

BSEL Infrastructure Realty Limited
 Building structures... *e*merging landmarks

15th ANNUAL REPORT 2009-2010

BSEL Fayrooz, UAE



BSEL INFRASTRUCTURE REALTY LIMITED

BOARD OF DIRECTORS

Kirit R. Kanakiya	Non-Executive Chairman
Dharmendra Raichura	Managing Director
Vijay Jain	Non-Executive Independent Director
Abbas Lakdawalla	Non-Executive Independent Director
Hitesh Vora	Non-Executive Independent Director

COMPLIANCE OFFICER

Dharmendra Raichura

REGISTERED OFFICE

G-101, 2nd Floor, Tower No.7,
International Infotech Park,
Above Vashi Railway Station,
Vashi, Navi Mumbai-400705

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 USA21

BANKERS

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

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CHAIRMAN'S LETTER

Dear Shareholders,

In the very first place, I wholeheartedly acknowledge your ceaseless and stubborn support, which upheld the Company to pass through the dramatic situation placed before by this year. The year 2009-10 can be surely described as "The Economy – A Big Hurt". BSEL's domain, infrastructure and realty, has not shown a pretty picture at all. If we have a little retrospection, it can be noted that, the residential real estate business started slowing in 2006 and then really fell out of bed in 2007. But commercial real estate continued chugging along for a while. That's all changing — and 2009 has been even worse for landlords and investors in commercials, warehousing, office, retail property and related spheres. After more than a year spent in suspended animation of already faded up housing markets, the commercial real estate industry really hit a bottom in 2010.

With the collapse of Lehman Brothers and other Wall Street icons, there was cataclysmic recession which substantially affected the year 2008-09. As the world economy just started taking a breath after absorbing these shocks, UAE debt crisis hit the economy. And once again, the Infrastructure and realty industry is put on a blow.

As Infrastructure and Real Estate is core functional sphere of BSEL and the Company has sizable portion of its project investments in UAE, there was an enforced holiday for BSEL. Even in this state of affairs, management of the Company succeeded in saving the Company from getting into the liquidity crunch. The Company strategically exited from a quite adversely leveraged six projects in Nagpur and one project in Goa and also packed up one of its subsidiaries, in Singapore. Though for a short term, the consequence of this is a downturn in profitability of the Company, which can be attributed to exceptional heavy losses out of exit from joint venture projects and closure of subsidiary. During the year under consideration, Company's consolidated total income is Rs. 3,290 lacs and the consolidated profit stood at Rs.86.87 lacs. The BSEL – India suffered a loss in this year, as real estate developers is one of the worst victims of global melt down and UAE collapse.

Here... all these facts are quite disappointing... but I would like to put a saying of George Patton... "Success is how high you bounce when you hit bottom".

I believe that there is a sure opportunity in any state of affairs. This downtrend caused by global meltdown and UAE debt crisis led to a considerable correction of prices across locations, including some established as well as under developed locations. The debt markets are in a severely compromised position due to the cautious approach of banks and financial institutions with a view of avoiding further debt stress. In this classic timing play, investors and developers with cash should be poised to take advantage of highly attractive buying opportunities. And here, BSEL is in propitious position, as it is a Zero Debt Company having optimum liquidity.

I am confident that, BSEL is devised enough and poised to grab each and every opportunity in this sphere. Your support along with sincere contributions of investors, customers, associates and employees of the Company is a constructive stimulus for BSEL, resting on this I see BSEL as one of the leading real estate developers in India as well as abroad in a very near future.

Kirit R. Kanakiya
Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their 15th Annual Report, to the members, on the business and operations of BSEL Infrastructure Realty Limited (hereafter referred to as 'BSEL' or 'Company') together with the audited accounts for the financial year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS

I Consolidated financial information of BSEL Infrastructure Realty Limited and its subsidiaries.

(Rs. In lacs)

Year ended on March 31	2010	2009
Total Income	3,289.96	12,337.40
Less: Total expenditure (including adjustments)	2,814.16	8,206.49
Profit before tax and extra- ordinary items	475.80	4,130.91
Less: Extra ordinary items	379.90	—
Profit before tax	95.90	4,130.91
Less: Provision for tax (including fringe benefit tax and deferred tax)	9.03	67.40
Consolidated profit for the group	86.87	4,063.51
EPS (basic and diluted) (in Rs.)	0.11	4.92

II Standalone financial information of BSEL Infrastructure Realty Limited

(Rs. In lacs)

Year ended on March 31	2010	2009
Total Income	267.77	1,040.58
Less: Total expenditure	475.82	461.75
Profit/(Loss) before tax and extra ordinary items	(208.05)	578.83
Less: Extra ordinary items	296.89	—
Profit/(Loss) before tax	(504.94)	578.83
Less: Provision for tax (including fringe benefit tax and deferred tax)	9.03	67.40
Profit/(Loss) transferred to Balance Sheet	(513.97)	511.43

Review of Operations

The Economy, in particular, real estate industry is still absorbing the aftershocks of global meltdown. Standalone income for the year under review is Rs. 267.77 lacs and the standalone net loss is Rs. 513.97 lacs. The decline in income of the Company has been noticed due to conservative policy adopted by the Company, so as to maintain its liquidity position intact. Extra-ordinary item, loss due to exit from joint venture projects of the Company, pulled down the Company in further loss for the year.



Consolidated Results

Total consolidated income of the Company, with its wholly owned subsidiaries and step down subsidiaries, for year under consideration has been recorded at Rs.3,289.96 lacs and the net profit for the same is Rs.86.87 lacs. The loss due to closure of subsidiary at Singapore forced consolidated net profit to go down.

Dividend

The BSEL - India has suffered a loss for the year under review and consolidated profit has dropped down substantially. Thus keeping in view funds availability for future projects and for saving Company to get into the liquidity crunch, Directors have arrived at conclusion that its not comfortable for the Company to declare any dividend for the financial year 2009-10.

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 Rs. 10/- each.

Global Depository Receipts

During this financial year 1,200,000 GDRs have been converted into shares. 1,458,120 GDRs have not been converted till 31st March, 2010.

Quality Assurance

Your Company is an ISO 9001:2008 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

BSEL was having four wholly owned subsidiaries including step down subsidiaries. During the financial year 2009-10 BSEL Infrastructure Realty Pte Ltd., a step down subsidiary of BSEL, has been closed down. The details of closure of this Company are given in the financial statements given in this annual report. Thus, hereonwards, BSEL is a group of BSEL Infrastructure Realty Limited, a parent Company and three wholly owned subsidiaries.

In accordance with the provisions of section 212 of the Companies Act, 1956 your Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of the subsidiaries to its Balance Sheet. As per the requirement of section 212 (8) of the Companies Act, 1956, your Company applied to the Central Government for the necessary exemption from the aforesaid requirements. The Central Government vide its letter no. 47/588/2010-CL-III dated 17/06/2010 has granted exemption to the Company under section 212(8) of the Companies Act, 1956, from attaching copy of the balance sheets, profit & loss accounts, reports of the Directors and auditors of its subsisting subsidiaries / step-down subsidiaries (I) BSEL Infrastructure Realty FZE, (II) BSEL Infrastructure Realty Pte. Ltd., (III) BSEL Infrastructure Realty Sdn. Bhd. and (IV) BSEL Waterfront Sdn. Bhd. Hence, the balance sheets, profit & loss accounts, reports of the Directors and auditors have not been attached with the balance sheet of the Company. These documents will be made available upon request by any member(s) of the Company interested in obtaining the same and will also be kept for inspection at the registered office of your Company. Further, as directed by the Central Government, the financial data of the subsidiaries has been furnished alongwith the statement pursuant to section 212 of the Companies Act, 1956 forming part of the annual report. Also, pursuant to accounting standard (AS-21) issued by the Institute of Chartered Accountants of India and listing agreement, your Company has presented the consolidated financial statements which include the financial information relating to its subsidiaries and forms part of the annual report.

Joint Ventures and Alliances

The Company has invested in Singapore and Malaysia through its subsidiaries and step down subsidiaries. The Company was having 50:50 joint venture with Unity Infraprojects Ltd. for six shopping malls projects at Nagpur and one technology park project at Goa. In February 2010, BSEL walked out of these joint venture projects. The details of disinvestment are given in schedule 'E' of the balance sheet forming part of this 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. Dharmendra Raichura continues as the Managing Director of the Company after being appointed for a period of three years by the shareholders in the annual general meeting held on 30th September, 2008. His tenure ends on 29th July, 2011.

Mr. Vijay Jain, Non - Executive and Independent Director, retires at this annual general meeting by rotation and being eligible offers himself for reappointment.

The Board recommends the re-appointment of Mr. Vijay Jain as a Non-Executive and Independent 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 ended on 31st March, 2010, 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 as on 31st March, 2010 and of the Profit & Loss of the Company for the year ended 31st March, 2010.
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

The Company has been practicing the principles of good corporate governance over the years and it is an ongoing process. A detailed report on corporate governance is 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.

Electronic Filing

Pursuant to an amendment in listing agreement, e-filing with www.sebidifar.nic.in is hereinafter not required. The corporate governance report, financial results and shareholding pattern are available on www.corpfiling.com. The financial statements and shareholding pattern is also available on website of BSE and NSE as well as website of the Company - www.bsel.com.

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 of the balance sheet date.

Auditors

M/s Raju & Prasad, Chartered Accountants, Mumbai, having membership no. 41689, hold the office of the Statutory Auditors of the Company retire at the conclusion of the annual general meeting and are eligible for reappointment. The Company has received a letter from them consenting to act as Statutory Auditors that, if appointed, 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. The necessary resolution is being placed before the shareholders for approval.

Comments on Auditors Report

With reference to the comments given by the auditors on the auditor's 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.



Human Resource Management and Employee Relation

BSEL has created favourable work environment that encourages management talent. It always maintained cordial relationship with its employees. The Company consists of professional team that will help out BSEL to deliver quality performance.

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

The 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. The 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. The Directors would also like to acknowledge the continued support of the Company's shareholders.

For and on behalf of the Board

Kirit R. Kanakiya
Chairman

Dharmendra Raichura
Managing Director

Place : Navi Mumbai
Date : 23.08.2010

CORPORATE GOVERNANCE REPORT

Concept of Corporate Governance

Corporate governance is concerned with the establishing a system whereby the Directors are entrusted with responsibilities in relation to the direction of corporate affairs. It is concerned with accountability of persons who are managing it towards stakeholders.

Widely, this is a framework, which consists of explicit and implicit contracts between the firm and the stakeholders for distribution of responsibilities, rights and rewards; procedures for reconciling the sometimes conflicting interests of stakeholders in accordance with their duties, privileges, roles and procedures for proper supervision, control and information-flows to serve as a system of checks-and-balances. It is concerned with the morals, ethics, values, parameters of conduct and behaviour of the Company and its management.

Corporate Governance requires more internal discipline over external accountability.

BSEL's Philosophy

The BSEL understands and values the principle that this internal discipline implies that the quality of its management has to be of a high order to be able to exercise the discipline in the organisation. By this, one would expect that a good management would lead a Company to being a good corporate citizen.

Board of Directors

The Board of Directors, an apex body is formed by the shareholders and is 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.

In the statutory sense, the Company is having optimum combination of Directors, as required by Listing Agreement, to keep the transparency of Board affairs intact.

Information placed before the Board

- Operating and financial plans;
- Quarterly results 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, including appointment of the Compliance officer;
- Details of any joint venture or collaboration agreement;
- Sale of investments of material nature, subsidiaries, assets which is not a normal course of business;
- 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.

The Board met 7 (seven) times during the year under review and the dates of such meetings are as follows:

(1) 18th May, 2009; (2) 30th June, 2009; (3) 31st July, 2009; (4) 10th August, 2009; (5) 30th October, 2009; (6) 30th January, 2010; and (7) 25th March, 2010.



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	Abbas Lakdawalla	Hitesh Vora
Category	Promoter Director Non - Executive Chairman	Managing Director	Non - Executive Independent Director	Non - Executive Independent Director	Non - Executive Independent Director
Date of appointment	1 st April 1998	30 th June 2006	23 rd February 2004	30 th June 2006	31 st August 2001
Directorship in other Companies	2	0	0	0	0
Chairmanship / Membership in committees of Board of other Companies	0	0	0	0	0
No. of Board meetings attended	3	7	4	4	4
Attendance at last AGM	Yes	Yes	Yes	Yes	Yes
No. of shares held as on 31st March, 2010	4,942,180	NIL	NIL	NIL	6,500
Director Identification Number	00266631	00371160	00594901	00037416	00342768

Notes:

1. None of the independent Directors have any pecuniary interest or relationship with the Company apart from sitting fees that they are entitled to receive.
2. The directorship does not include directorship in private companies / foreign companies.
3. 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, the Board has constituted Audit committee of three of its Directors and that the committee 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, Names 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. During the year, six meetings of audit committee were held, the dates are as follows:

(1) 18th May, 2009; (2) 30th June, 2009; (3) 31st July, 2009; (4) 10th August, 2009; (5) 30th October, 2009; (6) 30th January, 2010.

