



THE YASH BIRLA GROUP

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BIRLA POWER
SOLUTIONS LTD
The Yash Birla Group Company



C O N T E N T

Notice	2
Directors' Report.....	13
Corporate Governance Report	18
Auditors' Report.....	29
Balance Sheet.....	33
Profit and Loss Account.....	34
Cash Flow Statement	35
Schedules forming part of the Accounts	36

BOARD OF DIRECTORS

Mr. Yashovardhan Birla	Chairman
Mr. Y. P. Trivedi	Independent Director
Mr. P. V. R. Murthy	Director
Mr. Rajesh V. Shah	Independent Director
Mr. Kalyan Bhattacharya	Whole Time Director & President
Mr. Upkar singh Kohli	Independent Director (Appointed with effect from 09.09.2009)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. N. Nagesh

BANKERS

State Bank of India
Overseas Branch,
Jawahar Vyapar Bhavan,
1, Tolstoy Marg,
New Delhi - 110 001.

AUDITORS

DALAL & SHAH
Chartered Accountants
252, Veer Savarkar Marg,
Shivaji park, Dadar,
Mumbai - 400 028.

REGISTRARS

Alankit Assignments Limited
205-208, Anarkali Complex,
Jhandewalan Extention,
New Delhi - 110 055.

REGISTERED OFFICE

Industry House,
159, Churchgate Reclamation,
Mumbai, 400 020.

HEAD OFFICE

901, Bhikaji Cama Bhawan,
11, Bhikaji Cama Place,
New Delhi - 110 066.

FACTORY

Lal Tappar
P.O. Resham Mazri - 248 140
Dehradun,
Uttarakhand

WINDMILL

Varekwadi, Tal Patan
Distt. Satara
Maharashtra

NOTICE FOR TWENTY FOURTH ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of BIRLA POWER SOLUTIONS LIMITED will be held on Thursday, 30th September, 2010 at 3.00 p. m. at Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account of the Company for the period ended on that date and the reports of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the year ended March 31, 2010.
3. To appoint a Director in place of Mr. P. V. R. Murthy who retires by rotation and being eligible offers himself for re - appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Thakur, Vaidyanath Aiyer & Co. Chartered Accountants, (Registration No. 000038N) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company in place of M/s. Dalal & Shah, Chartered Accountants, the retiring Auditors of the Company, who have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company on their retirement at this Annual General Meeting.

RESOLVED FURTHER THAT the Statutory Auditors be paid such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors, plus reimbursement of out of pocket expenses.”

SPECIAL BUSINESS

5. **To appoint Mr. Upkar Singh Kohli as a Director liable to retire by rotation:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if

any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Upkar Singh Kohli, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 136 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

6. ISSUE AND ALLOTMENT OF BONUS SHARES:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, Article 199 of the Articles of Association of the Company and in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulations”) and subject to such other necessary approvals, permissions and sanctions, as may be required and subject to such terms, conditions or modifications as may be specified while according such approvals, which terms, conditions or modifications may at the discretion of the Board be agreed to, the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including powers conferred by this resolution), be and is hereby authorized to capitalize a sum not exceeding Rs. 35,58,81,182 out of the Company’s Share Premium Account or General Reserve Account or such other accounts as are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended 31st March, 2010 and that the said amount be transferred to the Share Capital Account and be applied for the issue and allotment of upto 35,58,81,182 equity shares of Re. 1/- each as Bonus Shares credited as fully paid up, to the eligible members of the Company holding equity shares of Re. 1/- each whose names appear in the Company’s Register of Members on such date (“Record Date”) as the Board may determine, in the proportion of one new fully paid equity share of Re. 1/- each for every Five equity shares of Re. 1/- each held in the Company as on the Record Date and that the new bonus shares so issued and allotted shall be treated for all purposes as an increase of the nominal amount of the equity capital of the Company held by each such member and not as income.

RESOLVED FURTHER THAT:

- (a) the new equity shares of Re. 1/- each to be issued and allotted as bonus shares shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing fully paid up equity shares of the Company.
- (b) the share certificates for bonus shares be delivered to the shareholders who hold the existing equity shares in physical form and the respective beneficiary accounts be credited with the Bonus Shares, for such shareholders who hold the existing equity shares in dematerialized form, within the prescribed period.
- (c) In case any member's holding in the Company is such that the member becomes entitled to a fraction of an equity share of the Company, the Company shall round off the said entitlement to the nearest integer.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the bonus shares so allotted on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Regulations and other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the bonus shares without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution".

7. Issuance of Equity share warrants to the Promoter(s) on preferential allotment basis:

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

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force),

Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchanges where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies ("Concerned Authorities") in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, sanctions and permissions as may be necessary ("Approvals") and any such conditions and /or modifications as may be prescribed, stipulated or imposed by any such Approvals and / or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time in one or more tranches, on a preferential allotment basis, upto 177933090 warrants to the Promoter, Promoter Group of the Company (hereinafter referred to as "allottees") entitling the warrant holders to be subscribe in one or more tranches for one equity share of the face value of Re.1/- each fully paid up at a price of calculated in accordance with Regulation 76(1) of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 which shall be higher of the following

1. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the six months preceding the relevant date.
- OR
2. The average of the weekly high and low of the closing prices of the related shares quoted on the Stock Exchanges during the two weeks preceding the relevant date.

BIRLA POWER SOLUTIONS LTD.

The allottees being as follows:

Sr. No.	Name of the Promoter	No. of Warrants
1.	Birla Bombay Pvt. Ltd.	44483272
2.	Godavari Corporation Pvt. Ltd.	44483272
3.	Shearson Investments And Trading Co. Pvt. Ltd.	44483273
4.	Nirved Traders Private Limited	44483273
	Total	177933090

RESOLVED FURTHER THAT:

- I. The Equity Shares to be issued and allotted by the Company on conversion of warrants in the manner aforesaid shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- II. The Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company, including entitlement to dividend.

RESOLVED FURTHER THAT:

- I. The warrant holders shall be entitled to apply for and obtain in their sole discretion for every warrant, one equity share of Re. 1/- each fully paid up at a price calculated in accordance with Regulation 76(1) of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, which option shall be exercised by the warrant holder at any time before the expiry of 18 months ("term of the warrants") of such issue by giving a notice of at least 10 days.
- II. The warrant holders are entitled to exercise the warrants in full or in part or may decline to exercise the option to convert the warrants, in which case the unexercised warrants shall be deemed to have lapsed at the end of their term,
- III. In consideration of the warrants being subscribed, the aforesaid allottees shall pay to the Company an amount representing 25 % of the issue price of the Equity Shares at the time of allotment of the Warrants. The balance 75% shall be payable at the time of allotment of the Equity shares pursuant to the exercise of the option of conversion of the warrants. The Board shall forfeit such amount in respect of any such warrants in respect of which the allottees do not exercise their option to convert the same into Equity Shares.
- IV. The warrant by itself shall not give the holder thereof any rights of the shareholders of the Company. Further, these warrants are non-

transferable and shall not be listed on the Stock Exchange(s).

- V. The Board shall be entitled to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of Equity Shares and warrants, including reduction of the size of the issue, as it may deem expedient.

RESOLVED FURTHER THAT the Relevant Date for the preferential issue, in relation to the Warrants, for the purpose of determining the issue price of Equity Shares (to be allotted on exercise / conversion of the warrants) will be the date thirty days prior to the date of Annual General Meeting which is in accordance with Regulation 71 of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and (including the equity shares arising on exercise of the warrants) and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all question, doubts and difficulties that may arise in the proposed issue, offer and allotment of any of the securities, utilization of the issue proceeds and to do all such acts, deeds and things in connection therewith or incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolution."

8. Increase in Authorised share capital of the Company and consequent amendment of the Memorandum of Association of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Authorized capital of the Company of

Rs.300,00,00,000 (Rupees Three Hundred crores only) divided into 300,00,00,000 (Three Hundred Crores) equity shares of Re. 1/- each be and is hereby increased to Rs. 425,00,00,000 (Rupees Four Hundred Twenty Five crores only) divided into 425,00,00,000 (Four Hundred Twenty Five crores) equity shares of Re. 1/- (Rupee one) each.”

“**RESOLVED FURTHER THAT** pursuant to Section 16 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V:

V. The Authorized Share Capital of the Company is Rs. 425,00,00,000 (Rupees Four Hundred Twenty Five crores) divided into 425,00,00,000 (Four Hundred and Twenty Five crores) equity shares of Re.1/- (Rupee one) each”

9. Amendment of the Articles of Association of the Company consequent to increase in Authorised share capital of the Company

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

“**RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company be and is hereby altered by substituting the existing Article 5 thereof by the following Article 5:

5. The Authorized Share Capital of the Company is Rs. 425,00,00,000 (Rupees Four Hundred and Twenty Five crores only) divided into 425,00,00,000 (Four Hundred and Twenty Five crores) equity shares of Re 1/- each with power to increase or reduce the capital subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act.”

