Capital work-in-progress		—	—
(iv)	Intangible assets under development		—	—
(b)	Non-current investment	9	477,516,279	425,892,315
(c)	Deferred tax assets (net)		—	—
(d)	Long-term loans and advances	10	2,928,353,757	2,559,088,126
(e)	Other non-current assets	11	19,619,108	19,015,497
2	Current assets			
(a)	Current investment		—	—
(b)	Inventories	12	464,364,910	463,812,411
(c)	Trade receivables	13	205,043,368	205,126,052
(d)	Cash and cash equivalents	14	87,810,194	135,437,763
(e)	Short-term loans & advances	15	17,000,000	20,750,000
(f)	Other current assets	16	441,571	782,004
	TOTAL ASSETS		4,225,006,649	3,849,691,613
	NOTES TO THE ACCOUNTS	1 to 23		

As per our Report of Even Date

For RAJU & PRASAD

Chartered Accountants

Sd/-

CA. Avinash T. Jain

Partner

Membership No. 41689

Place : Mumbai

Date : 30.05.2012

For BSEL INFRASTRUCTURE REALTY LIMITED

Sd/-

Disha R Devrukhkar

Whole-Time Director

Sd/-

Kirit R Kanakiya

Director

PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(All Figures in ₹)

Sl. No.	Particulars	Note No.	Current Year 2011-12	Previous Year 2010-11
I.	Revenue from operations			
	Other operative Revenues	17	13,794,014	11,052,034
II.	Other Income	18	7,295,260	3,463,816
III.	Total Revenues (I+II)		21,089,273	14,515,850
IV.	Expenses:			
a.	Cost of Materials consumed	19	4,927,196	4,308,954
b.	Purchase of Stock in trade		—	—
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade		(552,500)	—
d.	Employee benefits expenses	20	5,143,078	4,954,273
e.	Finance cost		—	—
f.	Depreciation and amortization expenses	8	1,047,405	916,442
g.	Bad Debts		30,000,000	—
h.	Other Expenses	21	11,191,840	21,564,998
	Total Expenses		51,757,019	31,744,667
V.	Profit before exceptional and extra-ordinary items and tax (III-IV)		(30,667,745)	(17,228,817)
VI.	Exceptional Items		—	—
VII.	Profit before extra-ordinary items and tax (V-VI)		(30,667,745)	(17,228,817)
VIII.	Extraordinary Items	22	1,249,683	4,475,082
IX.	Profit/(Loss) before tax (VII-VIII)		(31,917,428)	(21,703,899)
X.	Tax Expenses			
	Current Tax		—	—
	Deferred Tax Liability/(Assets)		(4,632,396)	3,729,033
XI.	Profit/(Loss) for the period from continuing operations (IX-X)		(27,285,032)	(25,432,932)
XII.	Profit/(Loss) from discontinuing operations		—	—
XIII.	Tax expenses of discontinuing operations		—	—
XIV.	Profit/(Loss) from discontinuing operations (after tax)(XII-XIII)		—	—
XV.	Profit/(Loss) for the period (XI-XIV)		(27,285,032)	(25,432,932)
XVI.	Earning per equity share:			
(1)	Basic		(0.33)	(0.31)
(1)	Diluted		(0.33)	(0.31)
NOTES FORMING PART OF FINANCIAL STATEMENT		1 to 23		

As per our Report of Even Date

For RAJU & PRASAD

Chartered Accountants

Sd/-

CA. Avinash T. Jain

Partner

Membership No. 41689

Place : Mumbai

Date : 30.05.2012

For BSEL INFRASTRUCTURE REALTY LIMITED

Sd/-

Disha R Devrukhkar

Whole-Time Director

Sd/-

Kirit R Kanakiya

Director



Infrastructure Realty Limited

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

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	(31,917,428)	(21,703,899)
Adjustments for :		
Depreciation	1,047,405	916,442
Other Income	(7,295,260)	(3,463,816)
Operating profits before working capital changes	(38,165,283)	(24,251,273)
Adjustments for :		
Trade Receivable	82,685	4,705,579
Deposits (Assets) Loans & Advances	(365,778,808)	(30,161,223)
Inventories	(552,499)	—
Provision for Tax	—	—
Provision for Deferred Tax	4,632,396	(3,729,033)
Trade Payable and other liabilities	(10,479,213)	5,697,710
Net cash from operating activities	(410,260,722)	(47,738,240)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Foreign Currency Translation Reserve	413,079,281	26,316,138
Sale/(Purchase) of investment	(51,623,964)	18,771,638
Sale/(Purchase) of fixed assets	(6,117,424)	(1,776,310)
Net cash from investing activities	355,337,893	43,311,466
C. CASH FLOW FROM FINANCING ACTIVITIES		
Other Income	7,295,260	3,463,816
Net cash from financing activities	7,295,260	3,463,816
Net increase/(decrease) in cash & cash equivalent	(47,627,569)	(962,959)
Cash & cash equivalent opening balance	135,437,763	136,400,722
Cash & cash equivalent closing balance	87,810,194	135,437,763

For BSEL INFRASTRUCTURE REALTY LIMITED

Place : Mumbai
Date : 30.05.2012

Sd/-
Disha R Devrukhkar
Whole-Time Director

Sd/-
Kirit R Kanakiya
Director

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of **M/S. BSEL INFRASTRUCTURE REALTY LIMITED**, for the year ended 31st March, 2012. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Balance Sheet of the Company covered by our report of even date to the members of the Company.

For **RAJU & PRASAD**
Chartered Accountants

Place : Mumbai
Date : 30.05.2012

Sd/-
CA. Avinash T. Jain
Partner
Membership No.41689

NOTE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012**NOTE : "2"
SHARE CAPITAL**

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11		
a. Authorised Capital				
150,000,000 Equity Shares of ₹10/- each	1,500,000,000	1,500,000,000		
b. Issued Subscribed and Paid Up				
82,616,840 Equity Shares of ₹ 10/- each fully paid up	826,168,400	826,168,400		
	826,168,400	826,168,400		
c. Par value per Share				
Equity Shares	₹ 10 /-	₹ 10 /-		
d. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Particulars	Equity Shares			
	As at 31 March 2012		As at 31 March 2011	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	82,616,840	826,168,400	82,616,840	826,168,400
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Any other movement (please specify)	—	—	—	—
Shares outstanding at the end of the year	82,616,840	826,168,400	82,616,840	826,168,400
e. Shares held by holding/ultimate holding company and/or their subsidiaries/associates				
Particulars	Nature of Relationship	As at 31 March 2012	As at 31 March 2011	
Equity Shares				
	NA			
f. Shareholders holding ordinary shares more than 5% :				
Particulars	Equity Shares			
	As at 31 March 2012		As at 31 March 2011	
Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kirit Ramniklal Kanakiya	4,942,180	5.98	4,942,180	5.98



NOTE : "3"
RESERVES & SURPLUS

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
a. Capital Reserves for Foreign Currency Translation		
Opening Balance	180,846,529	154,530,391
Add : Foreign Currency Translation Capital Reserve/(Loss)	413,079,281	26,316,138
Less : Written Back in Current Year	—	—
Closing Balance	593,925,810	180,846,529
b. Securities Premium Account		
Opening Balance	1,924,752,444	1,924,752,444
Add : Securities premium credited on Share issue	—	—
Less : Premium Utilised for various reasons	—	—
Premium on Redemption of Debentures	—	—
For Issuing Bonus Shares	—	—
Closing Balance	1,924,752,444	1,924,752,444
c. General Reserves		
Opening Balance	195,570,000	195,570,000
Add : Current Year Transfer	—	—
Less : Written Back in Current Year	—	—
Closing Balance	195,570,000	195,570,000
d. Surplus/(Deficit) in the statement of Profit & Loss		
Opening Balance	706,608,626	732,041,558
Add : Net Profit/(Net Loss) For the current year	(27,285,032)	(25,432,932)
Add : Transfer from Reserves	—	—
Less : Proposed Dividends	—	—
Less : Interim Dividends	—	—
Less : Transfer to Reserves	—	—
Closing Balance	679,323,594	706,608,626
	3,393,571,848	3,007,777,599

NOTE : "4"
SHORT TERM BORROWINGS

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Unsecured		
a. Loans and advances from related parties		
(i) Orbit Plastics Pvt. Ltd. (Loan repayable on demand, there is no such repayment schedule)	1,950,000	1,950,000
	1,950,000	1,950,000

NOTE : "5"
TRADE PAYABLES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Trade Payables	1,243,912	1,152,795
	1,243,912	1,152,795

NOTE : "6"
OTHER CURRENT LIABILITIES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Deposit against various Leased Properties	50,000	1,870,500
Deposit for Society Formation	178,930	178,930
Other Liabilities- Advance against sale	200,000	3,600,000
Income Received in Advance	134,890	295,446
Booking Advance - Kevadia	7,000	60,000
	570,820	6,004,876

NOTE : "7"
SHORT-TERM PROVISIONS

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
a. Provision for employee benefits		
Salary & Reimbursements	322,357	313,437
Contribution to PF	8,221	13,958
Gratuity (Funded)	335,596	681,346
	666,174	1,008,741
b. Others (Specify nature)		
TDS Payable	16,411	77,786
PT / Cess / ST /VAT Payable	13,226	251,105
Provision for Expenses and Liabilities	805,858	667,916
	835,495	996,807
	1,501,669	2,005,548



NOTE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

NOTE : "8"
FIXED ASSETS

(All Figures in ₹)

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at 1 April 2011	Addition during the year	Deletion during the year	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	Accumulated depreciation on deletion	Balance as at 1 April 2011	Balance as at 31 March 2012
	1	2	3	4	5	6	7	8	10
Tangible Assets (Not Under Lease)									
Land	—	—	—	—	—	—	—	—	—
Buildings	22,050,014	—	—	22,050,014	5,736,132	296,388	—	16,313,882	16,017,494
Plant and Equipment	—	—	—	—	—	—	—	—	—
Furniture and Fixtures	12,195,811	5,823,234	180,000	17,839,045	10,308,429	538,793	12,824	1,887,382	7,004,647
Vehicles	1,810,224	740,000	839,154	1,711,070	1,302,427	92,611	373,506	507,797	689,538
Office equipment	2,082,412	153,634	—	2,236,046	1,060,149	67,440	—	1,022,263	1,108,457
Computers/Printers	54,760,004	33,380	—	54,793,384	54,703,884	52,173	—	56,120	37,327
Total	92,898,465	6,750,248	1,019,154	98,629,559	73,111,021	1,047,405	386,330	19,787,444	24,857,463