The details of composition of committee and attendance at meetings are as follows :

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

Remuneration Committee

Brief description of terms of reference

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

Remuneration committee of the Company is comprised of three Directors of Company. The details of composition of committee and attendance at meeting of the remuneration committee are as follows:

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. Abbas Lakdawalla	Member	NIL

Committee met once in the year under consideration. This meeting was held on 30th June, 2009.

Remuneration Policy

The Remuneration of the executives and other top management is recommended to the Board of Directors and the shareholders of the Company. The remuneration policy 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 Managing Director of the Company receives a salary for his services to the Company.

The details of remuneration paid to all the Directors is as follows :

Sr. No	Name of the Director	Category	Remuneration	Nature of Remuneration
1.	Mr. Dharmendra Raichura	Managing Director	825,000	Salary including perquisites
2.	Mr. Kirit R. Kanakiya	Chairman, Non-executive Director	15,000	Sitting Fees
3.	Mr. Abbas Lakdawalla	Non-executive, independent Director	20,000	Sitting fees
4.	Mr. Hitesh Vora	Non-executive, independent Director	20,000	Sitting fees
5.	Mr. Vijay Jain	Non-executive, independent Director	20,000	Sitting fees

**Shareholders' and Investors' Grievances Committee**

The scope of shareholders' and investors' grievances committee extends to the redressal of shareholders' and investors' grievances received directly at the office of the Company or to the Registrar and Transfer Agent (RTA) or 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 certificates, renewal of dividend warrants, issuance of fresh dividend warrants or pay orders as the case may be, resolving all other issues regarding shareholders' and investors' grievances.

The Shareholders' and Investors' grievances committee of the Company consists of three Directors and is Chaired by non-executive and independent Director.

2 (two) meetings of the shareholders' and investors' grievances committee were held on 30th June, 2009 and 30th January, 2010.

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	2
3.	Mr. Abbas Lakdawalla	Member	1

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

Name and Designation of the Compliance Officer

Mr. Dharmendra Raichura, Managing Director of the Company, is acting as a compliance officer of the Company. The email IDs of the compliance officer dharmendra@bsel.com as well as complianceofficer@bsel.com have been designated for the purpose of registering investor's complaints and other follow up actions.

Number of Shareholders Complaints Received

The Company received 3 (three) 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.

GDR Committee

GDR committee has been dissolved as the purpose for which it was formed has been served. At the time of its dissolution, the Board decided that whenever in future such committee is required, be formed accordingly.

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

Financial Year	Venue	Day and Date	Time	No. of Special Resolutions
2006-2007	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703	Tuesday, 25 th September, 2007	10.00 AM	NIL
2007-2008	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703	Tuesday, 30 th September, 2008	09.30 AM	2
2008-2009	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703	Wednesday, 23 rd September, 2009	10.30 AM	NIL

Whether any special resolution was passed in the last 3 AGMs

Details of special resolutions passed at last 3 AGMs are provided in the chart above.

Whether any special resolution was passed last year through postal ballot

No special resolution has been passed through postal ballot during year under consideration.

Name of the person who conducted postal ballot

Not applicable.

Whether any special resolution is proposed to be conducted through postal ballot

The Company does not propose any special resolution to be passed through postal ballot.

Procedures Adopted for Postal Ballot

Not applicable.

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 the 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 Directors' 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 and has not violated any of the rules specified therein.

Means of Communication**Newspapers wherein results normally published**

The Financial Results of the Company for quarter ended on June 2009, September 2009, December 2009 and for quarter and year ended on March 2010 were published in all India editions of "Business Standard" and in regional news paper "Mumbai Lakshadeep".

Any website where displayed

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

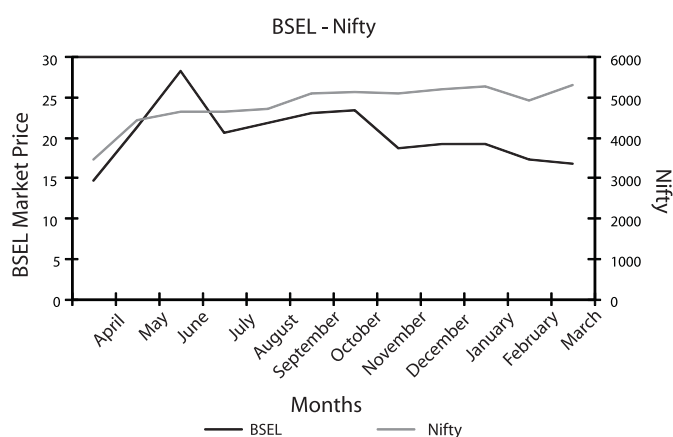
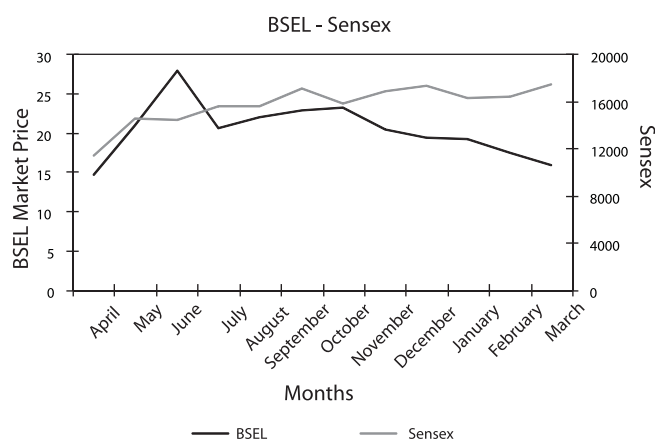
General Shareholder Information

Date, Time of AGM	September 30, 2010, at 9.30 a.m.
Venue of AGM	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703
Financial Year	2009 - 2010
Date of Book Closure	September 28, 2010 to September 30, 2010
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 09	14.70	9.21	11403	14.70	9.65	3484
May	20.96	12.30	14625	21.30	12.50	4449
June	28.00	17.65	14494	28.40	17.60	4655
July	20.70	15.00	15670	20.60	14.55	4636
August	22.10	16.70	15667	21.85	16.50	4732
September	22.90	20.05	17127	23.05	19.90	5084
October	23.20	17.40	15896	23.40	17.45	5142
November	20.40	16.05	16926	18.70	16.15	5108
December	19.40	14.85	17465	19.25	14.90	5201
January 10	19.20	15.45	16358	19.20	15.45	5282
February	17.50	14.60	16430	17.40	14.50	4932
March	15.90	13.05	17528	16.85	13.15	5303



Registrar and Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.

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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 the registrar and transfer agents of the Company M/s Sharex Dynamic (India) Pvt. Ltd.

Share Capital History

Date	Issue	No. of Shares	Amount	Paid up Share Capital (in Rs.)
26.10.1995	Original Subscription	700	7,000	7,000.00
01.01.1996	Allotment of Shares	19,900	199,000	206,000.00
30.01.1996	Allotment of Shares	530,000	5,300,000	5,506,000.00
30.06.1996	Allotment of Shares	1,002,500	10,025,000	15,531,000.00
16.11.1996	Allotment of Shares	1,496,900	14,969,000	30,500,000.00
23.10.1996	Allotment of Shares	7,100,000	71,000,000	101,500,000.00
12.02.2000	Bonus	10,150,000	101,500,000	203,000,000.00
14.06.2004	Bonus	16,240,000	162,400,000	365,400,000.00
10.04.2006	GDR	22,780,000	227,800,000	593,200,000.00
27.12.2007	GDR	21,472,020	214,720,200	807,920,200.00
05.02.2008	GDR Over allotment	1,824,820	18,248,200	826,168,400.00

Distribution of shareholding as on 31st March, 2010

Shares	No. of Holders	(%) of Holders	Total Shares	(%) of Shareholders
UPTO 100	20,565	36.55	1,506,989	1.82
101 TO 200	9,894	17.59	1,834,605	2.22
201 TO 500	12,859	22.85	5,024,159	6.08
501 TO 1000	6,938	12.33	5,968,496	7.22
1001 TO 5000	5,008	8.90	11,381,797	13.78
5001 TO 10000	541	0.96	4,102,458	4.97
10001 TO 100000	417	0.74	11,446,655	13.86
100001 TO ABOVE	46	0.08	41,351,681	50.05
Total	56,268	100.00	82,616,840	100.00

Shareholding Pattern as on 31st March, 2010

Sr. No.	Category of Shareholder	No. of Shareholders	Total No. of shares	No. of shares in demat	% of total number of shares
A.	Promoter Shareholding				
	Individuals/ HUF	4	7,787,860	7,787,860	9.43
	Bodies Corporate	9	9,952,108	9,952,108	12.04
	Total Promoter Shareholding	13	17,739,968	17,739,968	21.47
B.	Public shareholding				
1.	Institutions				
	Financial Institutions / Banks	2	190	10	0.00
	Central Government/ State Government(s)	1	200	200	0.00
	Venture Capital Funds	3	24,821	24,821	0.03
	Foreign Institutional Investors	1	3,000	3,000	0.00
	Sub-Total B1	7	28,211	28,031	0.03



Sr. No.	Category of Shareholder	No. of Shareholders	Total No. of shares	No. of shares in demat	% of total number of shares
2.	Non-institutions				
	Bodies Corporate	1,100	14,007,760	14,006,500	16.96
	Individuals	54,552	32,577,604	32,472,602	39.43
	Other	595	3,682,097	3,681,937	4.46
	Sub-Total B2	56,247	50,267,461	50,161,039	60.85
	Total Public Shareholding (B1 + B2)	56,254	50,295,672	50,189,070	60.88
(C)	Shares held by Custodians and against which Depository Receipts have been issued	1	14,581,200	14,581,200	17.65
	GRAND TOTAL (A + B + C)	56,268	82,616,840	82,510,238	100.00

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

Dematerialisation of shares

The equity shares of the Company are traded in electronic form. As on 31st March, 2010 - 82,510,238 equity shares i.e. 99.87% 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 31st March, 2010 - the total number of outstanding GDR's is 1,458,120 wherein each GDR represents 10 underlying equity shares.

Address for Correspondence

G - 101, 2nd Floor, Tower No. 7, International Infotech Park, above Vashi Railway Station Complex, 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 practicing 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 dematerialised 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.

I, Dharmendra Raichura, Managing Director of the Company confirm the compliance of this Code of Conduct by myself and other members of the Board of Directors and Senior Managerial personnel as affirmed by them individually.

For BSEL Infrastructure Realty Limited

Dharmendra Raichura
Managing Director

Place : Navi Mumbai

Date : 23.08.2010

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

I, DHARMENDRA RAICHURA, MANAGING DIRECTOR, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF BSEL INFRASTRUCTURE REALTY LIMITED, TO THE BEST OF MY KNOWLEDGE AND BELIEF, CERTIFY THAT:

- a. I 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;
- b. Based on my 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;
- c. Based on my 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;
- d. To the best of my 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.
- e. I am 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;
- f. I 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
- g. I 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 : 29.05.2010


Dharmendra Raichura
(CEO & 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, 2010

We have examined the compliance of conditions of corporate governance by BSEL Infrastructure Realty Limited, for the year ended as at 31st March, 2010, 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



CA. Avinash T. Jain
Partner
Membership No: 41689

Place : Mumbai
Date : 23.08.2010



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economy Overview

India, an emerging economy, after global meltdown experienced two years back, has witnessed comfortable levels of economic expansion along with countries like China, Russia, Mexico and Brazil. India, being a cost effective and labour intensive economy, has benefited immensely from outsourcing of work from developed countries and a strong manufacturing and export oriented industrial framework. With the economic pace picking up, global commodity prices have staged a comeback from their lows and global trade has also seen healthy growth over the last two years. India witnessed early revival of economic growth.

Year 2009 started on the gloomy note, however the trend reversed from the first quarter of the year. Financial markets posted strong gains fueled by huge amount of capital inflows which was set-aside during the economic downturn. In Economic Survey 2009-10 tabled by Union Minister of India, a disinvestment target is of Rs. 25,000 crores. This will provide private sector in India with opportunity to venture into areas and projects kept with Government and in turn will reflect in healthy competition leading to handsome outcomes.

Industry Overview

On even date, Infrastructure, Realty and Construction sector is second largest sector in Indian Economy. This sector accounts for a gross annual business volume of Rs.2,300 billion and accounts for 5 per cent of India's GDP.

Historically, the government has played a key role in supplying and regulating infrastructure services in India and private sector did not play a major role in infrastructure development. However, due to the public sector's limited ability to meet the massive infrastructure funding requirements, private sector investment in infrastructure is critical. Therefore, the Indian government is actively encouraging private investments in infrastructure. The World Bank opines that India needs to invest an additional 3-4 per cent of GDP on infrastructure to sustain its current levels of growth in the medium term and to spread the benefits of growth more widely.