10. Reappointment of Mr. Kalyan Bhattacharya as Whole-time Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 (the Act), as amended from time to time, read with Schedule XIII to the Act,

the Company hereby approves of the reappointment and terms of remuneration of Mr. Kalyan Bhattacharya as Whole time Director of the Company for the period 1st November, 2010 to 31st October, 2013, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Kalyan Bhattacharya.”

11. Change in place of keeping Registers and records

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

“**RESOLVED THAT** Pursuant to section 163 and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), (the Act), the Company hereby approves that the registers and indexes of members and Debenture holders and copies of all Annual Returns prepared under Section 159 of the Act, together with the copies of the Certificates and documents required to be annexed thereto under Section 161 of the Act or any one or more of them, be kept at the Registered office of the Company and/or at the offices of M/s. Adroit Corporate Services Pvt. Limited, Registrar and share Transfer Agent of the Company at 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai- 400059”

By Order of the Board

Place : Mumbai
Dated : 30.08.2010

N. Nagesh
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST REACH REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer books of the Company will remain closed on 20th September, 2010
3. Members / Proxies are requested to bring their copies of Annual Report to the Meeting and attendance slip duly filled in for attending the meeting.

BIRLA POWER SOLUTIONS LTD.

4. Members desiring any information as regards the accounts are requested to write the Company at least 7 days before the date of the Meeting, so as to enable the Company to keep the information ready.
5. All documents referred in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days during normal working business hours up to the date of Annual General Meeting except on Saturdays, Sundays and other holidays.
6. Members are requested to intimate their Bank Account details, so that the same can be printed on the dividend warrant, to avoid the incidence of fraudulent encashment of the dividend warrant.
7. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
8. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEP Fund). Members who have not encashed their dividend warrants, for the financial year ended 31st March, 2004 and onwards may approach the Company for revalidating the warrants or for obtaining duplicate warrants. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim can be made by the respective shareholders for the same.
9. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical & Electronic) at the following address:
Alankit Assignments Limited
205-208, Anarkali Complex,
Jhandewalan Extension,
New Delhi - 110 055.

ANNEXURE TO THE NOTICE

(Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4

Appointment of Statutory Auditors:

M/s. Dalal & Shah, Chartered Accountants, Mumbai, the present Auditors who retire at this Annual General Meeting has informed the Company that they do not wish to seek re-appointment as Statutory Auditors of the Company at the forthcoming Annual General Meeting.

Based on the recommendation of the Audit Committee, the Board of Directors proposes the appointment of M/s. Thakur,

Vaidyanath Aiyar & Co. Chartered Accountants, as the Statutory Auditors of the Company in place of M/s. Dalal & Shah, Chartered Accountants, the retiring Auditors of the Company, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

M/s. Thakur, Vaidyanath Aiyar & Co. Chartered Accountants, have expressed their willingness to act as Statutory Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956.

The member's approval is being sought for the appointment of M/s. Thakur, Vaidyanath Aiyar & Co, Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to determine the remuneration payable to the Statutory Auditors.

None of the Directors are concerned or interested in the said resolution.

The Board recommends the resolution as mentioned in Item no. 4 of the notice.

Item No. 5

To appoint Mr. Upkar Singh Kohli as a Director liable to retire by rotation:

Mr. Upkar Singh Kohli was appointed by the Board on 09.09.2009 as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act') read with Article 136 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Upkar Singh Kohli would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with deposit of Rs. 500/- for proposing the candidature of Mr. Upkar Singh Kohli for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Upkar Singh Kohli is not disqualified from being appointed as Director in terms of Section 274 (1)(g) of the Act. The Company has received the requisite Form DD-A from Mr. Upkar Singh Kohli, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

None of the Directors is, except Mr. Upkar Singh Kohli in any way, concerned or interested in the said resolutions.

The Board recommends the resolution as mentioned in Item no. 5 of the notice.

Item No. 6

Issue and allotment of Bonus Shares:

On 30th August, 2010, the Board has, subject to the approval of the members of the Company, approved the issue of

bonus shares in the ratio of 1:5 i.e. ONE new fully paid up equity share of Re. 1/- each for every FIVE fully paid up equity shares of Re. 1/- each held in the Company, to the eligible members of the Company as on the Record Date to be fixed by the Board for this purpose. The Bonus Shares shall be issued pursuant to the applicable provisions of the Companies Act, 1956, Article 199 of the Articles of Association of the Company, the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such other approvals, if any required, after capitalizing the required sum from the Company's Share Premium Account/General Reserve Account/or such other accounts as are permissible to be utilized for the purpose. The Bonus Shares so allotted shall rank pari passu in all respect and shall carry the same rights as the existing fully paid up equity shares of the Company. In case any member's holding in the Company is such that the member becomes entitled to a fraction of an equity share of the Company, the Company shall round off the said entitlement to the nearest integer.

The Directors of the Company may be deemed to be concerned or interested in the issue of the bonus shares to the extent of their respective shareholding in the Company.

The Board recommends the resolution as mentioned in Item no.6 of the notice.

Item No. 7

Issuance of equity share warrants to the promoter(s) on preferential allotment basis:

The existing paid up capital of the Company is 1,77,93,30,910 Equity shares of Rs.1/- each. The promoters' holding is 7,18,84,320 Equity shares consisting 4.04%. In order to increase the holding of the promoters, it is proposed that the Company issue convertible warrants upto 10% of the existing capital which is 17,79,33,090 (Seventeen Crores Seventy Nine Lacs Thirty Three Thousand Ninety) to the Promoter and Promoter Group of the Company on a Preferential basis. The proposed preferential issue is in accordance with the Guidelines for Preferential Issue contained in Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, entitling the warrant holders to apply for equivalent number of fully paid equity shares of the Company having a face value of Re. 1 per share.

The issue of equity shares will be at a price not less than the higher of the following:

- (i) the average of the weekly high and low of the closing prices of the Company's shares quoted on Exchanges during the six months preceding the 'Relevant Date'.

OR

- (ii) The average of the weekly high and low of the closing prices of the Company's shares quoted on Exchanges,

during the two weeks preceding the 'Relevant Date'.

The 'Relevant Date' for determining the issue price of the equity shares will be the date thirty days prior to the date of Annual General Meeting which is in accordance with Regulation 71 of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

An upfront payment of 25% of the price of warrant shall be paid by the allottees before the allotment of the convertible warrants and the same will be adjusted against the issue price of the respective equity shares at the time of conversion.

The said Warrants shall be converted within a period not exceeding eighteen months from the date of allotment of the Warrants, in one or more tranches, in accordance with the SEBI Regulations and other relevant guidelines as may be prevailing at the time of allotment of shares, and that the Warrants so issued or allotted give rise (on allotment or conversion/ exercise of right) to not more than 17,79,33,090 (Seventeen Crores Seventy Nine Lacs Thirty Three Thousand Ninety) Equity Shares of Re. 1/- each fully paid-up.

If the entitlement against the warrants to apply for the equity shares is not exercised within the specified period of 18 months, such entitlement shall lapse and the amount paid on allotment of such warrants shall stand forfeited pro-rata.

The proposed allottees have given a letter to apply for the allotment of warrants when they are issued.

The warrants and the shares issued shall be subject to the lock in period as set out in the Regulations. The proposed allottees have not sold any shares of the Company during the last six months from the relevant date. However the locked in equity shares may be transferred to and amongst the Promoter and Promoter group subject to conditions of lock-in in the hands of transferees for the remaining period and after complying with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as may be applicable.

Disclosures pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009:

i. Object of Issue:

In order to augment the long term resources of the Company for meeting the Working Capital requirements and to assist in the expansion plans of the Company at the least possible issue costs it was thought fit to issue share warrants on preferential basis.. The proceeds of the proposed preferential allotment of warrants will go to strengthen the net worth of the Company.

ii. Intention of the Promoter and Promoter Group to subscribe to the issue:

Promoter and Promoter Group intends to subscribe to 17,79,33,090 (Seventeen Crores Seventy Nine Lacs

BIRLA POWER SOLUTIONS LTD.