NOTE : "9"

NON CURRENT INVESTMENTS (AT COST)

(All Figures in Rupees)

Particulars	Current Year 2011-12		Previous Year 2010-11	
	No. of Share	Amount	No. of Share	Amount
Long Term Investments				
(a) In Shares (Quoted)				
Gangotri Textile Ltd.	1,473,188	35,881,280	1,474,533	35,919,948
NHPC Ltd.	600,000	18,203,000	629,500	19,121,367
(Current year market value ₹ 16,955,473/- Previous year market value ₹26,250,829/-)				
	2,073,188	54,084,279	2,104,033	55,041,315
(b) In Shares (Unquoted)				
Investment in Subsidiary Company				
BSEL Infrastructure Realty (FZE)	—	423,432,000	—	370,851,000
(100% owned by BSEL Infrastructure Realty Ltd)				
	—	423,432,000	—	370,851,000
	2,073,188	477,516,279	2,104,033	425,892,315

NOTE : "10"

LONG TERM LOANS AND ADVANCES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
a. Loans and advances to related parties		
Secured, considered good	—	—
Unsecured, considered good		
(i) Loans and Advances to BSEL Infrastructure Realty FZE- UAE	2,903,129,562	2,533,722,392
Doubtful	—	—
Less: Provision for doubtful loans and advances	—	—
	2,903,129,562	2,533,722,392
b. Other loans and advances (specify nature)		
Secured, considered good	—	—
Unsecured, considered good		
(i) Advance for Purchase of Land/Property	2,335,734	2,335,734
(ii) Advance against Property (Gorkap)	3,030,000	3,030,000
(ii) Goa Tech Parks Pvt. Ltd.	19,858,461	20,000,000
Doubtful	—	—
Less: Provision for doubtful loans and advances	—	—
	25,224,195	25,365,734
	2,928,353,757	2,559,088,126



NOTE : "11"

OTHER NON-CURRENT ASSETS

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Earnest Money Deposits for Tenders	12,200,000	12,200,000
Deposit for Lease Premises	4,500,000	4,500,000
Other Miscellaneous Deposits	164,944	227,099
Other Deposits for Kevadia	559,811	559,811
TDS in advance	2,194,353	1,528,587
	19,619,108	19,015,497

NOTE : "12"

INVENTORIES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Work In Progress of Land, Building & Construction Work at Various Projects		
Opening Stock of Work In Progress	463,812,411	463,812,411
Add: Purchase/Additions/Transfer/(Deletions)/(Consumption)/(Sales) during the year	552,499	—
	—	—
Closing Stock - WIP	464,364,910	463,812,411

NOTE : "13"

TRADE RECEIVABLES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
a. Trade receivables outstanding for a period less than six months		
Secured, considered good	—	—
Unsecured, considered good	43,368	126,052
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
	43,368	126,052
b. Trade receivables outstanding for a period exceeding six months		
Secured, considered good	—	—
Unsecured, considered good	—	—
(i) Gigeo Construction Co Pvt Ltd.	205,000,000	205,000,000
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
	205,000,000	205,000,000
	205,043,368	205,126,052

NOTE : "14"
CASH AND BANK BALANCE

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
a. Balances with banks		
Balance in Current Account	770,779	1,730,604
Balance in Fixed Deposit	80,673,194	1,761,343
Bank deposits with more than 12 months maturity		
Balance in Fixed Deposit	540,107	—
b. Cheques, drafts on hand	967,176	127,200,000
c. Cash in hand	4,858,938	4,745,816
d. Others (specify nature)	—	—
	87,810,194	135,437,763

NOTE : "15"
SHORT TERM LOANS AND ADVANCES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Other Loans & Advances		
Secured, considered good	—	—
Unsecured, considered good	17,000,000	20,750,000
Doubtful	—	—
Less: Provision	—	—
	17,000,000	20,750,000

NOTE : "16"
OTHER CURRENT ASSETS

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Advance/Imprest to Employees	399,570	565,411
Advance to Suppliers-Kevadia	—	192,500
Prepaid Expenses	42,001	24,093
	441,571	782,004



NOTES : "17"

OTHER OPERATIVE REVENUES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Sale of Units	—	—
Other Operating Income	9,730,814	7,155,164
Business Centre Income	4,063,200	3,896,870
	13,794,014	11,052,034

NOTES : "18"

OTHER INCOME

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Interest on Fixed Deposit (TDS Current Yr. ₹3,04,969/- and Previous Yr. ₹ 12,008/-)	3,286,656	121,496
Dividend Received	1,572,136	824,192
Foreign Exchange Gain/(Loss)	6,974	426
Transfer Charges, NOC Charges, Sign Board Rentals, Miscellaneous Rental and Interest Income	2,429,494	2,517,701
	7,295,260	3,463,816

NOTES : "19"

COST OF MATERIALS CONSUMED

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Direct Project Expenses for various Construction sites		
Direct Material and Direct Expenses	4,927,196	4,308,954
	4,927,196	4,308,954

NOTES : "20"

EMPLOYEE BENEFIT EXPENSES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
ESIC Paid	19,623	18,959
Gratuity,Bonus, Ex-Gratia & Incentive Paid	668,240	227,723
Directors Remuneration	616,750	825,000
Provident Fund Paid	77,573	89,016
Salaries & Wages	3,540,490	3,461,608
Staff Welfare	220,402	331,967
	5,143,078	4,954,273

NOTES : "21"**OTHER EXPENSES**

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Advertisement & Marketing Expenses	166,140	323,035
AGM / EGM Expenses	15,765	19,749
Annual Custody Fees	483,576	482,332
Air Condition Hire Charges	17,600	32,425
Audit Fees	200,000	125,000
Bank Charges	83,241	87,773
Board Meeting Fees	70,000	75,000
Business Promotion	33,549	115,400
Brokerage & Commission	564,500	504,115
Cess paid	7,447	6,400
Conveyance & Transportation	178,245	145,930
Delay Payment Charges	1,024	82,192
Electricity Charges	229,443	340,713
Insurance	54,580	80,337
Internet Expenses	54,921	107,425
Labour Welfare Fund	576	3,222
Listing Fees	433,625	373,686
Loss on Sale of Fixed Assets	280,093	—
Loss on sale of shares	230,482	10,291,049
Maintenance Charges	490,290	486,132
Membership & Subscription Fees	21,988	7,087
Motor Car Expenses	391,868	470,718
Miscellaneous Expenses	62,050	222,753
Office Expenses	63,667	57,270
Postage & Telegram	300,785	534,581
Printing & Stationery	452,130	625,975
Professional Fees	412,010	773,080
Rent paid	—	11,999
Rent, Rates & Taxes	1,822,309	952,049
Repairs & Maintenance	1,117,418	1,313,407
Repairs & Maintenance-Gujarat Project	1,757,181	1,131,683
ROC Filing Fees	5,200	6,040
Security Transaction Tax & Other Charges on Shares	1,391	209,323
Service Tax	231,544	143,668
Share Transfer Charges	157,893	144,426
Stamp Duty & Registration Charges	21,460	—
Telephone Expenses	400,381	429,394
Travelling Expenses (Including Foreign Travel)	257,936	703,946
Water Charges	79,430	68,332
Website Expenses	37,603	72,352
Donation	2,500	5,000
	11,191,840	21,564,998

NOTES : "22"**EXTRAORDINARY ITEMS**

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Prior Period Expenses	1,249,683	4,475,082
	1,249,683	4,475,082

**23. NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012****1. Previous year's figures**

The Previous year's figures have been recasted / restated, wherever necessary to confirm to current year classification.

2. Share Capital

The Company has at present, only one class of shares i.e. Equity Shares.

3. Fixed Assets

During the year, the Company has purchased net fixed assets of ₹ 61.17 Lacs (Previous Year :- Purchase of net fixed assets of ₹17.76 Lacs) from its gross block.

4. Loans and Advances

Advances recoverable in cash, kind or value to be received are primarily towards prepayments for value to be received. Other advances represent deposit for office premises, telephone deposit, advance to contractors, advance for the purchase of commercial premises and deposit to the local authorities such as NMMC- Fire Brigade / MSEB etc. Advances also include loans to Subsidiary and Joint Ventures.

5. Auditors Remuneration

(Amount in ₹)

Details	Current Year 2011-2012	Previous Year 2010-2011
Audit Fees	125,000	75,000
Tax Audit Fees	45,000	30,000
Income Tax	25,000	15,000
Other Services	5,000	5,000
Service Tax	24,720	12,875
TOTAL	224,720	137,875

The Audit Fees is provided on annual basis.

6. Foreign Exchange

Foreign currency transactions during the year recorded at the exchange rate prevailing on the date of the transaction.

7. Current Tax

The Company has no current tax Charge due to loss incurred by the company for the financial year ended on 31st March, 2012. (Previous Year Tax:- Nil).

8. Earning/Expenditure in Foreign Currency

Earning: - ₹ Nil (Previous Year :- ₹ Nil)

Expenditure: - ₹ Nil. (Previous Year :- ₹ Nil)

9. Additional Disclosures in Pursuant to Schedule VI Part II

(Amount in ₹)

Income Related Disclosures	Current Year 2011-2012	Previous Year 2010-2011
Other Incomes		
Interest on Fixed Deposits	3,286,656	121,496
Other Miscellaneous Income / Rent / Interest/Transfer Charges/ Noc Charges	2,429,494	2,517,701
Dividend Received	1,572,136	824,192
Foreign Exchange Gain/ (Loss)	6,974	426

(Amount in ₹)

Expenses Related Disclosures	Current Year 2011-2012	Previous Year 2010-2011
Remuneration to Managing Director	454,250	825,000
Salary, Bonus and other Staff related Expenses	4,526,328	4,129,273
Travelling, Conveyance and Transportation	436,181	849,876
Rent Paid	—	11,999
Telephone Expenses	399,381	429,394
Legal & Professional Expenses	394,010	773,080
Printing & Stationery	452,130	625,975
Advertisement & Marketing Expenses	166,140	323,035
Loss/ (Gain) on Equity & Derivative Shares	230,482	10,291,049
Repairs & Maintenance	1,117,418	1,131,407
Repairs & Maintenance – Gujarat Project	1,757,181	1,131,683
Power & Fuel	229,443	340,713
Rent, Rates and Taxes	1,822,309	952,049
Auditors Remuneration :		
Statutory Audit Fees	1,25,000	75,000
Tax Audit Fees	45,000	30,000
Income Tax Matters and Consultancy Fees	25,000	15,000
Other Services	5,000	5,000
Service Tax	24,720	12,875
Bank Charges	83,241	87,773
Bad Debts	30,000,000	—
Brokerage & Commission	564,500	504,115