Segment Overview

India leads the pack of top real estate investment markets in Asia for 2010 - according to a study by Pricewaterhouse Coopers (PwC) and Urban Land Institute, a global non-profit education and research institute. The government has introduced many progressive measures like release in FDI limits, allocation of increased funds, introduction of new schemes, to unlock the potential of the sector and also to meet the increasing demand levels.

Indian Real Estate Overview

Residential

The residential segment of real estate industry in India has experienced upward movement even in the tough global economic conditions. The main reason for growth is rising number of low and mid-income group in the country's tier I, II and III cities. These households have potential to make investments in the affordable houses as their purchasing power meet the value of average affordable homes. To add on, the mid-income households observed the fastest year-on-year growth in the last fiscal year. According to the report of the Technical Group on Estimation of Housing Shortage, an estimated shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12) provides a big investment opportunity. It has prompted many prominent developers to come up with new investment plans.

BSEL is looking out for constructive and decent opportunities to invest in undoubtedly flourishing residential real estate segment.

Commercial Retail and Entertainment

There was a smart pick up of the economy during 2003-04 to 2007-08 and the average annual GDP growth rate was recorded at 8.9 per cent. Once the economy attained high momentum, the Indian retail trade witnessed a robust growth of around 11 per cent during this period. But the upsurge witnessed during 2003 to 2007 was contained during last two years because of the economic meltdown. The liquidity crunch followed by the global meltdown resulted in numerous evictions, foreclosures and prolonged vacancies in the segment. Both market-based and regulatory solutions have been implemented or are under consideration, while significant risks remain for the sector over the 2010-2011 periods. Of late, signs of economic recovery are observed which is likely to put the retail segment in India again on a reasonably high growth trajectory.

BSEL, while going through this critical situation, took strategic decisions in regards with the projects with huge investment carrying too long gestation period which may harm liquidity position of the Company. Thus BSEL exited from six joint venture projects in Nagpur and one project in Goa. BSEL will be grabbing convincing and sustainable opportunities in the retail, commercial and entertainment segments as it did in its landmark project BSEL Tech Park at Navi Mumbai.

Hotel, Hospitality and Tourism

As per the Travel and Tourism Competitiveness Report 2009 by the World Economic Forum, India is ranked 11th in the Asia Pacific region and 62nd overall, moving up three places on the list of the world's attractive destinations. To push this phase up, the Government of India has taken numerous initiatives to boost up domestic as well as foreign investments in the even field, which will ultimately, along with economic development, add up the social and cultural values to the Nation. Combining unparalleled growth prospects and unlimited business potential, the hotel and tourism industry is certainly on the foyer towards being a key player in the Nation's changing face.

BSEL is putting its footholdings in hotel, hospitality and tourism sector. BSEL is having hotel and hospitality project at Gujrat. BSEL Narmada Nihar Resort is an attractive tourist destination located just nine kilometres away from scenic beauty - Saradar Sarovar dam. Narmada Nihar resort is privileged with extensive water front and fantastic beauty of nature which bestows a visitor with utmost relaxation and fulfilled experience of being with nature. BSEL Narmada Nihar is consisting of 72 rooms facility with added amenities like restaurant, shopping and entertainment. This project is operational in last year and BSEL is expecting it to attain break even by second quarter of the financial year 2010-2011.

Apart from Narmada Nihar Resort, BSEL has 18 rooms with budget accommodation facility at Rewa Bhavan near Narmada Nihar. BSEL has 25 acres of waterfront at Y junction, twenty kilometres away from Ahemadabad City.

Dubai - Ajman

Upto year ago, Dubai was a quite attractive destination for real estate and infrastructure investment. The driving factor for this investment was the boom bust policy of Central Bank of Dubai with a view to make a Dubai the trade and tourism hub of the world's biggest oil-exporting region with sprawling malls, skyscrapers and luxury villas that would attract celebrities and the super-rich, which ultimately will result in handsome revenue recognition.

The government of Dubai along with Central Bank designed and implemented various liberal financial plans and policies. But the maturity mismatches of short term loans and long gestation period of the projects, allowed rollover risk to emerge. As a result, the economy of Dubai witnessed disastrous collapse. The flagship firms of Dubai – Dubai World and Nakheel were on the surge of debt crisis which led them to halt a repayment to the creditors and there, the warning alarm buzzed for the economy of Dubai.

The waves of this crisis spread through an international economy leading to significant change in attitude of international as well as domestic investor, making him much more cautious and reserved, may be sometimes resistant, while investing in real estate and infrastructure in Dubai. It led to straight downfall in the demand for investment in real estate and infrastructural projects in Dubai.

BSEL in Dubai

BSEL, as a piece and parcel of real estate developers' group in Dubai, just couldn't escape from grave consequences of the situation. BSEL is having project of seven residential towers in Ajman. Sudden downfall in bookings compelled BSEL to halt a further construction to avoid liquidity crunch. These all are fifty storied - centrally air conditioned towers comprising of around 5000 residential apartments, arrangement for commercial shops, adequate car parking place, play parks and all the crucial amenities one will desire to have for a fulfilled life.

One of the remarkable advantages of these towers is its strategic location. The land on which these towers are being build is strategically located alongside the main emirates city road and is well connected with Dubai and Sharjah. All these features let this project appeal first off and persuade the potential investors to prefer it to invest in.

As the Government of Dubai and Ajman has initiated the recovery of it's Economy, BSEL is looking up for new efficacious and persuasive strategies which will help out the Company to revive the investors' support. Instead of being only a real estate player, BSEL would also like to grab opportunities into infrastructure - contracting business.

Malaysia

BSEL through its 100% - sub-subsidiary BSEL Waterfront Sdn. Bhd., Malaysia has been awarded 8.5 acres of land with 9- storey waterfront shopping mall of 400,634 sq feet area. The maximum permissible floor area ratio is ranging from 5-9 in the same area so the land effectively has potentials for further development of at least 2-3 millions sq feet for residential/apartments development. The total price of the land along with shopping mall is RM 67 Millions (Rupees 87 Crores). The project is planned to have high rise apartments with 3 side waterfront view with just 25 minutes drive from Central Business District of Singapore. This project will be part of the IRDA project of Malaysia.

Financial Performance

The consolidated performance of BSEL during the year is as follows:

	(Rs. in Lakhs)	
Financial Snapshot	March 2010	March 2009
Income from Operations	3,123.25	11,835.00
Operating Profit (OP)	492.54	4,146.12
OP Margin	15.77%	35.03%
Profit After Tax	86.87	4,063.51
Net Profit Margin (%)	2.78%	34.33%
EPS	0.11	4.92
Return on Shareholders' Fund	0.17%	7.21%
Dividend	NIL	NIL
Return on Capital Employed (%)	0.17%	7.06%

**Operational Performance**

(Rs. In Lakhs)

Operational Highlights	Consolidated	Stand alone
Income from Operations	3,123.25	141.28
Other Income	166.72	126.50
Total Income	3,289.97	267.78
Less: Total Expenditure	2,631.95	361.48
Profit/(Loss) Before Interest, Tax and other items for the year	658.02	(93.70)
Less: Interest	113.88	86.76
Less: Depreciation	51.60	10.84
Less: Prior period items (Income) / Expenses	16.74	16.74
Less: Extra-ordinary Items	379.90	296.89
Profit /(Loss) Before Tax (PBT)	95.90	(504.93)
Provisions for Taxation (Net)	9.03	9.03
Profit/(Loss) After Tax	86.87	(513.96)

Consolidated Financial Analysis for the year 2009 – 2010**Balance Sheet Analysis****Equity Share Capital:**

The total paid up Equity Share Capital of the Company is Rs. 82.61 crores, consisting of 82,616,840 shares of Rs. 10/- each. There has been no change in paid up capital of the Company during this year.

Reserves and Surplus

The reserves and surplus for the year are Rs. 443.04 crores compared to Rs. 480.98 crores last year. The reserves have declined by 8% during this year.

Loans

During the year under review, the BSEL – India has managed to pay off 100% of its debts and its a debt free Company on even date. The management took this initiative to cut down cost of Company by narrowing down component of interest.

Fixed Assets

The fixed assets of the Company stood at Rs. 198 lacs for the year 2009 -2010.

Current Liabilities

The Company has maintained its current liabilities at almost same level. It stood at Rs. 19.8 crores for the financial year 2009-10.

Investments

During the year under review the Company has strategically disinvested from various projects with a view to save the Company to get into the liquidity crunch. BSEL has exited from seven Joint Venture Projects namely, (1) DG Malls Multiplex Pvt. Ltd., (2) GP Concept Hotel & Mall Pvt. Ltd., (3) JP Shopping Mall and Hotel Pvt. Ltd., (4) PP Shoppers Mall and Hotel Pvt. Ltd. (5) SB Concept Hotel Malls Pvt. Ltd., (6) SB Shopping Mall and Hotel Pvt. Ltd. and (7) Goa Tech Parks Pvt. Ltd.

One of step down subsidiaries of BSEL, BSEL Infrastructure Realty Pte. Ltd., has been closed down during this financial year. This also has its impact on contraction in the size of investment. BSEL is looking for constructive and feasible opportunities to invest in.

Profit and Loss Analysis**Income from Operations**

The total consolidated income from operations in the financial year 2009-10 is Rs. 3,123.25 lacs as compared to Rs.11,835 lacs last year. There was a sharp decline in operational income due to exit from joint venture projects and closure of one subsidiary in UAE.

Total Income

Total consolidated income of BSEL in this year is Rs. 3,289.97 lacs as against Rs. 12,337.41 lacs previous year.

Profit before Interest, Tax and Extra-ordinary Items

Profit before interest, tax and extra-ordinary items is Rs. 590 lacs for the financial year 2009-10.

SWOT Analysis**Strengths****Untouched Liquidity**

The economy of India has turned up into recovery phase. The Economy of Dubai, to which considerable share of operations of BSEL belongs to, just witnessed a disastrous collapse in late 2009. The prominent challenge in this state of affairs is to maintain liquidity position intact and save a Company from cash crunch at any point of time. BSEL, with its meticulous planning and strategic decision making, succeeded in being in a liquid position.

Zero Debt Company

The Company has paid off all its secured debts in the year under consideration and has become a debt free or zero debt Company. Thus now a BSEL is better armed to grab the opportunities of investments in the realty market and will not at any time be stuck back by obligations and concerns being carried by heavy debts and liabilities.

Professional Team

Human resources continue to be the biggest asset of the Company. Your Company aims at creating a corporate culture that respects people, develops and trains them to deliver high quality performance and rewards talent and performance with growth opportunities. The staff strength of the Company comprises of highly qualified and experienced professionals from various faculties. Employee relations continue to be cordial.

Unstinted support of investors

BSEL with its transparency and accountability in its functioning has earned the trust and faith of stakeholders globally and at this hour of crisis has been able to get the much needed, valuable and unstinted support of the investors.

Weakness

UAE debt crisis was a lesson to all real estate developers. The need of the day is to be cautious while taking up every further step. This may lead to quite a conservative approach while exposing Company to new investment opportunities.

Opportunities**Disinvestment Initiatives by Government**

In an Economic Survey 2009-10 tabled by Union Minister, disinvestment target of Rs. 25,000 crores has been set up. This will provide constructive opportunities especially to industries and projects requiring huge capital investment.

Downturn in Overall Price Level

The recent downtrend led to a considerable correction of prices across locations, including some established as well as under developed locations. Due to our intact liquidity and zero debt position, we will be able to acquire land at these locations at attractive prices.

Legal Framework

The global economic meltdown, UAE debt crisis and some other critical issues have their impact on legal and regulatory framework. The regulatory authorities have suitably formed or amended their rules and regulations, though sometimes quite stringent, to bring out more transparency in procedures. This will ensure authentic furtherance of legal and administrative procedures.

Threats

The pace of recovery of economy from the global meltdown and initiatives to be taken by UAE Government to phase out liquidity crisis in UAE will be determinant for future course of action of the BSEL, both in India and abroad.

Forward Looking Statement

Statements which are based on and describe about management's expectations, estimates, projections, objectives, intentions and assumptions are forward looking statements. Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to projections of revenues, earnings, segment performance, cash flows. Forward-looking statements are made pursuant to the Companies Act, 1956, securities laws and all other applicable acts, statutes, rules and regulations as amended from time to time. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results and trends may differ materially from what was forecasted in forward-looking statements, expressed or implied.

All forward-looking statements speak only as of the date of this report or, in the case of any document incorporated by reference, the date of that document. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on the Company's behalf are qualified by the cautionary statements in this section. The Company does not undertake any obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this report.