Thirty Three Thousand Ninety) equity share warrants. The names of the Promoter and Promoter Group and the number of warrants agreed to be subscribed by them are provided elsewhere in the Notice.

iii. Pre and Post Shareholding Pattern:

The Shareholding Pattern of the Company before and after the proposed preferential allotment is furnished hereunder:

Category of Shareholder	Pre-issue Shareholding pattern	Percentage	Shareholding post-conversion of warrant	Percentage
Promoters Group				
Birla Bombay Private Limited	8201740	0.46	52685012	2.69
Godavari Corporation Pvt. Ltd.	16429970	0.92	60913242	3.11
Shri Yashovardhan Birla	2008000	0.11	2008000	0.10
Shearson Investments and Trading Co. Pvt. Ltd.	31198000	1.75	75681273	3.87
Nirved Traders Pvt. Ltd.	14046610	0.79	58529883	2.99
Total Shareholding of Promoter and Promoter Group (A)	71884320	4.04	249817410	12.76
Public shareholding				
Mutual Funds/ UTI	4000	0.00	4000	0.00
Financial Institutions / Banks	5418470	0.30	5418470	0.28
Foreign Institutional Investors	12000	0.00	12000	0.00
Bodies Corporate	157228847	8.84	157228847	8.03
Individuals				
Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	426602537	23.98	426602537	21.80
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	39905738	2.24	39905738	2.04
NRI	16069928	0.90	16069928	0.82
Trust	12720	0.00	12720	0.00
Total Public Shareholding (B)	645254240	36.26	645254240	32.97
Shares held by Custodians and against which Depository Receipts have been issued (C)	1062192350	59.70	1062192350	54.27
TOTAL	1779330910	100.00	1957264000	100.00

iv. Proposed time within which the allotment shall be completed:

As required under the SEBI Regulations, the allotment of warrants shall be completed within 15 days of the date of passing of the above resolution. Provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or Central Government, the allotment would be completed within 15 days from the date of such approval.

v. Identity of the Allottees:

Name of the proposed allottees	Pre-Issue Equity Shareholding		Post-Issue Equity Shareholding	
	No. of Shares	% of holding	No. of Shares	% of holding
Birla Bombay Private Limited Registered Office: Industry house, 159, churchgate Reclamation, Mumbai- 400020	8201740	0.46	52685012	2.69

Name of the proposed allottees	Pre-Issue Equity Shareholding		Post-Issue Equity Shareholding	
	No. of Shares	% of holding	No. of Shares	% of holding
Godavari Corporation Pvt. Ltd. Registered Office: Industry house, 159, churchgate Reclamation, Mumbai - 400020	16429970	0.92	60913242	3.11
Shearson Investments and Trading Co. Pvt. Ltd. Registered Office: Industry house, 159, churchgate Reclamation, Mumbai - 400020	31198000	1.75	75681273	3.87
Nirved Traders Pvt. Ltd. Registered Office: Industry house, 159, churchgate Reclamation, Mumbai - 400020	14046610	0.79	58529883	2.99

The issue of equity shares as aforesaid will not result in any change in the Management/Control of the Company.

vi. Lock-in-requirements:

In terms of the SEBI Regulations for Preferential Issues, the Warrants and the resultant shares on conversion of the Warrants proposed to be allotted to the Promoter & Promoter Group shall be locked-in for a period of three years from the date of their allotment or such other period as prescribed in the SEBI Regulations, provided that in any case, not more than 20% of the total capital of the Company, including capital brought in by way of preferential issue, shall be subject to lock-in of three years from the date of allotment.

Further, the entire pre-preferential allotment shareholding of Promoter & Promoter Group, if any, shall also be under lock-in from the relevant date upto a period of six months from the date of preferential allotment.

vii. Other terms of Issue of Warrants

1. The proposed allottee of the Warrants shall on or before the date of allotment of Warrants, pay an amount equivalent to at least 25% of the total consideration per Warrant.
2. The holder(s) of each Warrant will be entitled to apply for and obtain allotment of one equity share against such Warrant at any time after the date of allotment of warrants but on or before the expiry of 18 months from the date of allotment of warrants, in one or more tranches. At the time of exercise of entitlement, the Warrant holder shall pay the balance of the consideration towards the subscription to each equity share.
3. If the entitlement against the Warrants to apply for equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply

for the equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited.

4. Upon receipt of the requisite payment as above, the Board (or a Committee thereof) shall allot one equity share against each Warrant by appropriating Re.1/- per equity share towards equity share capital and the balance amount paid against each Warrant towards the securities premium amount
5. The Warrant by itself till converted into equity shares, does not give to the holder(s) thereof any rights of the shareholders of the Company.
6. The equity shares issued as above shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid up equity shares of the Company.

The allotment of Warrants does not require making of a public offer as it is below the prescribed threshold limit for making of a public offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The aforesaid allottee(s) shall be required to comply with the relevant provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, if any applicable consequent to the allotment of shares on conversion of Warrants as proposed above.

In view of the above, it is proposed to issue upto 17,79,33,090 (Seventeen Crores Seventy Nine Lacs Thirty Three Thousand Ninety) nos. of Warrants (convertible into equivalent number of equity shares of Re. 1/- each fully paid-up) to the Promoter and Promoter Group, on a preferential basis, at a price including premium as may be determined in accordance with the criteria given under the SEBI Regulations.

BIRLA POWER SOLUTIONS LTD.

The consent of the Shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, if any, and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges in India where the Company's shares are listed.

None of the Directors Except Mr. Yashovardhan Birla is interested in the said resolution.

The Board recommends adoption of the Special Resolution by the members.

Item No. 8 and 9

Increase in authorised share capital of the company and consequent amendment of the Memorandum and Articles of Association of the company:

At present, the Authorised Share Capital of the Company is Rs.300,00,00,000/- (Rupees Three Hundred Crores only) divided into 300,00,00,000 (Three Hundred Crores) Equity Shares of Re.1/- (Rupee One only) each. In order to augment the financial needs of your Company, it is planned to raise funds by further issue of securities as may be deemed necessary and beneficial to the Company. This will require increase in the Authorised Share Capital from Rs.300,00,00,000/- (Rupees Three Hundred Crores Only) to Rs. 425,00,00,000/- (Rupees Four Hundred and Twenty Five Crores Only) by creation of 125,00,00,000 (One Hundred and Twenty Five Crores) Equity Shares of Re.1/- (Rupee One Only) each.

Pursuant to Section 94 of the Companies Act, 1956, the above proposal requires the approval of the shareholders. The resolution proposed vide Item No. 8, if approved, would also result into amendment of Clause 5 of the Memorandum of Association and Article 5 of the Articles of Association of the Company. The approval of the shareholders for the proposed amendment would be required in accordance with Section 16 of the Companies Act, 1956.

The resolution proposed in Item No. 8 and 9 is therefore, recommended for your approval. None of the Directors of the Company is interested or concerned in the above resolution.

Item No. 10

Reappointment of Mr. Kalyan Bhattacharya as Whole-time Director

The members have appointed Mr. Kalyan Bhattacharya as a Whole Time Director of the Company for a period of three years from 1st November, 2007 upto 31st October, 2010. Consequently, his term expires on 31st October, 2010. Your Directors feel that the services of Mr. Bhattacharya are highly beneficial to the Company and therefore commend his reappointment for your approval as per the following details.

The material terms of the appointment are as follows:-

1. Period: From 1st November, 2010 to 31st October, 2013.
2. Nature of Duties: Mr. Kalyan Bhattacharya shall devote his whole time and attention to the business of the company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the company.
3. Remuneration:
 - (a) Basic salary Rs 1,85,000/- per month.
 - (b) Perquisites:

He shall be entitled to furnished / non-furnished accommodation or house rent allowance in lieu thereof, house maintenance, medical reimbursement, medical insurance, leave travel concession for self and family as per company rules, company maintained car, telephone, and such other perquisites, to be determined in accordance with Income-tax Rules, 1962, within a overall limit of Rs. 25.80 lakhs per annum. The company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites. Mr Bhattacharya will not be entitled to any sitting fees for attending any meeting of the Board or any other Committee of Directors.

The Board will have the discretion and authority to modify the above terms of remuneration within, however, the maximum limits prescribed under Schedule XIII of the Companies Act, 1956. In the event of loss or inadequacy of profits in any year, the remuneration and perquisites will be paid in accordance with Schedule XIII to the Companies Act, 1956.

Information pursuant to Schedule XIII of the Companies Act, 1956:

I. General Information:

1. Nature of Industry:

The Company is engaged in the manufacturing of Diesel Generators sets, Portable Generator Sets Inverters, pumps, Multi Purpose Engines and Power Tillers..
2. Date or expected date of commencement of commercial production
The Company was incorporated on 27th April, 1984 and has commenced operations in 1985.
3. In case of new Companies, Expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not Applicable

4. Financial performance based on given indicators.

Financial year ended	2009-2010	2008-2009	2007-2008
Net Sales	23812.34	22477.23	21670.89
Total Income	24334.76	22897.93	21560.87
Total Expenditure	24036.96	22115.65	20702.07
Profit/Loss before Tax	297.80	782.28	858.80
Profit/Loss after Tax	202.02	407.81	693.40

5. Export performance and net foreign exchange collaborations

Financial year ended	2009-2010	2008-2009	2007-2008
Foreign Exchange Earning (FOB value of export)	NIL	39.89	136.72

6. Foreign Investments or collaborators, if any, NIL

II. Information about the appointee:

1. Background details:

Mr. Kalyan Bhattacharya is a B.E.– Mechanical and M. Tech. – Industrial Engineering and Operations Research from IIT, Khargapur. He has a vast experience of 28 years and played leading roles in establishing institutional and retail businesses in engineering products, consumer durables, fashion fabrics and apparels across Asia, Europe and America. In India he worked at Multinational such as Metal Box, Berger Paints and Shalimar Paints and had launched a number of innovative products and successful consumer brands. Prior to joining Yash Birla Group, he was the Executive Director at a start up in Jakarta, Indonesia. He is associated with the Company since 2007.