10. Related Party Disclosures

Related Party Disclosure as required by AS-18 "Related Party Disclosure" are given below :

1 Individuals owing directly or indirectly an interest in the voting power that gives them control or significant influence:

Name of the Party	Nature of Relationship
Kirit R. Kanakiya	– Director

2. Key Management Personnel

Name of the Party	Nature of Relationship
Kirit R. Kanakiya	– Director
Disha R Devrukhkar	– Whole-Time Director

3. Other Related Parties and Nature of Relationship**(a) Nature of Relationship :- Associate Concerns****(b) Name of the Parties**

a. Beachcraft Investment & Trading Co. Pvt. Ltd.,	b. Blackmore Investment & Trading Co. Pvt. Ltd.,
c. Consistent Packagers Pvt. Ltd.,	d. Pleasant Packaging Co. Pvt. Ltd.,
e. Poornima Commercial Pvt. Ltd.,	f. Pravara Commercial Pvt. Ltd.,
g. Relaxed Packagers Pvt. Ltd.,	h. Orbit Plastics Private Limited
i. Timberhill Engineers Pvt. Ltd.,	j. KKR Commercial Brokerage, LLC
k. Reshma Plastics Pvt. Ltd.,	l. Total Bizcon Solution Limited
m. Western Bizcon Services Ltd.	n. Contact Consultancy Services Pvt. Ltd.,
o. Stock Watch Securities Pvt. Ltd.,	p. Stock Watch
q. Supreme Compliment Sdn. Bhd.	r. BSEL Molek Sdn. Bhd.
s. Jitovest Sdn. Bhd.	t. Splendid Advisory Sdn. Bhd.
u. BSEL Resources Sdn. Bhd.	



4. Subsidiaries and Joint Ventures

a. Wholly Owned Subsidiary/Sub-Subsidiary

BSEL Infrastructure Realty FZE

b. Sub-Subsidiaries

BSEL Waterfront Sdn. Bhd.

BSEL Infrastructure Realty Sdn. Bhd.

c. Joint Ventures

Goa Tech Parks Pvt. Ltd.

11. The Following transactions were carried out with the related parties in the Ordinary Course of Business. Details regarding the parties referred to in items (1) to (4) above

(₹ In Lacs)

Particulars	Key Management Personnel	Joint Ventures & Associate Concern	W.O.S. & Sub-subsidiaries	Total
Managerial Remuneration	6.17	—	—	6.17
Investments	—	—	4,234.32	4,234.32
Loans and Advances Given	—	198.58	29,031.30	29,229.88
Guarantee and Security Taken	—	—	10,924.72	10,924.72
Guarantee and Security Given	—	—	1,045.77	1,045.77

12. Earnings Per Share

The earnings considered in ascertaining the Company's earnings per share comprise of the net profit after tax.

(₹ in Lacs)

Particulars	Current Year 2011-2012	Previous Year 2010-2011
A. Net Profit (Loss)after Tax	(272.85)	(254.33)
Add : Excess Provision and refund of taxes of earlier years (Net)	—	—
Net Profit (Loss) for calculation of Earning per share (Numerator)	(272.85)	(254.33)
B. Weighted Average Number of Equity Shares (Denominator) (Nos.)	8,26.17	8,26.17
C. Basic and diluted Earning Per Share (A/B) (In ₹)	(0.33)	(0.31)
D. Nominal Value per Equity Share (In ₹)	10.00	10.00

13. Deferred tax

During the year being the loss in the company and management is presently not hopeful to get the profit in the company during the near future hence no Deferred Tax Assets has been generated by the company.

Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
Liability		
Deferred tax liability related to fixed assets	0	134,343
Asset		
Deferred tax assets on account of unabsorbed loss under the Income-tax Act, 1961	0	(3,863,376)
Net deferred tax transferred to Profit & Loss	(4632396)	3,729,033
Opening Balance of deferred tax liability	4632396	903,363
Deferred tax liability as per Balance Sheet	0	4,632,396

14. Consolidated Financial Statements

The consolidated financial statements are published as per the Accounting Standard 21 – Consolidated Financial Statements issued by Institute of Chartered Accountants of India.

15. Dues to Small Scale Industrial Undertakings

Due to Micro, Small, Medium Enterprises as defined under the MSMED Act, 2006 is ₹ Nil (Previous Year ₹ Nil). This information has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

16. There are no amounts due and outstanding to be credited to Investor Education Protection Fund.

17. Employees Benefits**a) Defined Contribution Plans**

The Group's Contribution paid/ payable during the year towards Provident Fund is charged in the Profit and Loss Account every year

b) Defined Benefit Plan

During the current Financial year Provisions of ₹ 71,653/- (Previous Year ₹105,346/-) is made towards Gratuity liability as on 31.03.2012 under the payment of Gratuity Act,1972.

18. Provision for Doubtful Debts

There is no doubtful amount receivable from the parties, therefore no provision has been made towards Doubtful Debts in the books of accounts.

19. Prior Period Items

Prior period items having material impact on the financial affairs of the company have been disclosed.

20. There is no employee drawing Salary of ₹ 2 Lacs per month or more.

21. Contingent liability which can be reasonably ascertained are provided for if it is in the opinion of the Company the future outcome of the same may be detrimental to the Company.

22. All the Loans and Advances (Assets) and Current Assets and Current Liabilities are subject to confirmation from the respective parties.

23. Balance of Unpaid Dividend Account as at 31st March, 2012 is ₹ 1,357,407/-.

24. Other additional information pursuant to Schedule VI Part II of the Companies Act, 1956 are not applicable to the Company.

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants

Sd/-
CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 30.05.2012

For BSEL INFRASTRUCTURE REALTY LIMITED

Sd/-
Disha R Devrukhkar
Whole-Time Director

Sd/-
Kirit R Kanakiya
Director



1. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India including the mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and referred to in Section 211 (3C) of the Companies Act, 1956 (The Act). The significant accounting policies adopted for the preparation of the financial statements are as follows:

a. Revenue Recognition

Revenue from projects is recognized based on percentage completion method, which is determined on the basis of the stage of completion of ongoing projects on the Balance Sheet date. The stage of completion is determined based on progress of the work and estimation of the architects.

b. Fixed Assets

Fixed assets are stated at cost of acquisition minus the accumulated depreciation. Advances paid towards acquisition of the fixed assets which have not been installed or put to use and the cost of the assets not put to use, before the year end, are disclosed under advance for purchase of assets.

c. Inventories

Inventories are valued at the lower of cost or net realizable value. The cost is determined on a first in first out basis and includes all applicable overheads in bringing the inventories to their present location and condition.

d. Borrowing Costs

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalized as a part of the cost of the assets.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

e. Deferred Tax

Deferred tax asset or liability has been determined in pursuant to the AS-22-Accounting for taxes on Income. During the year being the loss in the company and management is presently not hopeful to get the profit in the company during the near future hence no Deferred Tax Assets has been generated by the company.

f. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating financing and investing activities of the company are segregated.

g. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include accounting for contract cost expected to be incurred, contract revenues, stage of completion, provisions, income taxes, useful lives of fixed assets etc. actual results could be different from those estimates.

h. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its ultimate disposal are discounted to their present values using a pre-determined discount rate that reflects the current market assessments of the time value of money and risks specific to the asset.

B. DEPRECIATION

Depreciation on fixed assets is provided using the straight line method, based on the useful life as estimated by the management. Depreciation is charged on pro-rata basis for assets purchased / sold during the year. The management's estimates of useful life for various fixed assets are given below:

Furniture & Fixtures	–	6 Years
Computer Equipments	–	3 Years

C. INVESTMENT

Current Investments are stated at lower of cost and fair value. The long term Investments are stated at cost after deducting provisions made for permanent diminution in the rate of exchange if any.

D. PROVIDENT FUND

The benefits of Provident Fund are received by the eligible employees, which is defined in contribution plan. Both the employees and the Company are making monthly contribution to this Provident Fund equal to specified percentage of the covered employees' salary.

E. SEGMENT ACCOUNTING POLICIES

The company has only one segment of operation i.e. Infrastructure activity in local market. So segment wise Income/ Expenditure/ Assets and Liabilities are not presented.

F. OTHER ACCOUNTING POLICIES

Other accounting policies are consistent with generally accepted accounting policies.

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants

Sd/-
CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 30.05.2012

For BSEL INFRASTRUCTURE REALTY LIMITED

Sd/-
Disha R Devrukhkar
Whole-Time Director

Sd/-
Kirit R Kanakiya
Director



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of

BSEL INFRASTRUCTURE REALTY LIMITED

1. We have audited the attached Consolidated Balance Sheet of BSEL Infrastructure Realty Limited ("The Company") and its subsidiaries (The Company and its Subsidiaries constitute "The Group") as at 31st March, 2012 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate Financial Statements. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Consolidated Financial Statements of one wholly owned Subsidiary along with two Sub-Subsidiaries have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the said report.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards-21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
5. Based on our audit and consideration of report of other auditors, on separate Financial Statements and to the best of our information and according to explanations given to us, we are of the opinion that attached Consolidated Financial Statements gives a true and fair view in conformity with the accounting principles generally accepted in India. Subject to the followings opinion :
 - a) Figures of the subsidiary companies incorporated in Malaysia have been extracted from the financial statement audited by another firm of independent auditor, which has modified their opinion and include para for matter of emphasis.
 - b) In FZE they did not receive independent confirmations from the accounts receivable, account payable, which has limited their scope to verify the balances independently, the management has confirmed to them that due to the nature of sales transaction of the establishment, they cannot provide the independent confirmation for the account receivable. However the fair value of account receivable is not materially different than stated in the financial statement and is considered good.
 - c) In the absence of independent valuer certificate, they are unable to express opinion on value of work in progress of FZE.
 - d) In FZE, They did not receive independent confirmation from Ajman Bank, Bank of Baroda, Dubai Islamic bank and Emirates Islamic Bank, Further they are not able to verify the balance with the bank Independently.
 - e) **Matter of Emphasis**

Without qualifying our opinion as disclosed in other auditor report, we draw attention to note 1(i) in the financial statements. The subsidiary as a Group has incurred net losses of AED 8,518,494/- during the financial year ended 31 March 2012 and as of date, their total liabilities exceeded its total assets by AED 8,518,494/-, whereas the Subsidiary's current liabilities exceeded by AED 2,422,462/- and its total liabilities exceeded their total assets by AED 28,225/-. These factors raised substantial doubt that the subsidiary as a group and its subsidiary will be able to continue as a going concern.
 - f) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012.
 - g) In the case of the Consolidated Profit & Loss account, of the Loss of the Group for the year ended on that date; and
 - h) In the case of Consolidated Cash Flow Statement, of the Consolidated Cash Flows of the Group for the year ended on that date.