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

Sr. No.	Name of the Subsidiary	BSEL Infrastructure Realty FZE	BSEL Waterfront Sdn. Bhd.	BSEL Infrastructure Realty Sdn. Bhd.
1	Reporting Currency	AED	MYR	MYR
2	Exchange Rate as on 31st March, 2010	12.25	13.76	13.76
3	Share Capital	367,491,000	27,527,420	1,376,371
4	Reserves & Surplus	1,640,860,777	(519,993)	(429,152)
5	Total Assets	4,519,413,726	96,150,883	28,826,673
6	Total Liabilities (other than 3 and 4)	2,511,061,948	69,143,456	27,879,454
7	Investments other than in subsidiary	13,138,648	NIL	NIL
8	Name of the Holding Company	BSEL Infrastructure Realty Limited	BSEL Infrastructure Realty Sdn. Bhd.	BSEL Infrastructure Realty FZE
9	% of Holding	100%	100%	100%
10	Sale and other income	302,488,518	NIL	NIL
11	Profit/(Loss) before Tax	60,505,507	(183,333)	(238,704)
12	Provision for Tax	NIL	NIL	NIL
13	Profit/(Loss) after Tax	60,505,507	(183,333)	(238,704)
14	Dividend	NIL	NIL	NIL

M/s. BSEL Infrastructure Realty Pte Ltd., Singapore is a wholly owned subsidiary of M/s. BSEL Infrastructure Realty FZE Sharjah, United Arab Emirates. M/s. BSEL Infrastructure Realty Pte. Ltd. is liquidated during the year and its name has been struck off from the directory of registered entities, Singapore Government. Therefore, the above statement does not reflect data related to Singapore Company.

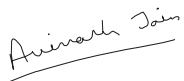
AUDITORS' REPORT

To the Members of

BSEL INFRASTRUCTURE REALTY LIMITED

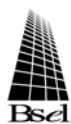
1. We have audited the attached Balance Sheet of BSEL Infrastructure Realty Limited as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our 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 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. 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, 2010, and taken on record by the Board of Directors, we report that none of the Director is disqualified as on March 31, 2010 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, 2010.
 - (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



CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 29.05.2010



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 is regular in repayment of principal amount of the secured or unsecured loans to the Company covered in the register maintained under section 301 of the Act as and when the same is due for repayment.
- 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. The Company has not accepted any deposits from the public.
- 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 Rs. 2,64,24,532/- is demanded for Income Tax for Assessment Year 2001-02 by the income Tax Authorities against which appeal has been filed in CIT (Appeal) after payment of Rs. 25,50,000/-.
- 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 but has not incurred any 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 not dealing in or trading in shares, securities, debentures and other investments.
- 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. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- 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



CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 29.05.2010

**BALANCE SHEET AS AT 31ST MARCH, 2010**

(All Figures in Rs.)

Particulars	Schedule	Current Year 2009-10	Previous Year 2008-09
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
SHARE CAPITAL	A	826,168,400	826,168,400
RESERVES AND SURPLUS	B	3,006,894,393	3,490,322,381
		<u>3,833,062,793</u>	<u>4,316,490,781</u>
SECURED LOANS	C	—	104,667,760
DEFERRED TAX LIABILITY		903,363	—
		<u>903,363</u>	<u>104,667,760</u>
		<u>3,833,966,156</u>	<u>4,421,158,541</u>
APPLICATION OF FUNDS			
FIXED ASSETS	D	18,927,576	20,557,465
INVESTMENT	E	649,663,953	676,454,052
CURRENT ASSETS LOANS & ADVANCES			
(a) Inventories	F	463,812,411	463,543,107
(b) Sundry Debtors	G	4,831,631	29,363,701
(c) Cash & Bank Balance	H	136,400,722	129,082,372
(d) Loans & Advances	I	2,569,474,404	3,124,849,113
		<u>3,174,519,168</u>	<u>3,746,838,293</u>
Less : Current Liabilities & Provisions	J	<u>9,144,541</u>	<u>22,691,269</u>
NET CURRENT ASSETS		<u>3,165,374,627</u>	<u>3,724,147,024</u>
		<u>3,833,966,156</u>	<u>4,421,158,541</u>
NOTES TO THE ACCOUNTS	R		

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants

CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 29.05.2010

For BSEL INFRASTRUCTURE REALTY LIMITED

Kirit R. Kanakiya
Chairman

Dharmendra Raichura
Managing Director


PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2010

(All Figures in Rs.)

Particulars	Schedule	Current Year 2009-10	Previous Year 2008-09
INCOME			
Income from Operations	K	14,127,782	87,297,915
Miscellaneous Income	L	12,649,841	16,759,811
Increase / (Decrease) in closing stock		269,304	51,342,265
		27,046,927	155,399,991
EXPENDITURE			
Direct Expenses	M	6,616,282	54,410,561
Indirect Expenses	N	29,780,199	24,115,023
Interest	O	8,676,177	15,976,678
Depreciation		1,083,643	1,478,562
Total Expenditure		46,156,301	95,980,824
Operating Profit/(Loss)		(19,109,374)	59,419,167
Less: Donation	P	21,008	15,000
Total Income before adjustments		(19,130,382)	59,404,167
Less: Prior Period Items	Q	1,674,323	1,520,688
Profit/(Loss) before tax & extra ordinary items		(20,804,705)	57,883,479
Less:- Extra Ordinary Items			
Loss on Sale of Equity Shares of JV Companies		29,688,800	—
Profit/(Loss) before tax		(50,493,505)	57,883,479
Less: Provision for Taxation			
Fringe Benefit Tax		—	240,000
Income Tax		—	6,500,000
Deferred Tax		903,363	—
PROFIT/(LOSS) AFTER TAX		(51,396,868)	51,143,479
BALANCE CARRIED FORWARD TO BALANCE SHEET		(51,396,868)	51,143,479
NOTES TO THE ACCOUNTS	R		

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants


CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 29.05.2010

For BSEL INFRASTRUCTURE REALTY LIMITED


Kirit R. Kanakiya
Chairman


Dharmendra Raichura
Managing Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	(20,804,705)	57,883,479
Adjustments for :		
Extra Ordinary Items	(29,688,800)	—
Depreciation	1,083,643	1,478,562
Other Income	(12,649,841)	(16,759,811)
Operating profits before working capital changes	(62,059,703)	42,602,230
Adjustments for :		
Sundry Debtors	24,532,070	7,529,156
Deposits (Assets) Loans & Advances	555,374,709	(2,067,561,089)
Inventories	(269,304)	(51,342,265)
Provision for Tax	—	(6,740,000)
Provision for Differed Tax	(903,363)	—
Trade Payable and other liabilities	(12,643,365)	(73,223,883)
Net cas from operating activities	504,031,044	(2,148,735,851)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Foreign Currency Translation Reserve	(432,031,120)	740,617,833
Sale/(Purchase) of investment	26,790,099	1,234,437
Sale/(Purchase) of fixed assets	546,246	18,871,917
Net cash from investing activities	(404,694,775)	760,724,187
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital & Premium (adjusted)	—	3,898,295
Other Income	12,649,841	16,759,811
Loan from bank	(104,667,760)	(69,240,420)
Net cash from financing activities	(92,017,919)	(48,582,314)
Net increase/(decrease) in cash & cash equivalent	7,318,350	(1,436,593,978)
Cash & cash equivalent opening balance	129,082,372	1,565,676,350
Cash & cash equivalent closing balance	136,400,722	129,082,372

For BSEL INFRASTRUCTURE REALTY LIMITED

Place : Mumbai
Date : 29.05.2010
Kirit R. Kanakiya
Chairman
Dharmendra Raichura
Managing 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, 2010. 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
CA. Avinash T. Jain
Partner
Membership No. 41689Place : Mumbai
Date : 29.05.2010

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
SCHEDULE : "A"		
SHARE CAPITAL		
1. Authorised Capital		
150,000,000 Equity Shares of Rs.10/- each	1,500,000,000	1,500,000,000
2. Issued Subscribed and Paid Up		
82,616,840 Equity Shares of Rs. 10/- each fully paid up	826,168,400	826,168,400
	826,168,400	826,168,400

SCHEDULE : "B"		
RESERVES & SURPLUS		
A. General Reserves		
Opening Balance	195,570,000	150,140,000
Add : Forfeiture of preference shares warrants	—	45,430,000
	195,570,000	195,570,000
B. Profit and Loss Account		
Opening Balance	783,438,426	732,294,947
Add : Profit/(Loss) for the year	(51,396,868)	51,143,479
	732,041,558	783,438,426
C. Share Premium		
Opening Balance	1,924,752,444	1,920,854,149
Add : Issue Expenses (Written Off)	—	3,898,295
	1,924,752,444	1,924,752,444
D. Capital Reserves for Foreign Currency Translation		
Opening Balance	586,561,511	(154,056,322)
Add : Foreign Currency Translation Capital Reserve/(Loss)	(432,031,120)	740,617,833
	154,530,391	586,561,511
	3,006,894,393	3,490,322,381

SCHEDULE : "C"		
SECURED LOANS		
Term Loan from State Bank of India	—	51,471,288
Primary Charges		
(Mortgage of 11th and 12th Floor of project BSEL Tech Park at Plot No. 39/5 & 39/5A, Sector 30A, Vashi, Navi Mumbai)		
Term Loans from Axis Bank Limited	—	19,219,522
(Mortgage of unit no. G101/G102 at IIP, Vashi Railway Station Complex, Vashi, Navi Mumbai)		
Bank Overdraft from Axis Bank	—	33,976,950
Primary Charges		
(Mortgage of unit no. G101/G102 at IIP, Vashi Railway Station Complex, Vashi, Navi Mumbai)		
	—	104,667,760

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2010

SCHEDULE : "D" FIXED ASSETS

(All Figures in Rs.)

Description	Rate of Depreciation	Cost as on 01.04.2009	Additions	Deletions	Cost as on 31.03.2010	Depreciation up to 31.03.2009	Depreciation for the Year	Total Depreciation	W.D.V. as on 31.03.2010	W.D.V. as on 31.03.2009
Air Conditioner	4.75%	567,373	—	—	567,373	484,235	6,269	490,504	76,869	83,138
Computers/Printers	33.33%	54,684,376	63,428	—	54,747,804	54,330,952	242,300	54,573,252	174,552	353,424
Furniture & Fixture	16.67%	10,280,436	—	—	10,280,436	9,770,487	266,953	10,037,440	242,996	509,949
Office Equipment	4.75%	2,032,438	45,298	707,472	1,370,264	416,987	90,923	507,910	862,354	1,615,451
Office Premises - IIP	1.63%	20,165,014	—	—	20,165,014	5,036,729	264,849	5,301,578	14,863,436	15,128,285
Office Premises - Bombay Oilseed	1.63%	1,885,000	—	—	1,885,000	108,252	30,724	138,976	1,746,024	1,776,748
Vehicles	9.50%	1,963,210	—	—	1,963,210	947,801	171,330	1,119,131	844,079	1,015,409
Assets at Kevadlia/Reva Bhavan										
Vehicle - K	9.50%	79,154	—	—	79,154	15,147	7,519	22,666	56,488	64,007
Refrigerator-RB	4.75%	11,400	—	—	11,400	346	541	887	10,513	11,054
Office Equipment	4.75%	—	52,500	—	52,500	—	2,235	2,235	50,265	—
TOTAL		91,668,401	161,226	707,472	91,122,155	71,110,936	1,083,643	72,194,579	18,927,576	20,557,465
PREVIOUS YEAR		110,540,318	526,832	19,398,749	91,668,401	69,632,374	1,478,562	71,110,936	20,557,465	40,907,944

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(All Figures in Rs.)