2. Past Remuneration:

For the year 2009-2010	(Rs. In Lacs)
Salary	20.70
Other Perquisites	7.10
Total	27.80

3. Recognition or awards:

Mr. Kalyab bhattacharya has contributed substantially to the growth of the Company in the wake of severe competition and economic slowdown.

4. Job Profile and his Suitability:

Mr. Kalyan Bhattacharya is responsible for production, marketing, sales, quality control and research and development in the Company. In view of his qualifications and overall experience, he is considered the most suitable person for this post.

5. Remuneration proposed:

As per the details given above.

6. Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

The executive remuneration in the industry has increased manifold in the past few years. Having regard to the type of industry, trends in industry, size of the Company, the responsibilities, academic background and capabilities of Mr. Kalyan Bhattacharya, the proposed remuneration is very reasonable in comparison with Directorial personnel holding similar stature/position in the industry.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any.

Mr. Kalyan Bhattacharya has no pecuniary relationship with the Company, other than his remuneration as Whole Time Director of the Company. There are no managerial personnel related to Mr. Kalyan Bhattacharya.

III. Other Information:

1. Reasons of loss or inadequate profit:

The Company manufactures both higher KVA Gensets and Portable Gensets. In case of higher KVA Gensets the margins are very less. Secondly, the recovery period for the same is very long. Further, during the year, the Company has incurred a loss on account of Exchange Rate Fluctuation.

2. Steps Taken or proposed to be taken for improvement

The Company has set up a LED (Light Emitting Diodes) division which imports LED Lamps and heat sinks from a leading manufacturer in Singapore and market them in India. Subsequently, the Company will set up facilities for manufacture of such products in India. It is expected that this division will contribute substantially to the profitability of the Company.

3. Expected increase in productivity and profits in measurable terms

In the competitive environment, it is difficult to estimate revenue/profit in measurable terms. As mentioned above, the Company is taking various efforts to increase its productivity and the management is confident of substantial increase in revenues and profits in coming years.

Except Mr. Kalyan Bhattacharya none of the Directors is concerned or interested in the resolution.

The Board recommends the resolution as mentioned in Item no.10 of the notice.

BIRLA POWER SOLUTIONS LTD.

Item No. 11

Change in place of keeping Registers and records

Under the provisions of the companies Act, 1956, certain documents such as the Registers and Indexes of Members and Debenture holders and copies of all Annual Returns prepared under Section 159 of the Act have to be kept at the Registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the Registered office is situated, with the approval of the shareholders.

These records were kept at the Registered Office and the office of the Company's Registrar and share Transfer Agent, Alankit assignments Limited at 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055.

For the purpose of operational connivance, it is proposed to change the current Share Transfer Agent of the Company i.e. Alankit Assignments Limited, who is located at Delhi to Adroit Corporate Services Private Limited, who is located in Mumbai.

In view of the above change, the approval of the members is sought by Special resolution for the Registers and Indexes of members and debenture holders, Annual Returns and other documents to be kept at the registered office of the Company and/or at the other places mentioned in the resolution.

None of the Directors is concerned or interested in the resolution.

The Board recommends the resolution as mentioned in Item no.11 of the notice.

Details of Director seeking re-appointment in the ensuing Annual General Meeting

Name of Director	Mr. Upkar Singh Kohli
Date of Birth	18.08.1947
Date of Appointment	09.09.2009
Expertise in specific functional areas	Banking and Finance
List of outside Directorships in other Companies.	1. U. V. Asset Reconstruction Pvt. Ltd. 2. Birla Surya Limited
Chairman / Member of the Committees of other Companies.	NIL
No. of shares held in The company	NIL

Name of Director	Mr. P. V. R. Murthy
Date of Birth	21.04.1951
Date of Appointment	06.10.2005
Expertise in specific functional areas	Finance, Accounts and General Management

List of outside Directorships in other Companies.	<ol style="list-style-type: none"> 1. Birla Cotsyn (India) Ltd. 2. Birla Precision Technologies Ltd. 3. Zenith Birla (India) Ltd. 4. Melstar Information Technologies Ltd. 5. Birla Surya Ltd. 6. Birla Edutech Ltd. 7. Birla Pacific Medspa Pvt. Ltd. 8. Birla Kerala Vaidyashala Pvt. Ltd. 9. Birla Wellness and Healthcare Pvt. Ltd. 10. Ashok Birla Apollo Hospital Pvt. Ltd. 11. Birla Infrastructure Ltd. 12. Birla Urja Ltd. 13. Birla Energy Infra Ltd.
Chairman / Member of the Committees of other Companies.	<ol style="list-style-type: none"> 1. Birla Cotsyn (India) Ltd. Audit Committee – Member 2. Birla Precision Technologies Limited Audit Committee – Member 3. Melstar Information Technologies Ltd. Audit Committee – Member Shareholders Grievance Committee - Member
No. of shares held in The company	NIL

Name of Director	Mr. Kalyan Bhattacharya
Date of Birth	28.04.1954
Date of Appointment	01.11.2007
Expertise in specific functional areas	Establishing institutional and retail businesses in engineering products, consumer durables, fashion fabrics and apparels
List of outside Directorships in other Companies.	<ol style="list-style-type: none"> 1. Birla Urja Limited 2. Birla Energy Infra Limited
Chairman / Member of the Committees of other Companies.	NIL
No. of shares held in The company	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Twenty Fourth Annual Report together with the audited statement of accounts of the Company for the financial year ended on 31st March, 2010.

FINANCIAL RESULTS

	(Rs. in lacs)	
	For the year ended 31.03.2010	For the year ended 31.03.2009
Sales & Other Income	24202.92	22803.55
Profit before interest and depreciation	2465.83	2590.23
Interest (Net)	1821.37	1462.18
Profit before depreciation	644.46	1128.04
Depreciation	346.66	345.77
Profit after depreciation but before Tax	297.80	782.27
Provision for taxation	95.78	374.46
Adjustment of provision for earlier years	45.93	13.38
Tax adjustment for the earlier years	21.49	77.14
Profit after tax	134.60	317.28

OPERATIONS

During the year under review, the operations of the Company remained flat, mainly because the Company scaled down substantially, the manufacture of higher KVA generators which constituted a bulk of sales. As a result, the total revenue for the financial year ended 31st March, 2010 was 24202.92 lacs as against Rs. 22803.55 Lacs during the previous financial year ended 31st March, 2009 showing a slight increase of 6.14 %. The profit after tax for the same periods were Rs.134.60 lacs and Rs.317.28 lacs respectively showing a decline of 57.58%. The sharp decline in profit is due to increase in input costs and exchange fluctuation loss caused on account of foreign exchange funds raised by the Company from an issue of Global depository Receipts aggregating to US\$ 20.07 million.

FUTURE OUTLOOK

Your Company is expanding foray by supplying portable gensets to a large number of schools in Bihar in association with a leading education service provider. This initiative will enable the Company to establish in the education field also.

Your Company is also partnering reputed Non Governmental Organizations (NGOs) in setting up common service centers across a number of states.

Birla Power has expanded its business horizon. In the rapidly growing economy, the country's energy requirement is growing exponentially. The Industrial and infrastructure sectors are looking for energy solutions.

BPSL, like it did 25 years back, when it became the first Company to come out with power solutions to bridge the demand-supply gap, is moving into the space of 'Energy Solutions' by getting the latest technology and the widest choice in LED (Light Emitting Diodes) Lamps and Heat Sinks from one of the global leaders, Brightlite Systems Limited, Singapore.

BONUS AND DIVIDEND

To commensurate the completion of 25 years of operations of your Company, your Directors have decided to reward the shareholders by:

1. Recommending a Payment of dividend at the rate of 7.5% (i.e. seven and half paise per share of a face value of Re. 1 each) for the financial year 2009-2010.
2. Approving, subject to the approval of shareholders in the Annual General Meeting, bonus issue of 1:5, i.e. one Equity share of face value of Re.1/- each for every five Equity shares of face value of Rs.1/- each held in the Company.

INCREASE IN AUTHORISED CAPITAL

During the year under review, the authorized share capital of the company was increased from Rs 65.00 crores to Rs.100.00 crores by creation of additional 35.00 crores equity shares of Re 1/- each ranking pari passu in all respects with the existing equity shares.