For RAJU & PRASAD
Chartered Accountants
FRN NO. 003475 S

Sd/-
CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 30.05.2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

(All Figures in ₹)

Sl. No.	Particulars	Note No.	Current Year 2011-12	Previous Year 2010-11
I.	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
(a)	Share Capital	2	826,168,400	826,168,400
(b)	Reserves and Surplus	3	2,489,900,823	4,409,239,930
(c)	Money received against share warrants		—	—
2	Share application money pending allotment		—	—
3	Non-Current Liabilities			
(a)	Long-term borrowings		—	—
(b)	Deferred tax liabilities (Net)		—	4,632,396
(c)	Other long-term liabilities		—	—
(d)	Long-term provisions		—	—
4	Current Liabilities			
(a)	Short-term borrowings	4	35,999,381	48,755,834
(b)	Trade Payables	5	1,592,896,416	172,288,261
(c)	Other Current liabilities	6	1,098,620,540	71,431,652
(d)	Short-term provisions	7	2,346,839	6,168,091
	TOTAL-EQUITY AND LIABILITIES		6,045,932,398	5,538,684,564
II.	ASSETS			
1	Non-current assets			
(a)	Fixed assets			
(i)	Tangible assets	8	24,857,463	19,787,444
(ii)	Intangible assets		—	—
(iii)	Capital work-in-progress		—	—
(iv)	Intangible assets under development		—	—
(b)	Non-current investment	9	54,084,279	55,041,315
(c)	Deferred tax assets (net)		—	—
(d)	Long-term loans and advances	10	40,362,862	38,624,510
(e)	Other non-current assets	11	20,063,711	27,322,992
2	Current assets			
(a)	Current investment		—	—
(b)	Inventories	12	2,800,745,282	1,932,577,388
(c)	Trade receivables	13	2,931,425,685	3,053,016,093
(d)	Cash and cash equivalents	14	102,348,506	221,481,672
(e)	Short-term loans & advances	15	71,592,933	90,815,201
(f)	Other current assets	16	451,677	100,017,949
	TOTAL ASSETS		6,045,932,398	5,538,684,564
NOTES TO THE ACCOUNTS		1 to 24		

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants

Sd/-
CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 30.05.2012

For BSEL INFRASTRUCTURE REALTY LIMITED

Sd/-
Disha R Devrukhkar
Whole-Time Director

Sd/-
Kirit R Kanakiya
Director



Infrastructure Realty Limited

CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(All Figures in ₹)

Sl. No.	Particulars	Note No.	Current Year 2011-12	Previous Year 2010-11
I.	Revenue from operations			
	Other operative Revenues	17	(279,007,746)	17,131,110
II.	Other Income	18	85,850,068	7,290,454
III.	Total Revenues (I+II)		(193,157,679)	24,421,564
IV.	Expenses:			
a.	Cost of Materials consumed	19	4,927,196	12,294,612
b.	Purchase of Stock in trade		—	—
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade		(552,500)	(3,310,575)
d.	Employee benefits expenses	20	5,683,293	7,084,589
e.	Finance cost	21	15,427	2,503,776
f.	Depreciation and amortization expenses	8	1,047,405	1,636,412
g.	Bad Debts		149,148,641	—
h.	Other Expenses	22	29,612,642	50,246,133
	Total Expenses		189,882,104	70,454,947
V	Profit before exceptional and extra-ordinary items and tax (III-IV)		(383,039,782)	(46,033,383)
VI	Exceptional Items		—	—
VII	Profit before extra-ordinary items and tax (V-VI)		(383,039,782)	(46,033,383)
VIII	Extraordinary Items	23	2,415,241,231	4,475,082
IX	Profit/(Loss) before tax		(2,798,281,013)	(50,508,465)
X	Tax Expenses			
	Current Tax		—	—
	Deferred Tax Liability/(Assets)		(4,632,396)	3,729,033
XI	Profit/(Loss) for the period from continuing operations (IX-X)		(2,793,648,617)	(54,237,498)
XII	Profit/(Loss) from discontinuing operations		—	—
XIII	Tax expenses of discontinuing operations		—	—
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		—	—
XV	Profit/(Loss) for the period (XI-XIV)		(2,793,648,617)	(54,237,498)
XVI	Earning per equity share:			
(1)	Basic		(33.81)	(0.66)
(1)	Diluted		(33.81)	(0.66)
NOTES TO THE ACCOUNTS		1 to 24		

As per our Report of Even Date

For RAJU & PRASAD

Chartered Accountants

Sd/-

CA. Avinash T. Jain

Partner

Membership No. 41689

Place : Mumbai

Date : 30.05.2012

For BSEL INFRASTRUCTURE REALTY LIMITED

Sd/-

Disha R Devrukhkar

Whole-Time Director

Sd/-

Kirit R Kanakiya

Director

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

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	(383,039,782)	(46,033,383)
Adjustments for :		
Extra Ordinary Items	(2,415,241,231)	(4,475,082)
Depreciation	1,047,405	1,636,412
Other Income	(85,850,068)	(7,290,454)
Operating profits before working capital changes	(2,883,083,676)	(56,162,507)
Adjustments for :		
Trade Receivable	121,590,408	(58,476,049)
Deposits (Assets) Loans & Advances	124,309,469	(10,212,994)
Inventories	(868,167,894)	(3,310,575)
Provision for Deferred Tax	4,632,396	(3,729,033)
Trade Payable and other liabilities	2,426,586,943	104,166,166
Net cash from operating activities	(1,074,132,355)	(27,724,991)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Foreign Currency Translation Reserve	874,309,509	33,046,149
Sale/(Purchase) of investment	957,036	22,011,510
Sale/(Purchase) of fixed assets	(6,117,424)	(1,604,988)
Net cash from investing activities	869,149,121	53,452,671
C. CASH FLOW FROM FINANCING ACTIVITIES		
Other Income	85,850,068	7,290,454
Loan from Bank	—	(102,077)
Net cash from financing activities	85,850,068	7,188,377
Net increase/(decrease) in cash & cash equivalent	(119,133,166)	32,916,057
Cash & cash equivalent opening balance	221,481,672	188,565,616
Cash & cash equivalent closing balance	102,348,506	221,481,672

For BSEL INFRASTRUCTURE REALTY LIMITED

Place : Mumbai
Date : 30.05.2012

Sd/-
Disha R Devrukhkar
Whole-Time Director

Sd/-
Kirit R Kanakiya
Director

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of **M/S. BSEL INFRASTRUCTURE REALTY LIMITED**, for the year ended 31st March 2012. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Balance Sheet of the Company covered by our report of even date to the members of the Company.

For RAJU & PRASAD
Chartered Accountants

Place : Mumbai
Date : 30.05.2012

Sd/-
CA. Avinash T. Jain
Partner
Membership No.41689



NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

NOTE : "2" SHARE CAPITAL

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
a. Authorised Capital		
150,000,000 Equity Shares of ₹10/- each	1,500,000,000	1,500,000,000
b. Issued Subscribed and Paid Up		
82,616,840 Equity Shares of ₹ 10/- each fully paid up	826,168,400	826,168,400
	826,168,400	826,168,400
c. Par value per Share		
Equity Shares	₹ 10 /-	₹ 10 /-

d. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares			
	As at 31 March 2012		As at 31 March 2011	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	82,616,840	826,168,400	82,616,840	826,168,400
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Any other movement (please specify)	—	—	—	—
Shares outstanding at the end of the year	82,616,840	826,168,400	82,616,840	826,168,400

e. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Particulars	Nature of Relationship	As at 31 March 2012	As at 31 March 2011
Equity Shares			
	NA		

f. Shareholders holding ordinary shares more than 5% :

Particulars	Equity Shares			
	As at 31 March 2012		As at 31 March 2011	
Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kirit Ramniklal Kanakiya	4,942,180	5.98	4,942,180	5.98

NOTE : "3"
RESERVES & SURPLUS

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
a. Capital Reserves for Foreign Currency Translation		
Opening Balance	62,581,164	29,535,015
Add : Foreign Currency Translation Capital Reserve/(Loss)	874,309,509	33,046,149
Less : Written Back in Current Year	—	—
Closing Balance	936,890,674	62,581,164
b. Securities Premium Account		
Opening Balance	1,924,752,444	1,924,752,444
Add : Securities premium credited on Share issue	—	—
Less : Premium Utilised for various reasons	—	—
Premium on Redemption of Debentures	—	—
For Issuing Bonus Shares	—	—
Closing Balance	1,924,752,444	1,924,752,444
c. General Reserves		
Opening Balance	195,570,000	195,570,000
Add : Current Year Transfer	—	—
Less : Written Back in Current Year	—	—
Closing Balance	195,570,000	195,570,000
d. Surplus		
Opening Balance	2,226,336,322	2,280,573,820
Add : Profit/(Loss) for the year	(2,793,648,617)	(54,237,498)
Add : Transfer from Reserves	—	—
Less : Proposed Dividends	—	—
Less : Interim Dividends	—	—
Less : Transfer to Reserves	—	—
Closing Balance	(567,312,295)	2,226,336,322
	2,489,900,823	4,409,239,930

NOTE : "4"
SHORT TERM BORROWINGS

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Unsecured		
a. Loans and advances from related parties		
(i) Orbit Plastics Pvt. Ltd. (Loan repayable on demand ,there is no such repayment schedule)	1,950,000	1,950,000
(ii) Mr. Kirit Kanakiya- Representative of Holding Company (Loan repayable on demand ,there is no such repayment schedule)	34,049,381	46,805,834
	35,999,381	48,755,834



NOTE : "5"
TRADE PAYABLES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Trade Payables	1,592,896,416	172,288,261
	1,592,896,416	172,288,261