Particulars	Current Year 2009-2010		Previous Year 2008-2009	
	No. of Share	Amount	No. of Share	Amount
SCHEDULE : "E"				
INVESTMENTS (AT COST)				
Long Term Investments :				
(a) In Shares (Quoted)				
Simbhaoli Sugar	—	—	165,481	7,413,549
Amar Remedies	31,000	1,114,450	31,000	1,114,450
Gangotri Textile Ltd.	1,565,023	38,524,054	1,565,023	38,524,053
NHPC Ltd. (Current Year Market Value Rs. 50,577,778/- and Previous Year Market Value Rs. 9,489,130/-)	1,200,000	37,534,449	—	—
	<u>2,796,023</u>	<u>77,172,953</u>	<u>1,761,504</u>	<u>47,052,052</u>
(b) In Shares (Unquoted)				
Investment in Subsidiary Company				
BSEL Infrastructure Realty (FZE)	—	367,491,000	—	422,652,000
	<u>—</u>	<u>367,491,000</u>	<u>—</u>	<u>422,652,000</u>
(c) Joint Ventures				
DG Malls Multiplex Pvt. Ltd.	—	—	—	250,000
GP Concept Hotel & Mall Pvt. Ltd.	—	—	—	250,000
JP Shopping Mall and Hotel Pvt. Ltd.	—	—	—	250,000
PP Shoppers Mall and Hotel Pvt. Ltd.	—	—	—	250,000
SB Concept Hotel Malls Pvt. Ltd.	—	—	—	250,000
SB Shopping Mall and Hotel Pvt. Ltd.	—	—	—	250,000
Goa Tech Parks Pvt. Ltd.	—	—	—	250,000
Gigeo Constructions Pvt. Ltd.	—	205,000,000	—	205,000,000
	<u>—</u>	<u>205,000,000</u>	<u>—</u>	<u>206,750,000</u>
	<u>2,796,023</u>	<u>649,663,953</u>	<u>1,761,504</u>	<u>676,454,052</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
SCHEDULE : "F"		
INVENTORIES		
Work In Progress of Land, Building & Construction Work at Various Projects		
Opening Stock of Work In Progress	463,543,107	412,200,842
Add: Purchase/Additions/Transfer/(Deletions)/(Consumption)/(Sales) during the year	269,304	51,342,265
Closing Stock - WIP	463,812,411	463,543,107
SCHEDULE : "G"		
SUNDRY DEBTORS		
A. Consider Good		
Less than six months	131,631	5,900,000
More than six months	4,700,000	11,900,000
	4,831,631	17,800,000
B. Consider Doubtful		
More than six months (Refer Note No. 17 of Schedule R: Notes to Accounts)	—	11,563,701
	—	11,563,701
	4,831,631	29,363,701
SCHEDULE : "H"		
CASH AND BANK BALANCE		
Cash in hand	4,806,824	4,805,092
Bank Balance with Schedule Banks		
Balance in Current Account	129,942,043	122,695,194
Balance in Fixed Deposit	1,651,855	1,582,086
	136,400,722	129,082,372
SCHEDULE : "I"		
LOANS, ADVANCES AND DEPOSITS		
Deposits		
Deposit for Lease Premises	4,500,000	4,790,000
Earnest Money Deposits for Tenders	12,200,000	12,200,000
Other Miscellaneous Deposits	234,669	233,131
Other Deposits for Kevadia	3,658,223	3,669,878
	20,592,892	20,893,009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
SCHEDULE : "I"		
LOANS, ADVANCES AND DEPOSITS (Contd.)		
Current Assets		
Prepaid Expenses	999	—
Advance against Property (Gorkap)	3,030,000	3,030,000
TDS in advance	899,677	1,387,307
Loans and Advances to BSEL Infrastructure Realty FZE- UAE	2,510,766,253	2,887,636,373
Advance/Imprest to Employees	442,373	284,389
Advance for Purchase of Land/Property	2,335,734	23,333,134
Advance to Suppliers/Contractors	1,406,476	712,446
Rent and Other Receivable	—	349,798
Loans to Joint Ventures		
DG Malls Multiplex Pvt. Ltd.	—	42,550,000
GP Concept Hotel & Mall Pvt. Ltd.	—	11,000,000
JP Shopping Mall and Hotel Pvt. Ltd.	—	12,500,000
PP Shoppers Mall and Hotel Pvt. Ltd.	—	17,500,000
SB Concept Hotel Malls Pvt. Ltd.	—	7,500,000
SB Shopping Malls and Hotels Pvt. Ltd.	—	15,500,000
Goa Tech Parks Pvt. Ltd.	30,000,000	70,357,657
BSEL-Unity Joint Venture Account	—	10,315,000
	<u>2,548,881,512</u>	<u>3,103,956,104</u>
	<u>2,569,474,404</u>	<u>3,124,849,113</u>

SCHEDULE : "J"**CURRENT LIABILITIES AND PROVISIONS****Provision**

Provision for Expenses and Liabilities	1,027,565	669,677
PT / Cess / ST /VAT	195,213	63,723
Provision for Income Tax	—	6,560,000
Provision for Gratuity	576,000	—
TDS Payable	52,513	215,719
Deposit against various Leased Properties	1,870,500	1,433,570
Retention Money-Kevadia	—	5,269,773
Other Miscellaneous Deposits	—	190,500
Deposit for Society Formation	178,930	178,930
Other Liabilities	—	5,323,064
Income Received in Advance	303,425	—
	<u>4,204,146</u>	<u>19,904,956</u>
Sundry Creditors	<u>4,940,395</u>	<u>2,786,313</u>
	<u>9,144,541</u>	<u>22,691,269</u>



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
SCHEDULE : "K"		
INCOME FROM OPERATION		
Sale of Units	4,089,400	7,386,016
Other Operating Income	6,589,282	74,985,790
Business Centre Income	3,449,100	4,926,109
	14,127,782	87,297,915

SCHEDULE : "L"		
MISCELLANEOUS INCOME		
Interest on Fixed Deposit (TDS Current Yr. Rs. 11,888/- and Previous Yr. Rs. 74,119/-)	122,479	14,152,797
Dividend Received	31,000	—
Foreign Exchange Gain/(Loss)	(8,104)	14,040
Transfer Charges, NOC Charges, Sign Board Rentals, Miscellaneous Rental/Interest Income	8,873,731	2,481,174
Gain on Sale of Equity Shares	3,630,735	111,800
	12,649,841	16,759,811

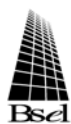
SCHEDULE : "M"		
DIRECT EXPENSES		
Direct Project Expenses for various construction sites		
Direct Material and Direct Expenses for Construction	6,616,282	54,410,561
	6,616,282	54,410,561

SCHEDULE : "N"		
INDIRECT EXPENSES		
Advertisement & Marketing Expenses	656,299	5,111,554
AGM / EGM Expenses	21,117	9,217
Air Condition Hire Charges	226,900	123,500
Audit Fees	125,000	125,000
Bank Charges	458,946	105,556
Board Meeting Fees	75,000	85,000
Business Promotion	205,903	325,016
Cess paid	4,593	16,709
Conveyance & Transportation	188,514	193,572
Delay Payment Charges	—	27,751
Electricity Charges	422,981	518,532
GDR Issue & Maintenance Expenses	—	161,450

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
SCHEDULE : "N"		
INDIRECT EXPENSES (Contd.)		
Insurance	118,255	159,164
Internet Expenses	177,243	230,564
Labour Welfare Fund	1,200	26,448
Legal and Professional fees	1,651,255	1,949,880
Listing Fees	207,251	651,138
Maintenance Charges	411,281	810,764
M.D.'s Remuneration	825,000	825,000
Membership & Subscription Fees	46,133	47,995
Motor Car Expenses	475,473	245,528
Miscellaneous Expenses	983,256	420,261
Office Expenses	44,182	105,211
Postage & Telegram	450,590	648,664
Printing & Stationery	606,619	1,599,157
Rent paid	245,575	354,500
Rent, Rates & Taxes	913,484	1,653,372
Repairs & Maintenance	225,206	176,971
Repairs & Maintenance - Gujarat Project	1,322,329	—
ROC Filing Fees	9,820	12,001
Salaries & Wages	4,111,928	3,308,451
Service Tax	191,045	604,821
Share Transfer Charges	82,341	104,582
ESIC Paid	17,182	24,792
Gratuity, Bonus, Ex-Gratia & Incentive Paid	651,433	329,168
Provident Fund Paid	137,010	202,804
Staff Welfare	183,296	351,945
Security Transaction Tax & Other Charges on Shares	456,115	248,254
Telephone Expenses	700,777	1,040,770
Traveling Expenses (Including Foreign Travel)	478,921	1,026,764
Water Charges	47,264	59,307
Website Expenses	59,781	93,890
Bad Debts	11,563,701	—
	29,780,199	24,115,023

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
-------------	-------------------------	--------------------------

SCHEDULE : "O"**INTEREST**

Interest on Overdraft - Axis Bank Ltd.	3,404,740	4,402,750
Interest on Term Loan - SBI	3,331,483	7,622,669
Interest on Term Loan - Axis Bank Ltd.	1,939,954	3,951,259
	8,676,177	15,976,678

SCHEDULE : "P"**OTHER EXPENSES**

Donation	21,008	15,000
	21,008	15,000

SCHEDULE : "Q"**PRIOR PERIOD ITEMS**

Excess / Short Provisions for Income Tax	480,241	28,641
Prior Period Expenses	1,194,082	1,492,047
	1,674,323	1,520,688

SCHEDULE "R"**I. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010****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 sold net fixed assets of Rs. 5.46 Lacs (Previous Year Rs.188.72 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. Sale of Joint Venture Companies

During the year the Company has exited from the following Joint Ventures...

(Amount in Lacs)

Name of Joint Venture Company	Profit/(Loss) on sale of Investment
PP Shopping Mall and Hotel Private Ltd.	(87.19)
D G Malls and Multiplex Pvt. Ltd.	(236.95)
S B Concept Hotel Malls Pvt. Ltd.	(37.59)
G P Concept Hotel and Mall Private Limited	(55.03)
Goa Tech Parks Pvt. Ltd.	(239.35)
J P Shopping Mall and Hotel Private Limited	(61.59)
S B Shopping Mall and Hotel Pvt. Ltd.	(78.07)
B W Highway Star Pvt. Ltd.	498.88
Total	(296.89)

6. Auditors Remuneration

(Amount in Rs.)

Details	Current Year 2009-2010	Previous Year 2008-2009
Audit Fees	75,000	75,000
Tax Audit Fees	30,000	30,000
Income Tax	15,000	15,000
Other Services	5,000	5,000
Service Tax	12,875	12,875
Total	137,875	137,875

The auditor's fees will be provided on annual basis.

7. Foreign Exchange

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

8. Current Tax

The Company has no current tax Charge due to loss incurred by the Company for the financial year ended on 31st March, 2010. (Previous Year tax liability (inclusive of FBT) was estimated of Rs. 6,740,000/-).

9. Earning/Expenditure in Foreign Currency

Earning: - Rs. Nil (Previous Year :- 13,797,189/-)

Expenditure: - Rs. Nil (Previous Year :- 637,757/-)



10. Additional Disclosures in Pursuant to Schedule VI Part II

(Amount in Rupees)

Income Related Disclosures	Current Year 2009-2010	Previous Year 2009-2010
Other Incomes		
Interest on Fixed Deposits	122,479	14,152,797
Gain on Sale of Equity Shares	3,630,735	111,800
Other Miscellaneous Income / Rent / Interest/Transfer Charges/ Noc Charges	8,873,731	2,481,174
Dividend Received	31,000	—
Foreign Exchange Gain/(Loss)	(8,104)	14,040
Expenses Related Disclosures	Current Year 2009-2010	Previous Year 2008-2009
Remuneration to Managing Director	825,000	825,000
Salary, Bonus and other Staff related Expenses	4,763,361	3,637,619
Traveling, Conveyance and Transportation	667,435	1,220,336
Rent Paid	245,575	354,500
Telephone Expenses	700,777	1,040,770
Legal & Professional Expenses	1,651,255	1,949,880
Printing & Stationary	606,619	1,599,157
Advertisement & Marketing Expenses	656,299	5,111,554
Office Expenses	44,182	105,211
Repairs & Maintenance	225,206	176,971
Repairs & Maintenance - Gujarat Project	1,322,329	—
Power & Fuel	422,981	518,532
Rent, Rates and Taxes	913,484	1,653,372
Auditors Remuneration:		
Statutory Audit Fees	75,000	75,000
Tax Audit Fees	30,000	30,000
Income Tax Matters and Consultancy Fees	15,000	15,000
Other Services	5,000	5,000
Service Tax	12,875	12,875
Bank Charges	458,946	105,556

11. 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	— Chairman

2. Key Management Personnel

Name of the Party	Nature of Relationship
Kirit R. Kanakiya	— Chairman
Dharmendra Raichura	— Managing 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**

1. BSEL Infrastructure Realty FZE

b) Sub-Subsidiaries

1. BSEL Infrastructure Realty Pte. Ltd.
2. BSEL Waterfront Sdn. Bhd.
3. BSEL Infrastructure Realty Sdn. Bhd.

c) Joint Ventures

1. Goa Tech Park 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.

(Rs. in Lacs)

Particulars	Key Management Personnel	Joint Ventures & Associate Concern	W.O.S. & Sub-Subsidiaries	Total
Managerial Remuneration	8.25	—	—	8.25
Investments	—	—	3,674.91	3,674.91
Loans and Advances Given	—	300.00	25,107.66	25,407.66
Guarantee and Security Taken	—	—	12,531.36	12,531.36
Guarantee and Security Given	—	—	1,045.77	1,045.77
Receivable	—	—	—	—

12. Earning Per Share

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

(Rs. in Lacs)

	Particulars	Current Year 2009-2010	Previous Year 2008-2009
A.	Net Profit (Loss) after Tax	(513.97)	511.43
	Add : Excess Provision and refund of taxes of earlier years (Net)	—	—
	Net Profit (Loss) for calculation of Earning per share (Numerator)	(513.97)	511.43
B.	Weighted Average Number of Equity Shares (Denominator) (Nos.)	826.17	826.17
C.	Basic and diluted Earning Per Share (A-B) (In Rupees)	(0.62)	0.62
D.	Nominal Value per Equity Share (In Rupees)	10.00	10.00



13. Deferred tax

Particulars	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Liability		
Deferred Tax Liability Related to Fixed Assets	4,766,739	Nil
Asset		
Deferred Tax Assets on account of unabsorbed loss under the Income-tax Act, 1961	3,863,376	Nil
Net deferred tax Liability	903,363	Nil

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 Rs. Nil (Previous Year Rs. 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.