In the current financial year, the capital was further increased from Rs.100.00 crores to Rs.300.00 crores by creation of additional 200.00 crores equity shares of Re.1/- each ranking pari passu with the existing equity shares on 4th June, 2010 with the approval of the shareholders by way of Postal Ballot.

GLOBAL DEPOSITORY RECEIPTS (GDR) ISSUE

During the year, the Company has issued and allotted 58,50,000 GDRs at a price of US\$ 3.42 per GDR aggregating to US\$ 20,007,000 represented by underlying 29,25,00,000 Equity shares of Re.1/- each issued at a premium of Rs.2.20 per share on 27th January, 2010.

Further on 9th July, 2010, in the second tranche of GDR issue, the Company has issued and allotted 2,12,43,847 GDRs at a price of US\$ 2.52 per GDR aggregating to US\$

BIRLA POWER SOLUTIONS LTD.

53,534,494 represented by underlying 106,21,92,350 Equity shares of Re. 1/- each issued at a premium of Rs.1.35 per share.

As a result of these allotments, the paid up share capital, as on date, stands at Rs. 177,93,30,910.

The Equity shares allotted in both the issues are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and the GDRs are listed on Luxemburg Stock Exchange.

DIRECTORS

Pursuant to Article 150 of the Articles of Association of your Company and Section 256 of the Companies Act, 1956 Mr. P. V. R. Murthy retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. Upkar Singh Kohli was appointed as an additional Director by the Board of Directors of the Company on 09.09.2009. His office expires at the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, a member has proposed his candidature for appointment as Director.

Your Directors recommend his reappointment.

SUBSIDIARY COMPANIES

Your Company has incorporated two subsidiaries as follows.

(a) Birla Urja Limited

The Company was incorporated on 19th March, 2010. The Company has been set up to develop utility scale Thermal Power plant based on coal or gas. It will also invest in setting up renewable energy power plants based on solar, wind, hydro and biomass etc. to meet its commitment towards cleaner environment.

(b) Birla Energy infra Ltd.

The Company was incorporated on 22nd March, 2010. The Company has been formed to provide full fledged engineering, procurement, construction and commissioning of power generation plants using various renewable energy primarily sun, wind, hydel and biomass.

The Company will design, calibrate and integrate systems that will be required for achieving grid-parity for power plants using the above options.

NOTE ON CORPORATE GOVERNANCE

Your Company is following corporate governance norms of highest standards. As required under clause 49 of the listing agreement, a report on corporate governance forms part of this annual report.

FIXED DEPOSITS

During the period under review your Company has accepted deposits from the public amounting to Rs 875.36 lacs as on 31st March, 2010.

AUDITORS

M/s Dalal & Shah, Chartered Accountants, Statutory Auditors of the Company, holds office until the conclusion of the ensuing annual General Meeting. The Company has received a letter from them expressing their unwillingness to be re-appointed as Statutory Auditors for the Financial Year 2010-2011.

Based on the recommendation of Audit Committee, the Board of Directors proposes appointment of M/s. Thakur, Vaidyanath Aiyer & Co., Chartered Accountants, as the Statutory Auditors of the Company for financial year 2010-2011.

M/s. Thakur, Vaidyanath Aiyer & Co., Chartered Accountants, have confirmed that their appointment, if approved by the shareholders, will be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956.

EXPLANATION TO AUDITORS REPORT AS REQUIRED UNDER SECTION 217(3) OF COMPANIES ACT 1956.

Clause No. of the Auditor's Report	Qualification in	Directors' Reply
6 (i)	The Company has, during the year, upto 16 th December, 2009 accepted deposits aggregating Rs 157.73 Lacs without issuing any advertisement/ Statement in lieu of advertisement as required under Section 58(2) (b) of the Act,	The Company has large No. of Fixed Deposit agents/Brokers all over India who canvass and mobilize the fixed deposits for the Company. The Company had filed the advertisement with the ROC in accordance with the relevant provisions of the Companies (Acceptance of Deposit) Rules, 1975 on 5 th October, 2009 but some of the agents/ brokers had inadvertently accepted the Fixed Deposits, before the filing of the statement of advertisement.

6 (ii)	The Company has invested amounts in liquid assets after the period specified under Rule 3A of the Rules	There was an inadvertent small delay in investing the designated amount in liquid assets as specified under Rule 3A of the Rules. However, the delay was regularized immediately.
6 (iii)	The Company has borrowed funds aggregating Rs 3852.80 Lacs (outstanding as at 31st March, 2010) from certain parties viz. Individuals, Hindu Undivided Families, Partnership Firms and Trusts, under financing arrangements which is not in compliance with the Rules.	The funds borrowed by the Company from certain parties are well within the limits specified in Rule 3 of the Companies (acceptance of Deposit) Rules, 1975.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended regarding employees is given in the annexure to the Directors Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in preparation of the annual accounts for the period ended on 31st March, 2010 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period ended on 31st March, 2010 and of the profit of the Company for that period;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts for the period ended on 31st March, 2010 on a going concern basis.

INDUSTRIAL RELATIONS

The Company enjoyed harmonious relations with workmen and employees through out the period under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars of energy conservation as prescribed have not been provided, as the Company's industry is not specified in the Schedule.

The Details regarding Technology Absorption as per Form 'B' are enclosed.

Foreign exchange Earning and Outgo:

Particulars	2009-2010 (Rs. in Lacs)	2008-2009 (Rs. in Lacs)
Total Foreign exchange earnings	NIL	39.89
Total Foreign Exchange outgo	57.81	9.08

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the continuing co-operation and assistance rendered by the Central Government, State Government, Financial Institutions, Banks, suppliers and other organisations in the working of the Company.

The Directors also wish to place on record their deep sense of appreciation for dedicated services rendered by officers, staff and workmen of the Company.

The Board takes this opportunity to express its gratitude for the continuous support received from shareholders.

For and on behalf of the
BOARD OF DIRECTORS

Place: Mumbai
Date : 30th August, 2010

Yashovardhan Birla
Chairman

BIRLA POWER SOLUTIONS LTD.

ANNEXURE TO DIRECTORS REPORT

Additional Information as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors Report for the year ended 31st March, 2010

Sr. No.	Name	Qualifi-cation	Age	Desig-nation	Expe-rience (yrs)	Date of commen-cement of employment	Remun-eration (Rs. in Lacs)	Last employment held/name of the employment
Through out the year								
1.	Mr.Kalyan Bhattacharya	B.E. Mechanical Engineering, M. Tech. IE & OR from IIT, Kharagpur	55	President & Whole Time Director	30	01.09.2007	27.80	Global Business Head, PT, Texmaco, Jaya
2.	Mr. Ashish Bhandari	B. Com (Hons) M. B. A.	48	Vice President Marketing	27	25.08.2007	26.00	Head Marketing in UM group

FORM – B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION FROM 1.04.2009 TO 31.03.2010

R & D /Product Development – 2009-10

- Upgraded the Product Design Center at R& D by introduction of the most advanced design software for Component Design.
- Upgraded the Prototype Development Center by adding special tooling for faster development of multiple options/ prototypes for the purpose of concept testing and design finalization.
- Added Design Software to create virtual assemblies for reduction in the Product Development lead time.

Product Range - Sub 5 Kva Portable Generators

- Development of High Altitude 2.3 Kva Generator EG3000AS (Olive) for Indian Air Force, deployed at the advanced Radar Stations, across the Himalayan Border. This model will serve the specific requirement to run in adverse weather conditions at 5000m and -30 ° Celsius.
- Development of Remote Control Start / Stop feature for the Portable Range.
- Reliability improvement through design modification for the popular 1.0 Kva generator – EG 1100.
- Upgraded the winding class of the Alternators for minimizing the power loss at high temperatures.

Product Range – 5 Kva Portable Generators

- Developed high end model with additional features for operating ease and control.
- Upgraded the standard model with regard to sound pressure level, vibration, and temperature control within the canopy.

Product Range - Pump sets

- Development of Multifuel engines (Diesel/ Kerosene) up to 3 hp range with ISI Certification.
- Designed Pump sets with specific application using multifuel engines.

Product Range – HKVA Diesel Generators

- Design & Development of Acoustic Enclosure for customized applications.

Benefits derived as a result of the above R & D/Product Development

Sub 5 Kva Portable Generators

- Approval of the EG 3000 AS (Olive) by the Ministry of Defence is likely to result in regular flow of orders for such special applications where BPSL will enjoy a distinct advantage over competition.

- The added feature of Remote Control Start/Stop will enhance the marketability of the Portable Generators to the discerning customers at the premium segment.
- The improved design of EG 1100 will enhance the reliability factor and enhance sales in the high volume 1Kva segment.
- Improved winding class of the Alternators will improve performance at elevated temperatures and in turn will open new market segments with customer specific requirements.