NOTE : "6"
OTHER CURRENT LIABILITIES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Vehicles Loan (Current Portion)	-	103,010
Bills Payable	-	18,542,550
Other Liabilities-Advance against Sale/from Customer	-	48,133,881
Deposit against various Leased Properties	50,000	1,870,500
Deposit for Society Formation	178,930	178,930
Other Liabilities- Advance against sale	1,098,249,720	2,247,335
Income Received in Advance	134,890	295,446
Booking Advance - Kevadia	7,000	60,000
	1,098,620,540	71,431,652

NOTE : "7"
SHORT-TERM PROVISIONS

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
a. Provision for employee benefits		
Salary & Reimbursements	322,357	482,236
Contribution to PF	8,221	13,958
Gratuity (Funded)	335,596	681,346
	666,174	1,177,540
b. Others (Specify nature)		
TDS Payable	16,411	77,786
PT / Cess / ST /VAT Payable	13,226	251,105
Provision for Expenses and Liabilities	805,858	667,916
Provision FZE	845,170	3,993,744
	1,680,665	4,990,551
	2,346,839	6,168,091

NOTE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012NOTE : "8"
FIXED ASSETS

(All Figures in ₹)

Fixed Assets	Gross Block						Accumulated Depreciation				Net Block	
	Balance as at 1 April 2011	Addition during the year	Deletion during the year	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	Accumulated depreciation on deletion	Balance as at 31 March 2012	Balance as at 1 April 2011	Balance as at 31 March 2012		
	1	2	3	4	5	6	7	8	9	10		
Tangible Assets (Not Under Lease)												
Land	—	—	—	—	—	—	—	—	—	—		
Buildings	22,050,014	—	—	22,050,014	5,736,132	296,388	—	6,032,520	16,313,882	16,017,494		
Plant and Equipment	—	—	—	—	—	—	—	—	—	—		
Furniture and Fixtures	13,992,554	5,823,234	180,000	19,635,788	12,105,172	538,793	12,824	12,631,141	1,887,382	7,004,647		
Vehicles	9,453,502	740,000	839,154	9,354,348	8,945,705	92,611	373,506	8,664,810	507,797	689,538		
Office equipment	2,140,147	153,634	-	2,293,781	1,117,884	67,440	-	1,185,324	1,022,263	1,108,457		
Computers/Printers	55,529,491	33,380	-	55,562,871	55,473,371	52,173	-	55,525,544	56,120	37,327		
Total	103,165,708	6,750,248	1,019,154	108,896,802	83,378,264	1,047,405	386,330	84,039,339	19,787,444	24,857,463		



NOTE : "9"

NON CURRENT INVESTMENTS (AT COST)

(All Figures in Rupees)

Particulars	Current Year 2011-12		Previous Year 2010-11	
	No. of Share	Amount	No. of Share	Amount
Long Term Investments				
(a) In Shares (Quoted)				
Gangotri Textile Ltd.	1,473,188	35,881,280	1,474,533	35,919,948
NHPC Ltd.	600,000	18,203,000	629,500	19,121,367
(Current year market value ₹ 16,955,473/- Previous year market value ₹26,250,829/-)				
	2,073,188	54,084,279	2,104,033	55,041,315

NOTE : "10"

LONG TERM LOANS AND ADVANCES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
a. Loans and advances to related parties		
Secured, considered good	—	—
Unsecured, considered good		
(i) BSEL Molke Sdn Bhd Malaysia	8,069,005	7,067,010
(ii) Jitovest Sdn Bhd Malaysia	2,356,554	2,063,922
(iii) Splendid Advisory Sdn Bhd Malaysia	2,356,554	2,063,922
(iv) Supreme Compliment Sdn Bhd Malaysia	2,356,554	2,063,922
Doubtful	—	—
Less: Provision for doubtful loans and advances	—	—
	15,138,668	13,258,776
b. Other Long Term Loans and advances		
Secured, considered good		
Unsecured, considered good		
(i) Advance against Property (Gorkap)	3,030,000	3,030,000
(ii) Advance for Purchase of Land/Property	2,335,734	2,335,734
(iii) Goa Tech Parks Pvt. Ltd.	19,858,461	20,000,000
Doubtful	—	—
Less: Provision for doubtful loans and advances	—	—
	25,224,195	25,365,734
	40,362,862	38,624,510

NOTE : "11"**OTHER NON-CURRENT ASSETS**

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Earnest Money Deposits for Tenders	12,200,000	12,200,000
Deposit for Lease Premises	4,500,000	4,500,000
Other Miscellaneous Deposits	164,944	616,493
Other Deposits for Kevadia	559,811	559,811
Deposit FZE	444,604	7,918,101
TDS in advance	2,194,353	1,528,587
	20,063,711	27,322,992

NOTE : "12"**INVENTORIES**

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Work In Progress of Land, Building & Construction Work at Various Projects		
Opening Stock of Work In Progress	2,404,986,902	1,929,266,813
Add: Purchase/Additions/Transfer/(Deletions)/(Consumption)/(Sales) during the year	395,758,381	3,310,575
	—	—
Closing Stock - WIP	2,800,745,282	1,932,577,388

NOTE : "13"**TRADE RECEIVABLES**

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
a. Trade receivables outstanding for a period less than six months		
Secured, considered good		
Unsecured, considered good	43,368	2,848,016,093
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
	43,368	2,848,016,093
b. Trade receivables outstanding for a period exceeding six months		
Secured, considered good		
Unsecured, considered good		
(i) Gigeo Construction Co Pvt Ltd.	205,000,000	205,000,000
(ii) Trade Receivable of BSEL Infrastructure Realty FZE	2,726,382,317	—
Less: Provision for doubtful debts	—	—
	2,931,382,317	205,000,000
	2,931,425,685	3,053,016,093



NOTE : "14"
CASH AND BANK BALANCE

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
a. Balances with banks		
Balance in Current Account	15,309,091	87,774,514
Balance in Fixed Deposit	80,673,194	1,761,343
Bank deposits with more than 12 months maturity		
Balance in Fixed Deposit	540,107	—
b. Cheques, drafts on hand	967,176	127,200,000
c. Cash in hand	4,858,938	4,745,815
d. Others (specify nature)	—	—
	102,348,506	221,481,672

NOTE : "15"
SHORT TERM LOANS AND ADVANCES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
a. Loans and Advance to Related Parties		
Secured, considered good	—	—
Unsecured, considered good		
(i) BSEL Molek Sdn Bhd Malaysia	39,082,096	56,480,471
(ii) Jitovest Sdn Bhd	4,933,195	4,320,600
(iii) Splendid Advisory Sdn Bhd	4,933,195	4,320,600
(iv) Supreme Compliments Sdn Bhd	5,644,447	4,943,530
Doubtful		
Less: Provision		
	54,592,933	70,065,201
b. Other Loans & Advances		
Secured, considered good	—	—
Unsecured, considered good	17,000,000	20,750,000
Doubtful	—	—
Less: Provision	—	—
	17,000,000	20,750,000
	71,592,933	90,815,201

NOTE : "16"
OTHER CURRENT ASSETS

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Advance/Imprest to Employees	399,570	571,592
Advance to Suppliers-Kevadia	—	192,500
Deposit and Advances for Purchase of Lot 1 at Malaysia	—	99,229,764
Prepaid Expenses	52,107	24,093
	451,677	100,017,949

NOTES : "17"**OTHER OPERATIVE REVENUES**

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Sale of Units (Net of Cancellation)	(292,801,760)	6,079,076
Other Operating Income	9,730,814	7,155,164
Business Centre Income	4,063,200	3,896,870
	(279,007,746)	17,131,110

NOTES : "18"**OTHER INCOME**

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Interest on Fixed Deposit (TDS Current Yr. Rs.3,04,969/- and Previous Yr. Rs. 12,008/-)	3,286,656	121,496
Dividend Received	1,572,136	824,192
Foreign Exchange Gain/(Loss)	6,974	9,821
Transfer Charges, NOC Charges, Sign Board Rentals, Miscellaneous Rental and Interest Income	2,429,494	2,517,701
Transfer and Cancellation of Apartments	77,624,062	3,410,334
Gain on Sale of Property, Plant & Equipment	776,292	—
Miscellaneous Income	154,454	406,910
	85,850,068	7,290,454

NOTES : "19"**COST OF MATERIALS CONSUMED**

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Direct Project Expenses for various Construction sites		
Direct Material and Direct Expenses	4,927,196	12,294,612
	4,927,196	12,294,612

NOTES : "20"**EMPLOYEE BENEFIT EXPENSES**

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
ESIC Paid	19,623	18,959
Gratuity,Bonus, Ex-Gratia & Incentive Paid	668,240	227,723
M.D.'s Remuneration	616,750	825,000
Provident Fund Paid	77,573	89,016
Salaries & Wages	4,080,705	5,591,924
Staff Welfare	220,402	331,967
	5,683,293	7,084,589

NOTES : "21"**FINANCE COST**

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Interest Paid by UAE Company	15,427	2,503,776
	15,427	2,503,776



NOTES : "22"

OTHER EXPENSES

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Advertisement & Marketing Expenses	166,140	323,035
GM / EGM Expenses	15,765	19,749
Annual Custody Fees	483,576	482,332
Air Condition Hire Charges	17,600	32,425
Audit Fees	348,201	279,521
Bank Charges	2,986,968	87,773
Board Meeting Fees	232,174	219,076
Business Promotion	33,549	115,400
Brokerage & Commission	904,445	1,069,984
Cess paid	7,447	6,400
Conveyance & Transportation	178,245	145,930
Delay Payment Charges	1,024	82,192
Electricity Charges	229,443	340,713
Insurance	54,580	277,073
Internet Expenses	54,921	107,425
Labour Welfare Fund	576	3,222
Listing Fees	433,625	373,686
Loss on Sale of Fixed Assets	280,093	—
Loss on sale of shares	230,482	10,291,049
Maintenance Charges	490,290	486,132
Membership & Subscription Fees	21,988	7,087
Motor Car Expenses	783,105	1,253,374
Miscellaneous Expenses	303,420	222,753
Office Expenses	63,667	901,846
Postage & Telegram	300,785	534,581
Printing & Stationery	477,649	665,706
Professional Fees	11,948,810	23,529,659
Rent paid	1,557,990	1,832,259
Rent, Rates & Taxes	1,822,309	952,049
Repairs & Maintenance	1,117,418	1,637,494
Repairs & Maintenance-Gujarat Project	1,757,181	1,131,683
ROC Filing Fees	5,200	6,040
Security Transaction Tax & Other Charges on Shares	1,391	209,323
Service Tax	231,544	143,668
Share Transfer Charges	157,893	144,426
Stamp Duty & Registration Charges	21,460	—
Telephone Expenses	400,381	429,394
Travelling Expenses (Including Foreign Travel)	967,608	909,237
Water Charges	79,430	68,332
Website Expenses	37,603	72,352
Utilities	404,166	846,753
Donation	2,500	5,000
	29,612,642	50,246,133

NOTES : "23"

EXTRAORDINARY ITEMS

(All Figures in ₹)

Particulars	Current Year 2011-12	Previous Year 2010-11
Prior Period Expenses	1,249,683	4,475,082
Penalty Dubai Towers	1,007,980,257	—
Devolvement of Guarantee- Dubai Towers	1,406,011,291	—
	2,415,241,231	4,475,082

24. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012.