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

16. 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 Rs.576,000/- is made towards Gratuity liability as on 31.03.2010 under the payment of Gratuity Act, 1972.

17. Provision for Doubtful Debts

- During the current Financial year amount receivable from Microcity India Limited of Rs. 11,563,701/- is written off as bad debts to Profit & Loss A/c. as the same was outstanding for more than six years and the management is of opinion that the same is not recoverable.
- There is no other doubtful amount receivable from the parties, therefore no provision has been made towards Doubtful Debts in the books of accounts.

18. Prior Period Items

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

- There is no employee drawing Salary of Rs. 2 Lacs per month or more.
- 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.
- All the Loans and Advances (Assets) and Current Assets and Current Liabilities are subject to confirmation from the respective parties.
- Balance of Unpaid Dividend Account as at 31st March, 2010 is Rs.1,365,498/-.
- 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



CA. Avinash T. Jain
Partner

Place : Mumbai
Date : 29.05.2010

For BSEL INFRASTRUCTURE REALTY LIMITED



Kirit R. Kanakiya
Chairman



Dharmendra Raichura
Managing Director

II. SIGNIFICANT ACCOUNTING POLICIES

1. 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 resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual/reasonable certainty that the asset will be realized in future.

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 are 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.



2. 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

3. 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.

4. 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.

5. 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.

6. 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

CA. Avinash T. Jain
Partner

Place : Mumbai
Date : 29.05.2010

For BSEL INFRASTRUCTURE REALTY LIMITED

Kirit R. Kanakiya
Chairman

Dharmendra Raichura
Managing Director

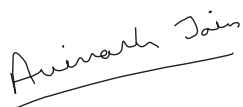
AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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, 2010 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 three 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 and are in conformity with the accounting principles generally accepted in India.
 - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010.
 - (b) In the case of the Consolidated Profit & Loss account, of the Profit of the Group for the year ended on that date; and
 - (c) 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



CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 29.05.2010

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

(All Figures in Rs.)

Particulars	Schedule	Current Year 2009-10	Previous Year 2008-09
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
SHARE CAPITAL	A	826,168,400	826,168,400
RESERVES AND SURPLUS	B	4,430,431,279	4,809,873,756
		<u>5,256,599,679</u>	<u>5,636,042,156</u>
SECURED LOANS	C	102,077	120,779,381
DEFERRED TAX LIABILITY		903,363	—
		<u>1,005,440</u>	<u>120,779,381</u>
		<u>5,257,605,119</u>	<u>5,756,821,537</u>
APPLICATION OF FUNDS			
FIXED ASSETS	D	19,818,867	27,752,032
INVESTMENT	E	295,311,601	268,912,832
CURRENT ASSETS LOANS & ADVANCES			
(a) Inventories	F	1,929,266,813	1,962,539,883
(b) Sundry Debtors	G	2,789,540,044	3,083,291,066
(c) Cash & Bank Balance	H	188,565,616	149,476,078
(d) Loans & Advances	I	233,308,882	448,679,075
		<u>5,140,681,356</u>	<u>5,643,986,102</u>
Less : Current Liabilities & Provisions	J	198,206,705	183,829,429
NET CURRENT ASSETS		<u>4,942,474,651</u>	<u>5,460,156,673</u>
		<u>5,257,605,119</u>	<u>5,756,821,537</u>
NOTES TO THE ACCOUNTS	R		

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants

CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 29.05.2010

For BSEL INFRASTRUCTURE REALTY LIMITED

Kirit R. Kanakiya
Chairman

Dharmendra Raichura
Managing Director

CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2010

(All Figures in Rs.)

Particulars	Schedule	Current Year 2009-10	Previous Year 2008-09
INCOME			
Income from Operations	K	312,324,642	1,183,499,751
Miscellaneous Income	L	16,671,798	50,240,457
Increase / (Decrease) in closing stock		(33,273,070)	(239,336,183)
		295,723,370	994,404,025
EXPENDITURE			
Direct Expenses	M	144,584,531	356,683,917
Indirect Expenses	N	85,316,051	179,157,823
Interest	O	11,387,893	37,884,633
Depreciation		5,159,841	6,050,924
Total Expenditure		246,448,316	579,777,297
Operating Profit		49,275,054	414,626,728
Less: Donation	P	21,008	15,000
Total Income before adjustments		49,254,046	414,611,728
Less: Prior Period Items	Q	1,674,323	1,520,688
Profit before tax & extra ordinary items		47,579,723	413,091,040
Less: Extra Ordinary Items			
Share of Loss From Subsidiary Company (Singapore)		8,300,948	—
Loss on Sale of Equity Shares of JV Companies		29,688,800	—
Profit before tax		9,589,975	413,091,040
Less: Provision for Taxation			
Fringe Benefit Tax		—	240,000
Income Tax		—	6,500,000
Deferred Tax		903,363	—
PROFIT AFTER TAX		8,686,612	406,351,040
BALANCE CARRIED FORWARD TO BALANCE SHEET		8,686,612	406,351,040
NOTES TO THE ACCOUNTS	R		

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants



CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 29.05.2010

For BSEL INFRASTRUCTURE REALTY LIMITED



Kirit R. Kanakiya
Chairman



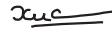
Dharmendra Raichura
Managing Director

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

(All Figures in Rs.)

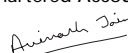
Particulars	Current Year 2009-10	Previous Year 2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	47,579,723	413,091,040
Adjustments for :		
Extra Ordinary Items	(37,989,748)	—
Depreciation	5,159,841	6,050,924
Other Income	(16,671,798)	(50,240,457)
Operating profits before working capital changes	(1,921,982)	368,901,507
Adjustments for :		
Sundry Debtors	293,751,022	(732,342,737)
Deposits (Assets) Loans & Advances	215,370,193	(188,783,794)
Inventories	33,273,070	239,336,183
Provision for Tax	—	(6,740,000)
Provision for Deferred Tax	(903,363)	—
Trade Payable and other liabilities	15,280,639	(1,761,502,310)
Net cash from operating activities	554,849,579	(2,081,131,151)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Foreign Currency Translation Reserve	(388,129,089)	541,165,303
Sale/(Purchase) of investment	(26,398,769)	85,554,102
Sale/(Purchase) of fixed assets	2,773,323	9,070,082
Net cash from investing activities	(411,754,535)	635,789,487
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital & Premium (adjusted)	—	3,898,295
Other Income	16,671,798	50,240,457
Loan from bank	(120,677,304)	(53,654,043)
Net cash from financing activities	(104,005,506)	484,709
Net increase/(decrease) in cash & cash equivalent	39,089,538	(1,444,856,955)
Cash & cash equivalent opening balance	149,476,078	1,594,333,033
Cash & cash equivalent closing balance	188,565,616	149,476,078

For BSEL INFRASTRUCTURE REALTY LIMITED

Place : Mumbai
Date : 29.05.2010

Kirit R. Kanakiya
Chairman


Dharmendra Raichura
Managing Director
AUDITOR'S CERTIFICATE

We have examined the attached Consolidated cash flow statement of **M/s. BSEL INFRASTRUCTURE REALTY LIMITED**, for the year ended 31st March, 2010. 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

CA. Avinash T. Jain
Partner
Membership No. 41689
Place : Mumbai
Date : 29.05.2010

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
SCHEDULE : "A"		
SHARE CAPITAL		
1. Authorised Capital		
150,000,000 Equity Shares of Rs.10/- each	1,500,000,000	1,500,000,000
2. Issued Subscribed and Paid Up		
82,616,840 Equity Shares of Rs. 10/- each fully paid up	826,168,400	826,168,400
	826,168,400	826,168,400
SCHEDULE : "B"		
RESERVES & SURPLUS		
A. General Reserves		
Opening Balance	195,570,000	150,140,000
Add : Forfeiture of preference Share Warrants	—	45,430,000
	195,570,000	195,570,000
B. Profit and Loss Account		
Opening Balance	2,271,887,208	1,865,536,168
Add : Profit/(Loss) for the year	8,686,612	406,351,040
	2,280,573,820	2,271,887,208
C. Share Premium		
Opening Balance	1,924,752,444	1,920,854,149
Add : Issue Expenses (Written Off)	—	3,898,295
	1,924,752,444	1,924,752,444
D. Capital Reserves for Foreign Currency Translation		
Opening Balance	417,664,104	(123,501,199)
Add : Foreign Currency Translation Capital Reserve/(loss)	(388,129,089)	541,165,303
	29,535,015	417,664,104
	4,430,431,279	4,809,873,756
SCHEDULE : "C"		
SECURED LOANS		
Term Loan from State Bank of India	—	51,471,288
Primary Charges		
(Mortgage of 11th and 12th Floor of Project BSEL Tech Park at Plot No. 39/5 & 39/5A, Sector 30A, Vashi, Navi Mumbai)		
Term Loans from Axis Bank Limited	—	19,219,522
Primary Charges		
(Mortgage of unit no. G101/G102 at IIP, Vashi Railway Station Complex, Vashi, Navi Mumbai)		
Bank Overdraft from Axis Bank Limited	—	33,976,950
Primary Charges		
(Mortgage of unit no. G101/G102 at IIP, Vashi Railway Station Complex, Vashi, Navi Mumbai)		
Vehicle Loan (Primary Charge on Vehicle)	102,077	1,455,205
Bank Overdraft - Bank of Baroda- Secured Against Fixed Deposit	—	14,656,416
	102,077	120,779,381

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2010

SCHEDULE : "D" FIXED ASSETS

Description	Rate of Depreciation	Cost as on 01.04.2009	Additions	Deletions	Cost as on 31.03.2010	Depreciation up to 31.03.2009	Depreciation for the Year	Assets written off due to loss of Sub-Sidiary	Total Depreciation (After assets written off)	(All Figures in Rs.)	
										W.D.V. as on 31.03.2010	W.D.V. as on 31.03.2009
Air Conditioner	4.75%	567,373	—	—	567,373	484,235	6,269	—	490,504	76,869	83,138
Computers/Printers	33.33%	54,684,376	63,428	—	54,747,804	54,330,952	242,300	—	54,573,252	174,552	353,424
Furniture & Fixture	16.67%	10,280,436	—	—	10,280,436	9,770,487	266,953	—	10,037,440	242,996	509,949
Office Equipment	4.75%	2,032,438	45,298	707,472	1,370,264	416,987	90,923	—	507,910	862,354	1,615,451
Office Premises - IIP	1.63%	20,165,014	—	—	20,165,014	5,036,729	264,849	—	5,301,578	14,863,436	15,128,285
Office Premises - Bombay Oilseed	1.63%	1,885,000	—	—	1,885,000	108,252	30,724	—	138,976	1,746,024	1,776,748
Vehicles	9.50%	1,963,210	—	—	1,963,210	947,801	171,330	—	1,119,131	844,079	1,015,409
Assets at Kevadia / Reva Bhavan											
Vehicle - K	9.50%	79,154	—	—	79,154	15,147	7,519	—	22,666	56,488	64,007
Refrigerator-RB	4.75%	11,400	—	—	11,400	346	541	—	887	10,513	11,054
Office Equipment	4.75%	—	52,500	—	52,500	—	2,235	—	2,235	50,265	—
Total		91,668,401	161,226	707,472	91,122,155	71,110,936	1,083,643	—	72,194,579	18,927,576	20,557,465
Assets at WOS / Sub-Subsidiaries											
Computers		921,260	—	151,773	769,487	547,335	292,315	151,773	687,876	81,610	373,925
Furniture & Fixtures		1,821,383	—	24,640	1,796,743	1,124,579	443,464	8,199	1,559,843	236,899	696,804
Vehicles		10,290,794	—	2,647,516	7,643,278	4,302,472	3,315,320	529,509	7,088,283	554,995	5,988,322
Office Equipemnts		181,360	—	123,625	57,735	56,058	25,100	41,208	39,949	17,786	125,302
Signage		15,314	—	15,314	—	5,100	—	5,100	—	—	10,214
Total		13,230,111	—	2,962,868	10,267,243	6,035,544	4,076,198	735,790	9,375,952	891,291	7,194,567
Grand Total		104,898,512	161,226	3,670,340	101,389,398	77,146,480	5,159,841	735,790	81,570,531	19,818,867	27,752,032
Previous Year		113,968,593	10,328,667	19,398,749	104,898,511	71,095,555	6,050,924	—	77,146,479	27,752,032	42,873,038

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(All Figures in Rs.)