5 Kva Portable Generators

- The high end model will address the fast growing, high income urban customers, for their domestic requirements. This model will also give the company a major edge vis-à-vis competition in the Institutional segment.
- The design improvement in the regular model will allow the company to realize a better price and higher volume sales in the economy segment.

Multifuel Pump sets

- The range of multifuel pump sets will allow the company to gain a major market share in the high volume Diesel Pump segment driven by Government subsidy.

Action Plan 2010 -11

- Design and Development of Inverter based Generators with Sine wave Output.
- Fuel consumption and Emissions improvement in existing Petrol/ Kerosene generators to suit the next generation of Portable Generators with stricter noise and emission norms as recommended by CPCB
- Modification, Certification and Type approval of imported diesel engines up to 10.5 hp for application in the generator segment
- Development of 5 Kva to 7.5 Kva Diesel Generators with in-house diesel engines
- Development of 5 hp Diesel Pumps
- Development of low cost gas based Portable Generators
- Value Engineering in the existing range of Generators for improved margins

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology : The company has expanded its range of engines by introducing absorption adaptation & innovation multifuel engines using in-house R&D.
The company has developed, in collaboration with international design agencies, special application Portable Generator for Indian Air force.
2. Benefits derived as a result of the above : The new multifuel engines have helped the company in increasing its efforts e.g. product improvement, cost reduction, product development. share in the domestic pump sets segment.
The special application Portable Generator has helped the company to get continuous business from Indian Air force and other Public Sector Undertakings.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of financial year), following information is furnished :
 - a. Technology Imported : Manufacture of Portable Gensets & Multi Purpose Engines.
 - b. Year of Import : Technical Assistance Agreement dated 31.8.84 & new Technical Assistance Agreement dated 02.09.94 which has expired on 01.09.1999.
Technical Assistance Agreement dated 25th January, 1998 for a new four stroke model which has also expired on 24.01.2003.
 - c. Whether Technology has been fully absorbed : The technology has been fully absorbed for all the models. In house R&D has further upgraded the technology.
 - d. If not fully absorbed, areas where not taken place, reasons thereof and future plans of action : Not applicable

CORPORATE GOVERNANCE REPORT**1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency and accountability in all facets of it's operations, interactions with shareholders, employees, government and lenders.

2. BOARD OF DIRECTORS

The composition, category and details of Directors' attendance during the Financial Year 2009-10 and other particulars are given below:

Name	No. of Board Meetings held	No. of Board Meetings attended	Last A.G.M Attendance (Yes/No)	No. of Memberships in Board of other Public Co.'s as on 31st march, 2010
Mr. Yashovardhan Birla Chairman Non Executive	07	06	No	9
Mr Y.P. Trivedi Independent Non Executive	07	06	No	9
Mr. Manish Malani Non Independent Non Executive (resigned with effect form 29.06.2009)	07	02	N. A.	N. A.
Mr. P.V.R. Murthy Non Independent Non Executive	07	07	Yes	10
Mr Rajesh V. Shah Independent Non Executive	07	07	Yes	2
Mr Kalyan Bhattacharya Whole Time Director & President	07	00	Yes	2
Mr. Upkar Singh Kohli Independent Non Executive (Appointed with effect from 09/09/2009)	07	03	No	0

None of the Directors is a member in more than 10 Committees or acts as Chairman of more than 5 Committees across all Companies in which he is a Director.

The Board has a fair representation of the executive, non executive and independent Directors which is imperative for a vital organisation, of the six Directors, only one is the Promoter Director and one is the Executive Director and rest are non Executive Directors.

During the period under review, there was no pecuniary relationship or business transaction by the Company with any non-executive Director (other than the sitting fee for attending the Board / Committee meetings)

The Board members possess the skills, expertise and experience necessary to guide the Company. During the financial year ended on 31st March, 2010, the Board met 07 times on 29/04/2009, 09/06/2009, 29/06/2009, 28/07/2009, 29/10/2009, 28/01/2010 and 25/03/2010.

3. AUDIT COMMITTEE

A. Brief description of terms of reference.

The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee are those as specified under clause 49 of the listing agreement as well as in Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

Composition, Name and Chairperson, Meetings held during the Financial Year 2009-10 and Attendance thereat are as under.

Name	Total Meetings held during the Year	Meetings Attended
Mr. Y.P. Trivedi (Chairman)	05	04
Mr P.V.R. Murthy	05	05
Mr Rajesh V. Shah	05	05
Mr. Upkar Singh Kohli (Appointed with effect from 09/09/2009)	05	02

During the financial year ended on 31st March, 2010, the Committee met 05 times on 29/04/2009, 09/06/2009, 28/07/2009, 29/10/2009 and 28/01/2010

The Composition of the Audit Committee at present is:

1. Mr.Y.P. Trivedi (Chairman-Independent Director)
2. Mr. Rajesh V. Shah (Independent Director)
3. Mr. Upkar Singh kohli (Independent Director)

Mr. N. Nagesh acts as Secretary to the Committee.

4. REMUNERATION COMMITTEE

Terms of reference

The Committee was formed to review and approve, inter- alia, the recommendation for appointment of Managing Director(s)/Whole Time Director(s)/Manager and their compensation package, annual increments, incentives, additional perquisites etc. with in the limits provided in Schedule XIII of the Companies Act, 1956 read with other applicable provisions of the said Act and such other powers/functions as may be delegated by the Board from time to time.

Composition

The present composition of the Committee is :

1. Mr Y. P. Trivedi (Chairman)
2. Mr P.V.R. Murthy
3. Mr Rajesh V. Shah

No meeting of Remuneration Committee was held during the year.

Remuneration Policy

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives. The components of the total remuneration vary for different cadres and are governed by industry pattern, qualification and experience of the employee, responsibilities handled by him, individual performance etc.

BIRLA POWER SOLUTIONS LTD.

Details of remuneration to all the Directors

While the executive Directors are paid remuneration as approved by the Board / Share holders, the non – executive Directors are paid sitting fees. No sitting fees is paid to executive Directors. At present there is no stock option scheme of the Company for Whole Time Director/Non Executive Directors.

During the period under review the following sitting fees was paid to non executive Directors

Sr. No.	Name of Director	Board Meeting	Audit Committee Meeting
1.	Mr. Yashovardhan Birla	42000	NIL
2.	Mr. Y.P. Trivedi	42000	28000
3.	Mr. Manish Malani	14000	NIL
4.	Mr. P.V.R. Murthy	49000	35000
5.	Mr. Rajesh V. Shah	49000	35000
6.	Mr. Upkar Singh Kohli	21000	14000

No sitting fees is payable to members for attending Remuneration Committee meeting and Shareholders' / Investors Relations & Grievance Committee Meetings.

The sitting fees is Rs 7000/- per Board meeting and Rs 7000/- per Audit Committee meeting.

Details of remuneration paid to the Executive Director during the financial year ended 31st March, 2010

	Salary	PF/Superannuation	Perquisites & Others
Mr. Kalyan Bhattacharya Wholetime Director & President	20.70	Nil	7.10

5. SHAREHOLDERS/ INVESTORS RELATIONS & GRIEVANCE COMMITTEE

The SHAREHOLDERS / INVESTORS RELATIONS & GRIEVANCE Committee constituted by the Board of Directors consists of the following Directors.

1. Mr. Y. V. Birla (Chairman)
2. Mr.Y. P.Trivedi
3. Mr P.V.R. Murthy

The Committee inter alia, approves issue of duplicate share certificates and reviews all matters connected with the securities transfer. The Committee also looks into redressing of shareholders/investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividend warrants and to handle the queries / complaints relating to dematerialization of shares etc.

The Committee oversees the performance of the Registrar & Transfer Agent and recommends measures for the overall improvement of the quality of investor services.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (duly amended), the company has framed a "code of internal procedures and conduct for prevention of Insider Trading" and authorised the Committee to implement and monitor the various requirements as set out in the code.

Chairman - **Mr. Yashovardhan Birla (Non Executive Director)**

Compliance Officer - **Mr. N. Nagesh, Company Secretary.**

No. of shareholders complaints during the period 01st April, 2009 to 31st March, 2010

- Complaints pending at the beginning of the year : nil
- Complaints received during the period : 130
- Disposal of complaints : 130
- Complaints lying unresolved at the end of period : nil

During the financial year ended on 31st March, 2010, the Committee met 03 times on 17/04/2009, 23/12/2009 and 31/03/2010.