1. Previous Year's Figures

The previous year's figures have been recasted / restated, wherever necessary to confirm to current year classification.

2. Figures of the subsidiary and sub-subsidiaries companies incorporated in UAE and Malaysia have been extracted from the financial statements audited by another firm of independent auditors.

3. Share Capital, Share Holdings and Activity

1. STATUS

The consolidated financial statements of BSEL Infrastructure Realty FZE represents the operations of following entities:

a. Company in United Arab Emirates :

BSEL Infrastructure Realty (FZE) is a Free Zone Establishment with a Limited Liability incorporated in accordance with the provisions of Sharjah Emiri Decree No.2 of 1995 in the Sharjah Airport International Free Zone, Sharjah, United Arab Emirates bearing Trade License No.02-01-03687 issued on dated 19th February, 2006

<u>Name of the Shareholder</u>	<u>% of Share</u>
M/s. BSEL Infrastructure Realty Limited. India	100%

b. Companies in Malaysia :

- i) **BSEL Infrastructure Realty Sdn. Bhd.** is a private limited company, incorporated and domiciled in Malaysia. The registered office of the company is located at 17-03, Susur Dewata, Larkin Perdana, 80350 Johor Bahru.

<u>Name of Shareholder</u>	<u>% of Share</u>
M/s. BSEL Infrastructure Realty FZE, United Arab Emirates	100%

- ii) **BSEL Waterfront Sdn. Bhd.** is a private limited company, incorporated and domiciled in Malaysia. The registered office of the company is located at 17-03, Susur Dewata, Larkin Perdana, 80350 Johor Bahru.

<u>Name of Shareholder</u>	<u>% of Share</u>
M/s. BSEL Infrastructure Realty Sdn. Bhd. Malaysia	100%

2. ACTIVITY

- i) **BSEL Infrastructure Realty FZE, UAE**

The Company is engaged in the development of real estate & related activities.

- ii) **BSEL Infrastructure Realty Sdn. Bhd., Malaysia**

The Principal activity of the company and its subsidiary company during the financial period under review consists of that relating to development of real estate.

- iii) **BSEL Waterfront Sdn. Bhd.**

The Principal activity of the company during the financial period under review consists of that relating to development of real estate.

4. Fixed Assets

During the year, the Company Purchase of net fixed assets of ₹61.17 Lacs (Previous Year :- Purchase of net fixed assets of ₹17.76 Lacs) from its gross block.

5. Investments in Associate Concerns

(Amount in ₹)

Particulars	Opening Balance	Additions	Disposals	Add/(Less) Exchange Gain/ (Loss)	Closing
BSEL Molek Sdn. Bhd. Malaysia	7,067,011	—	—	1,001,995	8,069,006
Jitovest Sdn. Bhd. Malaysia	2,063,922	—	—	292,632	2,356,554
Splendid Advisory Sdn. Bhd. Malaysia	2,063,922	—	—	292,632	2,356,554
Supreme Compliment Sdn. Bhd. Malaysia	2,063,922	—	—	292,632	2,356,554
Total	13,258,777	—	—	1,879,891	15,138,668



6. Loans and Advances

Advances recoverable in cash, kind or value to be received are primarily towards prepayments for value to be received. Other advances represent deposit for office premises, telephone deposit, advance to architect, advance to contractors, advance for the purchase of commercial premises and deposits to the local authorities such as NMMC- Fire Brigade / MSEB etc. Advances also includes loans to subsidiary and joint ventures.

7. Inventories (Work in Progress)

BSEL Infrastructure Realty FZE : The Work in Progress represent total 7 plots (D8,D9,D10,D11,D12,D13 and D14) purchased and construction work in progress at emirates city on emirates road, Ajman, United Arab Emirates . As per Co-operation Agreement with respect to the case of 902 of 2009 in the Ajman Court between BSEL Infrastructure Realty and Dubai Tower the sum of AED 87,321,884.16. AED 15,906,857/- relates to the work performed on the project.

The above Properties are mortgaged to The Hongkong and Shanghai Banking Corporation Limited, Singapore against guarantee give by the company up to an amount of USD 40,000,000/-.

8. Trade Receivable

BSEL Infrastructure Realty FZE : The accounts receivable amounting to Rs 2,72,63,82,317/- related to the project at Ajman, which was expected to be completed and handover to customer by December, 2011 However, this project is halted since previous year. Based on current status of the project these accounts receivable not over due, considered good and receivable in full.

9. Other Non-Current Assets

BSEL Infrastructure Realty FZE : Other Non-Current Assets includes Deposit FZE amount of Rs Nil(2011 Rs 69,04,974/-) being payment for profession services rendered in the purchase of the commercial complex . These fees including solicitors costs, surveyors fees and plan fees will be capitalized and include in the cost of the commercial complex upon the successful completion of the sales and purchase agreement.

10. Other Current Assets

The deposit for purchase consideration Malaysia, represents 10% of the deposit specified in the Sales & Purchase Agreement entered by the subsidiary with Transbay Ventures Sdn. Bhd. (in liquidation) during financial year for the purchase of the commercial complex comprising 402,240 square feet of retail space and 1,235 car parking bays together with the land held under H.S. (D) 256676 Lot PTB 20214 located in the tower and district of Johar bahru measuring 373,933 square feet also known as Lot 1 JB Waterfront City.

The purchase consideration in USD 18,130,140/- The completion of the purchase I subject to the approval of the relevant authorities and other individual lot owners consent which has been rejected at the date of this report. Accordingly during the financial year the Board of Directors has decided to write off to the profit & loss.

11. Trade Payable

BSEL Infrastructure Realty FZE : As per Co-operation Agreement with respect to the case of 902 of 2009 in the Ajman Court between BSEL Infrastructure Realty and Dubai Tower the sum of AED 87,321,884.16. AED 15,906,857/- relates to the work performed on the project and balance towards penalty.

12. Other Current Liability

BSEL Infrastructure Realty FZE : The amount payable to the Hongkong and Shanghai Banking Corporation Limited (Security Trustee and Registered Agent for notes issued) towards devolvement of guarantee given by the company.

13. Inventories

As per Co-operation Agreement with respect to the case of 902 of 2009 in the Ajman Court between BSEL Infrastructure Realty and Dubai Tower the sum of AED 87,321,884.16. AED 15,906,857/- relates to the work performed on the project, treated as direct expenses.

14. Extraordinary Items

1. As per Co-operation Agreement with respect to the case of 902 of 2009 in the Ajman Court between BSEL Infrastructure Realty and Dubai Tower the sum of AED 87,321,884.16. AED 15,906,857/- relates to the work performed on the project and balance towards penalty.
2. The amount payable to the Hongkong and Shanghai Banking Corporation Limited (Security Trustee and Registered Agent for notes issued) towards devolvement of guarantee given by the company.

15. Auditors Remuneration

(Amount in ₹)

Particulars	Current Year 2011-2012	Previous Year 2010-2011
Audit Fees	273,201	229,521
Tax Audit Fees	45,000	30,000
Income Tax	25,000	15,000
Other Services	5,000	5,000
Service Tax	24,720	12,875
TOTAL	372,921	292,396

Auditors Fees is provided on annual basis

16. Foreign Exchange Translation

Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of transaction.

Subsidiary's accounts are consolidated at the exchange rate prevailing on the Balance Sheet date, any difference due to exchange rate is transferred to Capital Reserve for Foreign Currency Translation.

Exchange Rate considered at the time of consolidation of subsidiaries accounts is 1 AED = ₹14.1144, which was rate prevailing as on 31st March, 2012.**17. Current Tax**The Company has no current tax Charge due to loss incurred by the company for the financial year ended on 31st March, 2012. (Previous Year tax liability- ₹Nil).**18. Additional Disclosures in Pursuant to Schedule VI Part II**

(Amount in ₹)

Income Related Disclosures	Current Year 2011-2012	Previous Year 2010-2011
Other Incomes		
Interest on Fixed Deposits	3,286,656	121,496
Other Miscellaneous Income	154,454	406,910
Dividend Received	1,572,136	824,192
Foreign Exchange Gain/(Loss)	6,974	9,821
Transfer Charges, NOC Charges, Sign Board Rentals, Miscellaneous Rentals	80,053,556	5,928,035
Gain on Sale of Property, Plant & Equipment	776,292	—
Expenses Related Disclosures	Current Year 2011-2012	Previous Year 2010-2011
Remuneration to Managing Director	454,250	825,000
Brokerage, Commission & Incentives	904,445	1,069,984
Salary, Bonus and other Staff related Expenses	5,229,043	5,819,647
Travelling, Conveyance and Transportation	1,145,853	1,055,167
Rent paid	1,557,990	1,832,259
Telephone Expenses	399,381	429,394
Legal & Professional Fees	12,079,011	23,684,181



Expenses Related Disclosures	Current Year 2011-2012	Previous Year 2010-2011
Printing & Stationery	477,649	665,706
Advertisement & Marketing Expenses	166,140	323,035
Office Expenses	63,667	901,846
Repairs & Maintenance	1,117,418	1,637,494
Repairs & Maintenance – Gujarat Project	1,757,181	1,131,683
Power & Fuel	229,443	340,713
Rent, Rates and Taxes	1,822,309	952,049
Auditors Remuneration :-		
Statutory Audit Fees	273,201	229,521
Tax Audit Fees	45,000	30,000
Income Tax Matters and Consultancy Fees	25,000	15,000
Other Services	5,000	5,000
Service Tax	24,720	12,875
Bank Charges	29,86,968	87,773
Bad Debts	149,148,641	—
Brokerage & Commission	904,445	1,069,984

19. Related Party Disclosures

Related Party Disclosures as required by AS-18 "Related Party Disclosures" are given below :

1. Individuals owning directly or indirectly an interest in the voting power that gives them control or significant influence:

Name of the Party	Nature of Relationship
Kirit R. Kanakiya	— Director

2. Key Management Personnel :

Name of the Party	Nature of Relationship
Kirit R. Kanakiya	— Director
Disha R Devrukhkar	— Whole-Time Director

3. Other Related Parties and Nature of Relationship:

(a) Nature of Relationship :- Associate Concerns

(b) Name of the Parties

- | | |
|--|---|
| a. Beachcraft Investment & Trading Co. Pvt. Ltd. | b. Blackmore Investment & Trading Co. Pvt. Ltd. |
| c. Consistent Packagers Pvt. Ltd. | d. Pleasant Packaging Co. Pvt. Ltd. |
| e. Poornima Commercial Pvt. Ltd. | f. Pravara Commercial Pvt. Ltd. |
| g. Relaxed Packagers Pvt. Ltd., | h. Orbit Plastics Private Limited. |
| i. Timberhill Engineers Pvt. Ltd. | j. KKR Commercial Brokerage, LLC |
| k. Reshma Plastics Pvt. Ltd. | l. Total Bizcon Solution Limited. |
| m. Western Bizcon Services Ltd. | n. Contact Consultancy Services Pvt. Ltd. |
| o. Stock Watch Securities Pvt. Ltd. | p. Stock Watch. |
| q. Supreme Compliment Sdn. Bhd. | r. BSEL Molek Sdn. Bhd. |
| s. Jitovest Sdn. Bhd. | t. Splendid Advisory Sdn. Bhd. |
| u. BSEL Resources Sdn. Bhd. | |

4. Subsidiaries and Joint Ventures :-**a) Wholly Owned Subsidiary/Sub-Subsidiary**

1. BSEL Infrastructure Realty FZE

b) Sub-Subsidiaries

1. BSEL Waterfront Sdn. Bhd.
2. BSEL Infrastructure Realty Sdn. Bhd.

c) Joint Ventures

1. Goa Tech Parks Pvt. Ltd.

5. The Following transactions were carried out with the related parties in the ordinary course of business. Details regarding the parties referred to in items (1) to (4) above.

(₹ in Lacs)

Particulars	Key Management Personnel	Joint Ventures, Associates Concern & Sub-Subsidiaries	Total
Managerial Remuneration	4.54	—	6.17
Investments	—	—	—
Loans and Advances Taken	340.49	—	340.49
Loans and Advances Given	—	349.97	349.97
Guarantee and Security Given	—	1,045.77	1,045.77

Note :

Inter-se transactions between parent company with subsidiaries and sub-subsidiaries (or vice versa) have not been reported in the above table. Also Inter-se transactions between subsidiaries with sub-subsidiaries (or vice versa) have not been reported in above table.

20. Earnings Per Share

The earnings considered in ascertaining the Company's earnings per share comprise of the net profit after tax.

(₹ in Lacs)

Particulars	Current Year 2011-2012	Previous Year 2010-2011
A. Net Profit (Loss) after Tax	(27,936.49)	(543.37)
Add : Excess Provision and refund of taxes of earlier years (Net)	—	—
Net Profit for calculation of Earning per share (Numerator)	(27,936.49)	(543.37)
B. Weighted Average Number of Equity Shares (Denominator) (Nos.)	8,26.17	8,26.17
C. Basic and diluted Earning Per Share (A/B) (In ₹)	(33.81)	(0.66)
D. Nominal Value per Equity Share (In ₹)	10.00	10.00



21. Deferred tax

During the year being the loss in the company and management is presently not hopeful to get the profit in the company during the near future hence no Deferred Tax Assets has been generated by the company.

Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
Liability		
Deferred tax liability related to fixed assets	0	134,343
Asset		
Deferred tax assets on account of unabsorbed loss under the Income-tax Act, 1961	0	(3,863,376)
Net deferred tax transferred to Profit & Loss	(4632396)	3,729,033
Opening Balance of deferred tax liability	4632396	903,363
Deferred tax liability as per Balance Sheet	0	4,632,396

22. Consolidated Financial Statements

Criteria for Preparation of Consolidated Financial Statements:

- BSEL Infrastructure Realty Limited has presented Consolidated Financial Statements by consolidating its own financial statements with those of its Subsidiaries and Sub-Subsidiaries in accordance with Accounting Standard 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India.
- Financial Statements for the subsidiary is prepared in accordance with the generally accepted accounting principles & accounting policies of the Parent Company. The effect of inter-company transactions between consolidated companies/ entities are eliminated in consolidation.

Principles of Consolidation:

- The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits and losses as per Accounting Standard 21-Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- The difference between the costs of investments in the subsidiary company and the net assets is recognized in the financial statements as Capital Reserves for Foreign Currency Translation.
- Minority interest share of net profit / losses of subsidiaries consolidated for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company.
- The Consolidated financial statements comprises the net assets and operating results of the entities referred to above made up to 31st March each year. All inter-Company balances transactions and realized profits have been eliminated upon consolidation.

23. Independent confirmations from the accounts receivable at UAE has not been received.

24. Dues to Small Scale Industrial Undertakings

Due to Micro, Small, Medium Enterprises as defined under the MSMED Act, 2006 is ₹Nil (Previous Year ₹Nil). This information has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

25. There are no amounts due and outstanding to be credited to Investor Education Protection Fund.

26. Employees Benefits

a) Defined Contribution Plans

The Group's Contribution paid/ payable during the year towards provident fund is charged in the profit and loss account every year.

b) Defined Benefit Plan

During the current Financial year Provisions of ₹71,653/- (Previous Year ₹105,346/-) is made towards Gratuity liability as on 31.03.2012 under the payment of Gratuity Act, 1972.

For BSEL Infrastructure Realty FZE : Employees Termination Benefits are provided as per SAIF zone Regulations.

27. Provision for Doubtful Debts

- (i) There is no doubtful amount receivable from the parties; therefore no provision has been made towards Doubtful Debts in the books of accounts.
- (ii) For Subsidiaries and Sub-Subsidiaries: Bad Debts are written off as and when they arise.

28. Prior Period Items

Prior period items having material impact on the financial affairs of the company have been disclosed.

29. Financial Instruments

i) Exchange Rate Risk :

Since substantial portion of the transactions are designated in AED or in USD to which AED is fixed, there is no material exchange rate risk.

ii) Credit Risk:

Financial assets, which potentially expose the company to concentrations of credit risk comprise principally trade debtors. The company's bank balances are placed with high credit quality financial institutions.

iii) Interest Rate Risk:

Fixed Deposits and Bank facility (overdraft) are at floating rates at level.

iv) Fair Value:

As at the balance sheet date, the carrying amount of cash and bank balances, debtors and creditors approximated their fair value.

30. There is no employee drawing Salary of ₹2 Lacs per month or more.

31. Contingencies

Contingent liability which can be reasonably ascertained are provided for if it is in the opinion of the Company the future outcome of the same may be detrimental to the company.

BSEL Infrastructure Realty FZE

1. Establishment has received an amount of AED 116,714,305/- from the customers against flats booked. As the construction has halted and in case of non completion of the project the establishment may have to refund the said amount to the customers. This also resulted in non recovery of balance amount from customers.
2. **Legal Dispute :** Litigation is in process (arbitration case in Ajman – case no. 903/2009) against the establishment relating to mutual disagreement about the General Construction Contract dated 27th November, 2007 and the contracts dated 4th October, 2008 and 05th January, 2008 regarding the construction and the maintenance of seven residential tower on the plot number D8, D9, D10, D11, D12, D13, D14 Helio region J- Emirates City – Ajman.

32. All the Loans and Advances (Assets) and Current Assets and Current Liabilities are subject to confirmation from the respective parties.

33. Balance of Unpaid Dividend Account as at 31st March, 2012 is ₹1,357,407/-.

34. Other additional information pursuant to Schedule VI Part II of the Companies Act, 1956 are not applicable to the Company.

As per our Report of Even Date

For RAJU & PRASAD

Chartered Accountants

For BSEL INFRASTRUCTURE REALTY LIMITED

Sd/-

CA. Avinash T. Jain

Partner

Place : Mumbai

Date : 30.05.2012

Sd/-

Disha R. Derukhkar

Whole-Time Director

Sd/-

Kirit R Kanakiya

Director



1. SIGNIFICANT ACCOUNTING POLICIES

(i). BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India including the mandatory accounting standards issued by the institute of Chartered Accountants of India (ICAI) and referred to in Section 211 (3C) of the Companies Act, 1956 (The Act). The consolidated financial statement have been prepared on going concern basis as it is to the intension of the group and the company to continue operating activities. This is dependable on the future profitable operation, the continued of the directors and shareholder. The significant accounting policies adopted for the preparation of the financial statements are as follows :

a. Revenue Recognition

Revenue from projects is recognized based on percentage completion method, which is determined on the basis of the stage of completion of ongoing projects on the Balance Sheet date. The stage of completion is determined based on progress of the work and estimation of the architects.

b. Fixed Assets

Fixed assets are stated at cost of acquisition minus the accumulated depreciation. Advances paid towards acquisition of the fixed assets which have not been installed or put to use and the cost of the assets not put to use, before the year end, are disclosed under advance for purchase of assets.

c. Inventories (WIP)

Inventories are valued at the lower of cost or net realizable value. Cost is determined on a first in first out basis and includes all applicable overheads in bringing the inventories to their present location and condition. Excise Duty arising on finished goods and Customs Duty on imported raw materials in stock (excluding stocks in the bonded warehouse) are treated as part of the cost of inventories.

Inventories (WIP) of FZE – Inventories are measured at lower of cost and net realizable value. Using Weighted average method. Cost of inventories comprise all costs of purchase, and where applicable costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling prices less all estimated costs to completion and estimated costs necessary to make the sale.

d. Debtors

Trade receivables are stated at cost, Being the fair value less impairment allowances. Allowances for impairment of trade receivables is established when there is objection evidence that the company will not be able to collect all amount due according to the original term of receivables. The amount of impairment is recognized in the profit & loss.

e. Taxation (For Subsidiaries)

There is no tax provision for the current year. A reconciliation of the statutory income tax rate to the effective income tax rate of the group of the company has not been presented as the company and its subsidiary has no chargeable income.

f. Borrowing Costs

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalized as a part of the cost of the assets.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

g. Deferred Tax

Deferred tax asset or liability has been determined in pursuant to the AS-22-Accounting for taxes on Income.

During the year being the loss in the company and management is presently not hopeful to get the profit in the company during the near future hence no Deferred Tax Assets has been generated by the company.

f. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating financing and investing activities of the company are segregated.

g. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the year.