Particulars	Current Year 2009-10		Previous Year 2008-09	
	No. of Share	Amount	No. of Share	Amount
SCHEDULE : "E "				
INVESTMENTS (AT COST)				
A) LONG TERM INVESTMENTS				
(a) Shares				
Simbhaoli Sugars Ltd.	—	—	165,481	7,413,549
Amar Remedies Ltd.	31,000	1,114,450	31,000	1,114,450
Gangotri Textile Ltd.	1,565,023	38,524,053	1,565,023	38,524,053
NHPC Ltd. (Current Year Market Value Rs. 50,577,778/- Previous Year Market Value Rs. 9,489,130/-)	1,200,000	37,534,450		
	<u>2,796,023</u>	<u>77,172,953</u>	<u>1,761,504</u>	<u>47,052,052</u>
(b) Joint Ventures & Associate Concerns				
DG Malls Multiplex Pvt. Ltd.	—	—	—	250,000
GP Concept Hotel & Mall Pvt. Ltd.	—	—	—	250,000
JP Shopping Mall and Hotel Pvt. Ltd.	—	—	—	250,000
PP Shoppers Mall and Hotel Pvt. Ltd.	—	—	—	250,000
SB Concept Hotel Malls Pvt. Ltd.	—	—	—	250,000
SB Shopping Mall and Hotel Pvt. Ltd.	—	—	—	250,000
Goa Tech Parks Pvt. Ltd.	—	—	—	250,000
BSEL Molek Sdn. Bhd. Malaysia	—	7,002,982	—	8,054,141
Jitovest Sdn. Bhd. Malaysia	—	2,045,222	—	2,352,213
Splendid Advisory Sdn. Bhd. Malaysia	—	2,045,222	—	2,352,213
Supreme Compliment Sdn. Bhd. Malaysia	—	2,045,222	—	2,352,213
Gigeo Constructions Pvt. Ltd.	—	205,000,000	—	205,000,000
	<u>—</u>	<u>218,138,648</u>	<u>—</u>	<u>221,860,781</u>
	<u>2,796,023</u>	<u>295,311,601</u>	<u>1,761,504</u>	<u>268,912,833</u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
SCHEDULE : "F"		
INVENTORIES		
Finished Goods Inventories		
Work In Progress of Land, Building & Construction Work at Various Projects		
Opening Stock of Work In Progress	1,962,539,883	2,201,876,066
Add: Purchase/Additions/Transfer/(Deletions)/(Consumption)/(Sales) during the year	(33,273,070)	(239,336,183)
Closing Stock - WIP	1,929,266,813	1,962,539,883

SCHEDULE : "G"		
SUNDRY DEBTORS		
A. Consider Good		
Less than six months	2,784,840,044	3,059,827,365
More than six months	4,700,000	11,900,000
	<u>2,789,540,044</u>	<u>3,071,727,365</u>
B. Consider Doubtful		
More than six months	—	11,563,701
(Refer Note No. 19 of Schedule R: Notes to Accounts)	—	11,563,701
	<u>2,789,540,044</u>	<u>3,083,291,066</u>

SCHEDULE : "H"		
CASH AND BANK BALANCE		
Cash in hand	4,808,784	4,807,346
Bank Balance with Schedule Banks		
Balance in Current Account	182,104,977	127,589,406
Balance in Fixed Deposit	1,651,855	17,079,326
	<u>188,565,616</u>	<u>149,476,078</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
SCHEDULE : "I"		
LOANS, ADVANCES AND DEPOSITS		
Deposits		
Deposit for Lease Premises	4,500,000	4,790,000
Earnest Money Deposits for Tenders	12,200,000	12,200,000
Other Miscellaneous Deposits	666,471	233,131
Other Deposits for Kevadia Projects	3,658,223	3,669,878
Prepayments	6,900,868	6,066,437
	<u>27,925,562</u>	<u>26,959,446</u>
Current Assets		
Prepaid Expenses	999	—
Advance against Property (Gorkap)	3,030,000	3,030,000
TDS in advance	899,677	1,387,307
Advance/Imprest to Employees	974,512	284,389
Advance for Purchase of Land/Property	2,335,734	23,333,134
Advance to Suppliers/Contractors	1,406,476	712,446
Rent and Other Receivable	—	349,798
Deposits and Advances for Purchase of Lot 1 at Malaysia	91,005,630	93,856,428
Advance for Site Expenses	—	1,189,145
Loans to Joint Ventures		
DG Malls Multiplex Pvt. Ltd.	—	42,550,000
GP Concept Hotel & Mall Pvt. Ltd.	—	11,000,000
JP Shopping Mall and Hotel Pvt. Ltd.	—	12,500,000
PP Shoppers Mall and Hotel Pvt. Ltd.	—	17,500,000
SB Concept Hotel Malls Pvt. Ltd.	—	7,500,000
SB Shopping Malls and Hotels Pvt. Ltd.	—	15,500,000
Goa Tech Parks Pvt. Ltd.	30,000,000	70,357,657
BSEL-Unity Joint Venture Account	—	10,315,000
Other Companies		
BSEL Molek Sdn. Bhd.	62,268,643	94,063,471
Jitovest Sdn. Bhd.	4,281,454	4,924,107
Splendid Advisory Sdn. Bhd.	4,281,454	4,924,107
Due from Direcotrs-Singapore	—	808,590
Supreme Compliments Sdn. Bhd.	4,898,741	5,634,050
	<u>205,383,320</u>	<u>421,719,629</u>
	<u>233,308,882</u>	<u>448,679,075</u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
SCHEDULE : "J"		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Dues to Related Parties	10,207,565	5,058,651
Vehicle Loan (Current Portion)	244,994	615,255
Accruals	1,905,306	2,092,254
TDS Payable	52,513	215,719
Deposit against various Leased Properties	1,870,500	1,433,570
Retention Money-Kevadia	—	5,269,773
Deposit for Society Formation	178,930	178,930
Other Liabilities	3,465,599	9,248,807
Income Received in Advance	303,425	—
Employees Terminal Benefits	193,619	101,901
Advance from Customers	3,290,526	24,595,839
Provision		
Provision for Expenses and Liabilities	1,333,808	669,677
PT / Cess / ST / VAT	195,213	63,723
Provision for Income Tax	—	6,560,000
Provision for Gratuity	576,000	—
	<u>23,817,998</u>	<u>56,104,099</u>
Sundry Creditors	<u>174,388,707</u>	<u>127,725,330</u>
	<u>198,206,705</u>	<u>183,829,429</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
SCHEDULE : "K"		
INCOME FROM OPERATION		
Sale of Units	302,286,260	1,103,587,852
Other Operating Income	6,589,282	74,985,790
Business Centre Income	3,449,100	4,926,109
	312,324,642	1,183,499,751

SCHEDULE : "L"		
MISCELLANEOUS INCOME		
Interest on Fixed Deposit (TDS Current Yr. Rs. 11,888/- and Previous Yr. Rs. 74,119/-)	122,479	14,152,797
Dividend Received	31,000	—
Foreign Exchange Gain/(Loss)	(277,805)	14,040
Transfer Charges, NOC Charges, Sign Board Rentals, Miscellaneous Rental/Interest Income	8,873,731	2,481,174
Miscellaneous Income	6,125	3,313,084
Project Investment Income	1,150,921	5,706,267
Transfer and Cancellation charges	3,079,501	24,363,380
Gain/(loss) on Sale of Shares	3,630,735	111,800
Interest Income	55,111	97,914
	16,671,798	50,240,457

SCHEDULE : "M"		
DIRECT EXPENSES		
Direct Project Expenses for various Construction Sites		
Direct Material and Direct Expenses for various Constructions	144,584,531	356,683,917
	144,584,531	356,683,917

SCHEDULE : "N"		
INDIRECT EXPENSES		
Advertisement & Marketing Expenses	2,946,809	32,185,514
Brokerage, Commission and Incentives	23,779,032	81,171,049
AGM / EGM Expenses	21,117	9,217
Air Condition Hire Charges	226,900	123,500
Audit Fees	541,490	633,732
Bank Charges	458,946	105,669
Board Meeting Fees	75,000	254,061
Business Promotion	205,903	1,568,176
Cess paid	4,593	16,709
Conveyance & Transportation	188,514	193,572
Delay Payment Charges	—	27,751
Electricity Charges	422,981	930,209
GDR Issue & Maintenance Expenses	—	161,450
Insurance	118,255	568,657
Internet Expenses	177,243	230,564
Labour Welfare Fund	1,200	26,448
Legal and Professional Fees	18,845,228	14,427,300



SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(All Figures in Rs.)

Particulars	Current Year 2009-10	Previous Year 2008-09
Listing Fees	207,251	651,138
Maintenance Charges	411,281	810,764
M.D.'s Remuneration	825,000	825,000
Membership & Subscription Fees	46,133	47,995
Motor Car Expenses	475,473	245,528
Miscellaneous Expenses	1,397,529	420,261
Office Expenses	3,630,735	2,798,800
Other Administrative Expenses	—	94,744
Postage & Telegram	450,590	648,664
Printing & Stationery	607,991	2,755,956
Rent paid	2,920,101	13,201,684
Rent, Rates & Taxes	913,484	1,653,372
Repairs & Maintenance	225,206	477,617
Repairs & Maintenance - Gujarat Project	1,322,329	—
ROC Filing Fees	9,820	12,001
Salaries & Wages & Other Staff Related Expenses	7,425,999	9,062,928
Service Tax	191,045	604,821
Share Transfer Charges	82,341	104,582
ESIC Paid	17,181	24,793
Gratuity, Bonus, Ex-Gratia & Incentive Paid	651,433	329,168
Provident Fund Paid	137,010	202,804
Preliminary Expenses Written Off	—	1,467,377
Staff Welfare	183,296	351,945
Security Transaction Tax & Other Charges on Shares	456,115	248,254
Telephone Expenses	700,777	3,056,468
Traveling Expenses (Including Foreign Travel)	2,343,974	6,274,384
Water Charges	47,264	59,307
Website Expenses	59,781	93,890
Bad Debts	11,563,701	—
	85,316,051	179,157,823

SCHEDULE : "O"
INTEREST

Interest on Overdraft - Axis Bank Ltd.	3,404,740	4,402,750
Interest on Term Loan - SBI	3,331,483	7,622,669
Interest on Term Loan - Axis Bank Ltd.	1,939,954	3,951,259
Interest paid by UAE Company	2,711,716	21,907,955
	11,387,893	37,884,633

SCHEDULE : "P"
OTHER EXPENSES

Donation	21,008	15,000
	21,008	15,000

SCHEDULE : "Q"
PRIOR PERIOD ITEMS

Excess / Short Provisions for Income Tax	480,241	28,641
Prior Period Expenses	1,194,082	1,492,047
	1,674,323	1,520,688

SCHEDULE "R"**I. CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010****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, Malaysia and Singapore 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%

c. Company in Singapore :

BSEL Infrastructure Realty Pte. Ltd. is a limited company, incorporated and domiciled in Singapore. The registered office of the Company is located at 20 Cecil Street, #14-01 Equity Plaza, Singapore 049705.

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

M/s. BSEL Infrastructure Realty Pte. Ltd. Singapore is a wholly owned subsidiary of M/s. BSEL Infrastructure Realty FZE Sharjah, United Arab Emirates. M/s. BSEL Infrastructure Realty Pte. Ltd. is liquidated during the year and its name has been struck off from the directory of registered entities, Singapore Government.

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 Infrastructure Realty Pte. Ltd., Singapore

The Principal activity of the company are those of real estate developers.

The consolidated financial statements comprises the net assets and operating results of the entities referred to above (Except M/s. BSEL Infrastructure Realty Pte. Ltd., which was liquidated during the year) made up to 31st March each year. All Inter Company balances, transactions and realized profits have been eliminated upon consolidation.

4. Fixed Assets

During the year, the Company has sold net fixed assets of Rs.27.73 Lacs (Previous Year Rs.90.70 Lacs) in its gross block.



5. Sale of Joint Venture Companies

During the year the company has exited from the following Joint Ventures.

(Amount in Lacs)

Name of Joint Venture Company	Profit/(Loss) on Sale of Investment
PP Shopping Mall and Hotel Private Ltd.	(87.19)
D G Malls and Multiplex Pvt. Ltd.	(236.95)
S B Concept Hotel Malls Pvt. Ltd.	(37.59)
G P Concept Hotel and Mall Private Limited	(55.03)
Goa Tech Parks Pvt. Ltd.	(239.35)
J P Shopping Mall and Hotel Private Limited	(61.59)
S B Shopping Mall and Hotel Pvt. Ltd.	(78.07)
B W Highway Star Pvt. Ltd.	498.88
Total	(296.89)

6. Investment in Associate Concerns

(Amount in Rs.)