6. GENERAL BODY MEETINGS

Details of last three AGMs held

Year	Date	Venue	Time
2005-2007*	19.09.2007	Patkar Hall, SNDT Women's University Nathibai Thakersey Road, New Marine Lines, Mumbai - 400 020	11.30 am
2007-2008	28.11.2008	Patkar Hall, SNDT Women's University Nathibai Thakersey Road, New Marine Lines, Mumbai - 400 020	12.00 noon
2008-2009	08.08.2009	Royal Room, 3rd Floor, Sunville Banquets & Conference Hall, 9 Dr Annie Besant Road, Worli Naka, Worli, Mumbai - 400018	12.00 noon

* Financial Year extended for 18 Months

Details of special resolutions passed in the previous three AGMs

No special resolutions passed at AGM

21st AGM held on 19th September, 2007

1. Increase in Authorized Capital
2. Alteration of Capital Clause of Memorandum of Association of the Company
3. Alteration of Capital Clause of Articles of Association of the Company
4. Further issuance of Securities

22nd AGM held on 28th November, 2008

1. Increase in Authorized Capital
2. Alteration of Capital Clause of Memorandum of Association of the Company
3. Alteration of Capital Clause of Articles of Association of the Company
4. Further issuance of Securities

23rd AGM held on 8th August, 2009

1. Increase in Authorized Capital
2. Alteration of Capital Clause of Memorandum of Association of the Company
3. Alteration of Capital Clause of Articles of Association of the Company
4. Further issuance of Securities

Following Resolutions were passed by way of postal Ballot dated 14.04.2009.

1. Alteration of object clause of the Company
2. Commencement of new business
3. sub-division of face value of shares

7. DISCLOSURES

RELATED PARTY TRANSACTIONS

- i) There have been no materially significant related party transactions in conflict with the interest of the Company.

ACCOUNTING STANDARDS

- ii) The company follows the Accounting Standards laid down by the Institute of Chartered Accountants of India and, except as stated in Audit Report, there has been no deviation during the year.
- iii) NON-COMPLAINE BY COMPANY, PENALITIES, STRICUTRES IMPOSED ON THE COMPANY BY STOCK EXCHANGES/SEBI DURING THE LAST 3 YEARS:

NIL

iv) DECLARATION BY CEO WITH REGARD TO CODE OF CONDUCT

The company has adopted a Code of Conduct for Directors and Senior Management Personnel and the same has been posted on the company's web site. The Directors and Senior Management Personnel affirm the compliance of the code annually. A declaration to this effect has been furnished by the Chief Executive Officer.

v) CEO/CFO CERTIFICATES

Mr. Kalyan Bhattacharya, Whole Time Director & President and Mr. S.K. Sharma Associate Vice President have furnished the requisite certificate

vi) RISK MANAGEMENT

The company has framed a risk assessment and minimization procedure which is periodically reviewed by the Board.

8. MEANS OF COMMUNICATIONS

The Quarterly results are published in leading English / Marathi Dailies. Quarterly results are also displayed on Company's web-site www.birlapower.com.

Management Discussion and Analysis Report (MDA) forms part of the Annual Report.

9. GENERAL INFORMATION FOR SHAREHOLDERS

Details of Annual General Meeting

Date & Time : Thursday, 30th September, 2010 at 3.00 p.m.

Venue : Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018

Financial Year (Period) : 1st April 2009 – 31st March, 2010

Date of Book Closure : 20th September, 2010

Dividend Payment date : 20th October, 2010

Listing on Stock Exchanges

The company's shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The GDRs of the Company are listed on Luxembourg Stock Exchange.

Listing fees for the financial year 2009-10 has been paid to the Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.

Stock Code

517001 Bombay Stock Exchange Limited

BIRLAPOWER National Stock Exchange of India Ltd

Demat ISIN numbers in NSDL & CDSL for equity shares - INE224B01024 with effect from April 24, 2009.

STOCK MARKET DATA

Stock price performance of Birla Power Solutions Limited (BPSL) vs. BSE Sensex during the Financial Year ended on 31.03.2010

BPSL HIGH / LOW QUOTES

BSE High Vs BPSL High

	BSE High	BPSL High
Apr-09	11,492.10	17.27
May-09	14,930.54	4.13
Jun-09	15,600.30	5.49
Jul-09	15,732.81	4.28
Aug-09	16,002.46	4.38
Sep-09	17,142.52	4.68
Oct-09	17,493.17	4.08
Nov-09	17,290.48	3.61
Dec-09	17,530.94	4.02
Jan-10	17,790.33	4.29
Feb-10	16,669.25	3.60
Mar-10	17,793.01	4.36

BSE Low Vs BPSL Low

	BSE Low	BPSL Low
Apr-09	9,546.29	1.63
May-09	11,621.30	2.36
Jun-09	14,016.95	3.35
Jul-09	13,219.99	3.20
Aug-09	14,684.45	3.30
Sep-09	15,356.72	3.84
Oct-09	15,805.20	3.21
Nov-09	15,330.56	3.01
Dec-09	16,577.78	3.00
Jan-10	15,982.08	3.17
Feb-10	15,651.99	3.14
Mar-10	16,438.45	3.20

Stock price performance of Birla Power Solutions Limited (BPSL) vs. NSE Nifty during the Financial Year ended on 31.03.2010

BIRLA POWER SOLUTIONS LTD.

NSE High Vs BPSL High

	NSE High	BPSL High
Apr-09	3517.25	17.30
May-09	4509.40	4.25
Jun-09	4693.20	5.85
Jul-09	4669.75	4.35
Aug-09	4743.75	4.45
Sep-09	5087.60	4.70
Oct-09	5181.95	4.10
Nov-09	5138.00	3.60
Dec-09	5221.85	4.10
Jan-10	5310.85	4.35
Feb-10	4992.00	3.60
Mar-10	5329.55	4.45

NSE Low Vs BPSL Low

	NSE Low	BPSL Low
Apr-09	2965.70	1.65
May-09	3478.70	2.45
Jun-09	4143.25	3.35
Jul-09	3918.75	3.15
Aug-09	4353.45	3.30
Sep-09	4576.60	3.85
Oct-09	4687.50	3.20
Nov-09	4538.50	3.05
Dec-09	4943.95	3.10
Jan-10	4766.00	3.15
Feb-10	4675.40	3.15
Mar-10	4935.35	3.20

Registrar and Transfer Agent

M/s Alankit Assignments Ltd. (SEBI Registration No. INR000002532), 205-208 Anarkali Complex, Jhandewalan Extension, New Delhi 110055 are the Registrar and Share Transfer Agent of the Company.

Share Transfer System

The share transfers which are received in physical form are processed and the share certificates returned to the respective transferees with in a period of 30 days from the date of receipt, if the documents are clear in all respects.

a. Communications regarding share transfer, dematerialization of shares, share certificates, change of address and for issue of duplicate shares may be addressed to:

Alankit Assignments Limited
(Unit : Birla Power Solutions Limited)
205-208, Anarkali Complex,
Jhandewalan Extension,
New Delhi 110055
Phone-011- 42541234

b. Any query on Annual Report & Dividend may be addressed to :

Birla Power Solutions Ltd
 5th Floor, Industry House,
 159, Churchgate Reclamation,
 Mumbai- 400020.
 Phone: 022-22026340
 Fax : 011-22828865

Birla Power Solutions Limited Shareholding pattern as on March 31, 2010

BIRLA POWER SOLUTIONS LIMITED					
Statement Showing Shareholding Pattern for the year ended 31st March, 2010					
Category of Shareholder	Number of Shareholders	Total number of shares	Percentage	Shares Pledged or otherwise encumbered	
				Number of shares	As a percentage
Shareholding of Promoter and Promoter Group	5	71884320	10.02	43500000	60.51
Public shareholding					
Institutions					
Mutual Funds/ UTI	2	4000	0.00		
Financial Institutions / Banks	10	5418470	0.76		
Foreign Institutional Investors	6	12000	0.00		
Non-institutions				N. A.	N. A.
Bodies Corporate	1259	112429264	15.68		
Individuals	116173	271981149	37.93		
Corporate Body (Foreign Body)	1	12500000	1.74		
NRI	815	7652837	1.07		
TRUST	7	6520	0.00		
Shares held by Custodians and against which Depository Receipts have been issued	1	235250000	32.80		
GRAND TOTAL (A)+(B)+(C)	118279	717138560	100.00	43500000	6.07

Birla Power Solutions Limited. Distribution Schedule As on 31/03/2010

No of Shares	Total	%	Physical	NSDL	CDSL	Total	%
1 to 100	9477	8.012	640	322143	343055	665838	0.093
101 to 500	28081	23.741	581000	5750773	4225668	10557441	1.472
501 to 1000	33699	28.491	4356600	17423373	10625868	32405841	4.519
1001 to 5000	36730	31.053	1254530	65685503	31115503	98055536	13.673
5001 to 10000	6601	5.581	270960	35926908	15695476	51893344	7.236
10001 to 20000	2144	1.813	54500	22383162	9097916	31535578	4.397
20001 to 30000	615	0.52	102500	10658991	4817077	15578568	2.172
30001 to 40000	221	0.187	35000	5539263	2227456	7801719	1.088
40001 to 50000	199	0.168	0	6416880	3084733	9501613	1.325
50001 to 100000	297	0.251	0	14813600	7556601	22370201	3.119
100001 to 500000	170	0.144	112500	21418125	13045278	34575903	4.821
500001 to ABOVE	47	0.04	0	383029958	19167020	402196978	56.08
	118281	100.00	6768230	589368679	121001651	717138560	100.00

Dematerialization of Shares and liquidity

The shares of the Company have been activated for dematerialisation on NSDL & CDSL w.e.f. 1st April, 2000. As on 31st March, 2010, 710370330 nos. of shares representing 99.05% of the total Share Capital of the Company have been dematerialized.