Examples of such estimates include accounting for contract cost expected to be incurred, contract revenues, stage of completion, provisions, income taxes, useful lives of fixed assets etc., actual results could be different from those estimates.

h. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its ultimate disposal are discounted to their present values using a pre-determined discount rate that reflects the current market assessments of the time value of money and risks specific to the asset.

For Subsidiaries and Sub-Subsidiaries: The assets are reviewed for impairment at each year end. An impairment loss is recognised in the statement of income if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is higher of the value in use and the realizable amount of the asset.

(ii). DEPRECIATION

Depreciation on fixed assets is provided using the straight line method, based on the useful life as estimated by the management. Depreciation are charged on pro-rata basis for assets purchased / sold during the year. The management's estimate of useful life for various fixed assets are given below :

Furniture & Fixtures	2 Years
Computer Equipments	3 Years

BSEL Infrastructure Realty (FZE) : The tangible fixed assets are stated at cost less accumulated depreciation and indentified impairment loss, if any. The costs comprises of purchase price, levied, duties and any directly attributable costs of bringing the assets for its intended use. The cost is depreciated over the estimated useful lives on straight line basis at the following rates.

Computer	2 Years
Furniture and Fixtures	2 Years
Vehicles	2 Years
Office Equipments	2 Years

(iii) INVESTMENT

Current Investments are stated at lower of cost and fair value. The Long Term Investments are stated at cost after deducting provisions made for permanent diminution in the rate of exchange if any.

(iv) PROVIDENT FUND

Benefits of Provident Fund are received by the eligible employees, which is defined in contribution plan. Both the employees and the Company are making monthly contribution to this Provident Fund equal to specified percentage of the covered employees salary.

(v) SEGMENT ACCOUNTING POLICIES

The company has only one segment of operation i.e. Infrastructure Activity in Local Market. So segment wise Income/ Expenditure/ Assets and Liabilities are not presented.

(vi) OTHER ACCOUNTING POLICIES

Other accounting policies are consistent with generally accepted accounting policies.

As per our Report of Even Date

For RAJU & PRASAD

Chartered Accountants

Sd/-
CA. Avinash T. Jain
Partner

Place : Mumbai
Date : 30.05.2012

For BSEL INFRASTRUCTURE REALTY LIMITED

Sd/-
Disha R. Derukhkar
Whole-Time Director

Sd/-
Kirit R Kanakiya
Director



NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING:

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of BSEL Infrastructure Realty Limited will be held on Friday, September 28, 2012 at 09.30 A.M. at Hotel Abbott, Sector - 2, Vashi, Navi Mumbai - 400 703 to transact the following business:

Ordinary Business:

1. To consider and adopt the Balance Sheet as at March 31, 2012, the Profit & Loss Account for the year ended on that date including notes thereto, together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kirit R. Kanakiya who is liable to retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Raju & Prasad Chartered Accounts, the retiring Auditors, being eligible, offer themselves for re-appointment.

Special Business:

4. **Appointment of Ms. Disha Devrukhkar as a Whole Time Director of the Company**

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

"RESOLVED THAT, subject to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for time being in force), read with Schedule XIII of the Companies Act, 1956 and Article 153 of the Articles of Association of the Company, Ms. Disha Devrukhkar, be and is hereby appointed as the Whole Time Director of the Company, for period of One (1) year commencing from December 28, 2011 to December 27, 2012 at a remuneration which will, including all perquisites, not exceed ₹ 1,80,000/- p.a. (Rupees One Lac Eighty Thousand only) and a copy of the Draft Letter of Appointment as placed before this meeting be and is hereby specifically approved and sanctioned with the liberty to the Board of Directors to alter and vary terms and conditions so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force or any amendments or modification(s) that may hereinafter be made thereto by the Central Government or as may be agreed to by the Board of Directors and Ms. Disha Devrukhkar".

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956 the Board of Directors be and are hereby authorized to increase/decrease the remuneration including salary, commission, perquisites, allowances, benefits etc. within such prescribed limits/ceiling and the aforesaid draft letter of appointment of Ms. Disha Devrukhkar be suitably amended to give effect to such modification, relaxation or variations without any further reference to the Company in General Meeting"

"RESOLVED FURTHER THAT the Directors of the Company be and are hereby jointly and severally authorised to execute, sign various agreements, documents, deeds, drafts; to file required forms with Registrar of Companies; to inform various government as well as non-government authorities and to take all the necessary actions to give effect to the above resolution.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy must be deposited at the Registered Office of the Company not later than 48 (forty eight) hours before the commencement of the meeting.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send the certified true copy of Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
4. Members are requested to bring their duly filled attendance slip along with their copy of Annual Report to the meeting.
5. Members who hold their shares in dematerialized form are requested to write their client ID and DP ID and those who hold their shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
6. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, September 26, 2012 to Friday, September 28, 2012 (both days inclusive).
8. Members are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any, to the Registrars and Share Transfer Agent of the Company at the following address:

Sharex Dynamic (India) Pvt. Ltd.
Unit No. 1, Luthra Industrial Premises, Safed Pool,
Andheri – Kurla Road, Andheri (E), Mumbai – 400 072
Telephone No. (022) 2851 5606/5644 7 Fax: (022) 2851 2885

Registered Office:

737, 7th Floor, The Bombay Oil Seeds and Oil Exchange Premises Co.op. Society Ltd. ,
The Commodity Exchange, Plot No. 2, 3 & 4, Sector 19, Vashi, Navi Mumbai – 400705

Navi Mumbai
August 14, 2012

By Order of the Board of Directors
For BSEL Infrastructure Realty

Sd/-
Kirit Kanakiya
Director



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement, pursuant to Section 173(2) of the Act, sets out the material facts relating to the business mentioned in the accompanying Notice dated August 14, 2012.

Item No. 4

Appointment of Ms. Disha Devrukhkar as a Whole Time Director of the Company

Ms. Disha Devrukhkar was appointed as a Director and Whole Time Director of the Company in the Meeting of Board of Director held on December 28, 2011, for the period of One (1) year commencing from December 28, 2011 to December 27, 2012 at a remuneration, which will, including all perquisites, not exceed ₹ 1,80,000/- p.a. (Rupees One Lac Eighty Thousand only) subject to the approval of shareholders.

Brief Profile of Ms. Disha Devrukhkar:

Ms. Disha Devrukhkar is qualified with (DNYS) Diploma in Naturopathy and Yogic Sciences through Delhi University (INYS) International Institute of Naturopathy and Yogic Sciences and also completed ND i.e. Diploma in Naturopathy. She is having wide experience in human resource management. She is well-versed with the new trends on the International Horizon of the industry. She is also having experience of marketing, customer relation building, project management, production management, administration, database maintenance, etc.

The Board requests your approval for appointment of Ms. Disha Devrukhkar as Whole Time Director of the Company.

None of the Directors, except Ms. Disha Devrukhkar is concerned or interested in the resolution.

The draft copy of the Letter of Appointment between the Company and Ms. Disha Devrukhkar is available for inspection at the Registered Office of the Company on all days except Sunday and other bank holidays between 10.30 A.M. to 12.30 A.M.

INFORMATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Details of the Director seeking re-appointment at the 17th Annual General Meeting to be held on September 28, 2012.

Name of Director	Mr. Kirit Kanakiya
Date of Birth	May 06, 1957
Date of Appointment	April 01, 1998
Experience in specific functional areas.	Mr. Kirit Kanakiya is Chartered Accountant by profession having business experience of more than twenty five year. He is having wide experience in project development in and outside India.
Qualification	Chartered Accountant
List of directorships in other companies.	2 (Two)
Chairman/Member of the Committees of the Board of directors of the Company	3 (Three)
Chairman/Member of the Committees of Director of other Companies in which he is a Director	NIL
No. of shares	4,942,180 Equity Shares

Registered Office:

737, 7th Floor, The Bombay Oil Seeds and Oil Exchange Premises Co.op. Society Ltd. ,
The Commodity Exchange, Plot No. 2, 3 & 4, Sector 19, Vashi, Navi Mumbai – 400705

Navi Mumbai
August 14, 2012

By Order of the Board of Directors
For BSEL Infrastructure Realty Ltd.

Sd/-
Kirit Kanakiya
Director

BSEL INFRASTRUCTURE REALTY LIMITED

(REGISTERED OFFICE: 737, 7TH FLOOR, THE BOMBAY OIL SEEDS AND OIL EXCHANGE PREMISES CO.OP. SOC. LTD.,
THE COMMODITY EXCHANGE, PLOT NO. 2,3 & 4, SECTOR 19, VASHI, NAVI MUMBAI - 400705)

ATTENDANCE SLIP

(To be presented at the entrance)

17TH ANNUAL GENERAL MEETING ON FRIDAY, SEPTEMBER 28, 2012

AT HOTEL ABBOTT, SECTOR - 2, VASHI, NAVI MUMBAI - 400 703

Folio No. _____ DP ID No. _____ Client A/c No. _____

Name of the Shareholder(s) _____

Signature of Shareholder(s) _____

(only Shareholders/Corporate Representatives/Proxies are allowed to attend the meeting)

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BSEL INFRASTRUCTURE REALTY LIMITED

(REGISTERED OFFICE: 737, 7TH FLOOR, THE BOMBAY OIL SEEDS AND OIL EXCHANGE PREMISES CO.OP. SOC. LTD.,
THE COMMODITY EXCHANGE, PLOT NO. 2,3 & 4, SECTOR 19, VASHI, NAVI MUMBAI - 400 705)

PROXY FORM

I/We _____ of _____

being a member (s) of BSEL Infrastructure Realty Limited, hereby appoint _____ of _____ in the

district of _____ failing whom _____ of _____ in the district of _____ as my/ our proxy to attend and

vote for me /us and on my/our behalf at the Seventeenth Annual General Meeting of BSEL Infrastructure Realty Limited to be held on

Friday, September 28, 2012 and/or at any adjournment thereof.

Folio No. _____ DP ID No. _____ Client A/c No. _____

No. of shares held _____

Signed this _____ day of _____ 2012

Affix Re.1
Revenue
Stamp

Signature across Revenue Stamp

Note: This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

Book Post

If undelivered please rerutn to:

Sharex Dynamic (India) Private Limited

Unit : BSEL Infrastructure Realty Limited

Unit No.1, Luthra Industrial Premises, Safed Pool, Andheri-Kurla Road, Andheri (E), Mumbai - 400 072