Particulars	Opening Balance	Additions	Disposals	Add/(Less) Exchange Gain/(Loss)	Closing Balance
BSEL Molek Sdn. Bhd. Malaysia	8,054,141	—	—	(1,051,159)	7,002,982
Jitovest Sdn. Bhd. Malaysia	2,352,213	—	—	(306,991)	2,045,222
Splendid Advisory Sdn. Bhd. Malaysia	2,352,213	—	—	(306,991)	2,045,222
Supreme Compliment Sdn. Bhd. Malaysia	2,352,213	—	—	(306,991)	2,045,222
Gigeo Constructions	205,000,000	—	—	—	205,000,000
Total	220,110,780	—	—	(1,972,132)	218,138,648

7. 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.

8. Auditors Remuneration

(Amount in Rs.)

Particulars	Current Year 2009-2010	Previous Year 2008-2009
Audit Fees	307,744	513,290
Tax Audit Fees	30,000	30,000
Income Tax	15,000	15,000
Other Services	188,746	75,442
Service Tax	12,875	12,875
Total	554,365	646,607

The auditors fees will be provided on annual basis.

9. 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 = Rs. 12.2497, which was rate prevailing as on 31st March, 2010.

10. Current Tax

The Company has no current tax charge due to loss incurred by the Company for the financial year ended on 31st March, 2010. (Previous Year tax liability (inclusive of FBT) was estimated of Rs. 6,740,000/-).

11. Additional Disclosures in Pursuant to Schedule VI Part II

(Amount in Rupees)

Income Related Disclosures	Current Year 2009-2010	Previous Year 2008-2009
Other Incomes		
Interest on Fixed Deposits	122,479	14,152,797
Interest Income	55,111	97,914
Gain on Sale of Equity Shares	3,630,735	111,800
Project Investment Income	1,150,921	5,706,267
Other Miscellaneous Income	6,125	3,313,084
Dividend Received	31,000	—
Foreign Exchange Gain/(Loss)	(277,805)	14,040
Transfer Charges, NOC Charges, Sign Board Rentals, Miscellaneous Rentals	11,953,232	26,844,554
Expenses Related Disclosures	Current Year 2009-2010	Previous Year 2008-2009
Remuneration to Managing Director	825,000	825,000
Salary, Bonus and other Staff related Expenses	8,077,432	9,392,096
Traveling, Conveyance and Transportation	2,532,488	6,467,956
Rent paid	2,920,101	13,201,684
Telephone Expenses	700,777	3,056,468
Legal & Professional Fees	18,845,228	14,427,300
Printing & Stationary	607,991	2,755,956
Advertisement & Marketing Expenses	2,946,809	32,185,514
Office Expenses	3,630,735	2,798,800
Repairs & Maintenance	225,206	477,617
Repairs & Maintenance - Gujarat Project	1,322,329	—
Power & Fuel	422,981	930,209
Rent, Rates and Taxes	913,484	1,653,372
Brokerage, Commission & Incentives	23,779,032	81,171,049
Auditors Remuneration		
Statutory Audit Fees	307,744	513,290
Tax Audit Fees	30,000	30,000
Income Tax Matters and Consultancy Fees	15,000	15,000
Other Services	188,746	75,442
Service Tax	12,875	12,875
Bank Charges	458,946	105,669

12. 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	— Chairman

2. Key Management Personnel

Name of the Party	Nature of Relationship
Kirit R. Kanakiya	— Chairman
Dharmendra Raichura	— Managing 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. Subsidiarys and Joint Ventures

a) Wholly Owned Subsidiary

1. BSEL Infrastructure Realty FZE

b) Sub-Subsidiaries

1. BSEL Infrastructure Realty Pte. Ltd.
2. BSEL Waterfront Sdn. Bhd.
3. 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.

(Rs. in Lacs)

Particulars	Key Management Personnel	Joint Ventures, Associate Concern & Sub-Subsidiaries	Total
Managerial Remuneration	8.25	—	8.25
Investments	—	2,181.39	2,181.39
Loans and Advances Taken	—	102.08	102.08
Loans and Advances Given	—	1,057.30	1,057.30
Guarantee and Security Given	—	1,045.77	1,045.77
Receivable	—	—	—

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.

13. Earning Per Share

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

(Rs. in Lacs)

Particulars	Current Year 2009-2010	Previous Year 2008-2009
A. Net Profit after Tax	86.87	4,063.51
Add : Excess Provision and refund of taxes of earlier years (Net)	—	—
Net Profit for calculation of earning per share (Numerator)	86.87	4,063.51
B. Weighted average number of equity shares (Denominator) (Nos.)	826.17	826.17
C. Basic and diluted earning per share (A-B) (In Rupees)	0.11	04.92
D. Nominal value per equity share (In Rupees)	10.00	10.00

14. Deferred tax

Particulars	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Liability		
Deferred Tax Liability related to Fixed Assets	4,766,739	Nil
Asset		
Deferred Tax Asset on account of unabsorbed loss under the Income-tax Act, 1961	3,863,376	Nil
Net deferred tax Liability	903,363	Nil

15. Share of loss from Subsidiary Company

(Rs. in Lacs)

Name of Subsidiary	Profit/(Loss)
Investment in BSEL Infrastructure Realty Pte. Ltd.	(31.50)
Loan to BSEL Infrastructure Realty Pte. Ltd.	(51.51)
Total	(83.01)

BSEL Infrastructure Realty Pte Ltd Singapore is a wholly owned subsidiary of BSEL Infrastructure Realty FZE Sharjah, United Arab Emirates. BSEL Infrastructure Realty Pte Ltd is liquidated during the year and its name has been struck off from the directory of registered entities, Singapore Government. The above stated investment and loans are no more recoverable and written off.

16. 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 upto 31st March each year. All inter-Company balances transactions and realised profits have been eliminated upon consolidation.



17. Dues to Small Scale Industrial Undertakings

Due to Micro, Small, Medium Enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous Year Rs. 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.

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

18. 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 Rs.576,000/- is made towards Gratuity liability as on 31.03.2010 under the payment of Gratuity Act, 1972.

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

19. Provision for Doubtful Debts

(i) During the current financial year amount receivable from Microcity India Limited of Rs. 11,563,701/- is written off as bad debts to Profit & Loss A/c. as the same was outstanding for more than six years and the management is of opinion that the same is not recoverable.

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

(iii) For Subsidiaries and Sub-Subsidiaries : Bad Debts are written off as and when they arise.

20. Prior Period Items

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

21. Financial Instrument

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.

22. There is no employee drawing Salary of Rs. 2 Lakh per month or more.

23. 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.

24. All the loans and advances (assets) and current assets and current liabilities are subject to confirmation from the respective parties.

25. Balance of unpaid dividend account as at 31st March, 2010 is Rs. 1,365,498/-.

26. 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

CA. Avinash T. Jain
Partner

Place : Mumbai
Date : 29.05.2010

For BSEL INFRASTRUCTURE REALTY LIMITED

Kirit R. Kanakiya
Chairman

Dharmendra Raichura
Managing Director

SIGNIFICANT ACCOUNTING POLICIES

II. 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. 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. 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.

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**

Pursuant to the Accounting Standard (AS-22) on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India having been made mandatory, the Company has evaluated the various elements of tax computation to determine whether any deferred tax asset or liability needs to be recognized.

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 are 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.



2. 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	— 6 Years
Computer Equipments	— 3 Years

BSEL Infrastructure Realty (FZE) : The tangible fixed assets are stated at cost less accumulated depreciation. The cost is depreciated over the estimated useful lives on straight line basis at the following rates.

Computer	50%-100% per annum
Furniture and Fixtures	33.33% -50% per annum
Vehicles	20 % - 50% per annum
Office Equipments	33.33% -50% per annum
Signage	33.33% per annum

3. 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.

4. 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.

5. 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.

6. 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

CA. Avinash T. Jain
Partner

Place : Mumbai
Date : 29.05.2010

For BSEL INFRASTRUCTURE REALTY LIMITED

Kirit R. Kanakiya
Chairman

Dharmendra Raichura
Managing Director

BALANCE SHEET ABSTRACT**Additional information pursuant to Part IV of Schedule VI of the Companies Act, 1956****I. REGISTRATION DETAILS**

CIN	:	L99999MH1995PLC094498
State Code Number	:	11
Balance Sheet Date	:	31.03.2010

II. CAPITAL RAISED DURING THE YEAR

Public Issue (Issue through the prospectus)	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement (Firm Allotment to Promoters and their associates)	:	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rupees in Thousands)

Total Liabilities	:	3,843,110
Total Assets	:	3,843,110

SOURCES OF FUNDS

Paid up Capital	:	826,168
Reserves & Surplus	:	3,006,894
Secured Loan	:	NIL
Unsecured Loan	:	NIL

APPLICATION OF FUNDS

Net Fixed Assets	:	18,928
Investments	:	649,664
Net Current Assets	:	3,165,375
Miscellaneous Expenditure	:	NIL
Accumulated Losses	:	NIL

IV. PERFORMANCE OF COMPANY

Turnover	:	26,778
Total Expenditure	:	46,156
Profit/(Loss) Before Tax	:	(50,494)
Profit/(Loss) After Tax	:	(51,397)
Earning Per Share	:	(0.62)
Dividend Rate (%)	:	NIL

V. GENERIC NAME OF PRINCIPAL PRODUCT OF THE COMPANY

(As per monetary terms)

Item Code No.	:	—
Product Description	:	Infrastructure Activity



NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING:

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of BSEL Infrastructure Realty Limited will be held on Thursday, 30th day of September 2010 at 09.30 A.M. at Hotel Abbott, Sector 2, Vashi, Navi Mumbai- 400703 to transact the following business:

1. To consider and adopt the Balance Sheet as at 31st March, 2010 and 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 Director in place of Mr. Vijay Jain 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, having membership number-41689, the retiring Auditors, being eligible, offer themselves for re-appointment

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 authorised representatives to attend the meeting are requested to send the certified copy of Board Resolution authorising 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 dematerialised 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 Tuesday 28th September, 2010 to Thursday 30th September, 2010 (both days inclusive).
8. The 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 Fax: (022) 2851 2885
9. Shareholders who have not encashed the dividend warrants so far are requested to make their claim to the Company's Registrars and Share Transfer Agents at the above mentioned address.
10. Pursuant to the provisions of sub – section (5) of section 205A of the Companies Act, 1956, any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of (7) seven years from the date of such transfer to unpaid dividend account, shall be transferred by the Company to the Investor Education and Protection Fund of the Central Government. Those members who have so far not encashed their dividend warrants for any previous years may claim or approach the Company's Registrar and Share Transfer Agent, M/s Sharex Dynamic (India) Pvt. Ltd. at the above mentioned address for the payment thereof.
11. The Company has paid the custodian fees levied by National Securities Depositories Limited (NSDL) & Central Depositories Services (India) Limited (CDSL) for the financial year 2010-11.

By Order of the Board of Directors

For BSEL Infrastructure Realty Ltd.

Dharmendra Raichura
Managing Director and Compliance Officer

Registered Office:

G-101, 2nd Floor, Tower No. 7,
International Infotech Park,
Above Vashi Railway Station Complex,
Vashi, Navi Mumbai- 400705.

Navi Mumbai
August 23, 2010

BSEL INFRASTRUCTURE REALTY LIMITED

(REGISTERED OFFICE : G-101, 2nd Floor, Tower No.7, International Infotech Park, Above Vashi Railway Station, Vashi, Navi Mumbai-400705)

ATTENDANCE SLIP

(To be presented at the entrance)

15TH ANNUAL GENERAL MEETING ON THURSDAY, 30TH SEPTEMBER, 2010

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

Folio No.: _____ DP ID _____ Client ID _____

No. of Shares held _____

Full name of the Shareholder/Proxy (in block letters) _____

Signature _____

Notes: 1. Shareholder/Proxyholder wishing to attend the meeting must bring this Attendance Slip to the Meeting and hand it over at the entrance, duly signed.
2. Shareholder/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.



BSEL INFRASTRUCTURE REALTY LIMITED

(REGISTERED OFFICE : G-101, 2nd Floor, Tower No.7, International Infotech Park, Above Vashi Railway Station, Vashi, Navi Mumbai-400705)

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 fifteenth Annual General Meeting of BSEL Infrastructure Realty Limited to be held on Thursday, 30th September, 2010 and/or at any adjournment thereof.

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

No. of shares held _____

Signed this _____ day of _____ 2010

Signature across Revenue Stamp

Affix
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 (Forty-Eight hours) hours before the meeting.

Narmada Nihar



Book Post

If undelivered please return to:

Sharex Dynamic India Pvt. Ltd.

Unit : BSEL Infrastructure Realty Limited,

Unit No.1, Luthra Industrial Premises, Safed Pool, Andheri (E), Mumbai - 400 0272