Outstanding GDRs

The Company has allotted 29,25,00,000 Equity shares underlying 58,50,000 GDRs on 27.01.2010. The GDRs are listed on Luxembourg Stock Exchange.

Location of Plants

- | | |
|---|--|
| 1. Village - Lal Tappar,
P.O. – Resham Majri,
Dehradun 248001 | 2. Varekwadi, Tal,
Distt. Satara,
Patan, Maharashtra |
|---|--|

9. NON-MANDATORY REQUIREMENTS

NON MANDATORY REQUIREMENTS

A) CHAIRMAN OF THE BOARD

The Company has a Non-Executive Chairman.

B) SHAREHOLDERS' RIGHTS

As the company's quarterly results are published in leading English Newspapers having circulation all over India and in a regional language newspaper widely circulated in the Region, the same are not sent to each shareholder.

C) TRAINING OF BOARD MEMBERS

At present the company does not have such a training programme for the Board Members.

D) MECHANISM FOR EVALUATING NON EXECUTIVE BOARD MEMBERS

At present, the company does not have such a mechanism as as contemplated for evaluating the performance of non executive board members.

E) WHISTLE BLOWER POLICY

The company does not have any whistle blower policy as of now but no personnel is being denied any access to the Audit Committee.

F) AUDIT QUALIFICATIONS

The Management has replied to the audit qualifications in the Directors' Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

a. Industry structure and developments

The Company is engaged in the production of Portable Gensets, Higher KVA generators, Multi Purpose Engines, Pump sets, Sprayers, Inverters, Power Tillers and Wind Energy. In addition to this the Company is engaged in trading of gen sets and electrical items.

While the diesel gen sets are popular among rural/industrial consumers, urban consumers prefer petrol/kerosene based portable gensets and inverters.

In the recent years inverter because of its advantages of easy, automatic, noise less operation and relatively low running cost is cutting sales of petrol/kerosene based portable gen sets. Portable gen sets industry is also facing stiff competition from cheaper Chinese products.

Multi purpose engines manufactured by the Company are useful particularly to small / medium scale farmers having small land holdings. The products are extremely compact, light weight, portable and efficient and are becoming popular in the farming community because of their reliability, low maintenance and low running costs.

There are number of branded/unbranded players of electrical appliances having cut throat competition among themselves.

Despite cheaper cost of production, wind energy is not very much popular in the Country and the industry is passing through initial years of its evolution.

b. Opportunities and threats

In a power starved developing Country, there is tremendous potential for power generation & storage devices.

With inverter manufacturing facility already made operational, the Company is in a position to capture larger market share. It is expected that in liberal economy, due to increased pressure on Government's exchequer, subsidy on petroleum product will be rationalized in near future pushing prices of diesel upward and making petrol based gen sets competitive with Diesel generators leading to increased opportunities for the Company.

Wind energy industry is in initial years of it's evolution in the Country. Due to comparatively low cost of production there are huge potential for wind energy.

Power Tillers are used by farmers who own small piece of land and face competition from cheaper imported items from China.

c. Segment wise performance

Segment wise performance of the Company during the financial period ended on 31st March, 2010 is given below;

PRIMARY SEGMENT (Product Wise)

(Rs. in lacs)

Particulars	Power & Allied products	Electrical Appliances	Others	Total
Sales (Gross)	8005.98	15767.46	38.90	23812.34

Power & Allied Products : Manufacturing Portable Generators, Engines, Pumps, Inverters and trading of Allied Products

Electrical Appliances : Trading of Electrical appliances and miscellaneous components.

Others : Wind Mill Energy Generation

d. Outlook

In the long run the Company visualise itself as one stop shop for all sort of power solutions with variety of products with different capacities to cater all segments of economy.

e. Risks and concerns

Your Company is exposed to the business and financial risks. Business risks include need for continuous technological up-gradation to meet emission standards/safety requirements, customers' higher expectations for better value.

All these risks are continuously addressed in the business plans, functional strategies, management review and acted upon.

Foreign exchange risks are inherent in exports of products, import of materials, capital equipment etc. The Company has a well-defined exposure management system to review its exchange exposure and to take measures to mitigate losses.

f. Internal control systems and their adequacy

Your Company has placed considerable emphasis and effort on internal control systems. On the finance and administrative side, the internal checks and balances are augmented by a formal system of Internal and management audit.

g. Material developments in Human Resources

Your Company continues to lay emphasis on qualitative growth of its human resources by providing congenial and constructive work environment.

BIRLA POWER SOLUTIONS LTD.

h. Financial Highlights

1. Sales

Sales (net of excise) during the financial year ended on 31st March, 2010 was Rs.23812.34 Lacs as against 22477.23 lacs during the last financial year ended on 31st March, 2009.

2. Profit

During the financial year ended as on 31st March, 2010 the Company has earned a net profit of Rs. 134.60 Lacs as against 317.27 lacs earned during the last financial year ended on 31st March, 2009.

3. Fixed Assets

For the financial year ended on 31st March, 2010 the Company added 544.02 lacs to its gross block of assets

4. Sundry Debtors

Sundry Debtors amounting to Rs.13075.69 Lacs as at 31st March, 2010 as compared to Rs. 12131.87 lacs as at 31st March, 2009.

Cautionary Statement

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ materially from those expressed or implied.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

To
The Members of
BIRLA POWER SOLUTIONS LIMITED

CERTIFICATE BY THE AUDITORS ON CORPORATE GOVERNANCE

We have reviewed the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India for the year ended on March 31, 2010.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our review 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 an opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanation given to us by the Company.

Based on such a review and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchange of India.

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

For and on behalf of
DALAL & SHAH
Chartered Accountants
Firm Registration Number:102021W

S Venkatesh
Partner
Membership No. 037942

Mumbai: August 30, 2010

AUDITORS' REPORT TO THE MEMBERS OF BIRLA POWER SOLUTIONS LIMITED

1. We have audited the attached Balance Sheet of Birla Power Solutions Limited (the "Company") as at March 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the 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 records 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 in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and 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 Act.

- (e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors 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 Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act and, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
DALAL & SHAH
 Chartered Accountants
 Firm Registration Number:102021W

S Venkatesh
 Partner
 Membership No. 037942

Mumbai: August 30, 2010

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of Auditors' Report of even date to the members of Birla Power Solutions Limited on the Financial Statements for the Year Ended March 31, 2010]

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.

2. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and has been adjusted in books of accounts.
3. (a) The Company has granted unsecured loans to two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregate Rs 1820.57 Lacs and Rs 228.07 Lacs respectively.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of the aforesaid loans, the companies are repaying the principal amount as stipulated and are also regular in payment of interest.
- (d) In respect of the aforesaid loans, there are no overdue amounts.
- (e) The Company has taken an unsecured loans from five companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregate Rs 4061.88 Lacs and 1878.73 Lacs respectively.
- (f) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register 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 arrangements and exceeding the value of Rs five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, except for purchase of certain items of a specialized nature for which alternate quotations were not available.
6. In our opinion and according to the information and explanations given to us, in respect of compliance by the Company with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public, we have to state that (i) *The Company has, during the year, upto 16th December, 2009 accepted deposits aggregating Rs 157.73 Lacs without issuing any advertisement/Statement in lieu of advertisement as required under Section 58(2) (b) of the Act, (ii) The Company has invested amounts in liquid assets after the period specified under Rule 3A of the Rules and (iii) The Company has borrowed funds aggregating Rs 3852.80 Lacs (outstanding as at 31st March, 2010) from certain parties viz. Individuals, Hindu Undivided Families, Partnership Firms and Trusts, under financing arrangements which is not in compliance with the Rules.* Except for what is stated in (i) to (iii), the Company has complied with the provisions of Section 58A and 58AA or any other provisions of the Act and the Companies (Acceptance of Deposits) Rules 1975. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, *except for dues in respect of Income Tax and Sales Tax*, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, wealth tax, service tax, excise duty, custom duty, cess and other material statutory dues as applicable with the appropriate authorities. *The extent of the arrears of Income tax and Sales tax dues outstanding as at March 31, 2010, for a period of more than six months from the date they became payable are as follows:*

Sr. No.	Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates
1	Income Tax Act 1962	Income Tax	341.08	A.Y 2007-08 to 2009-10
2	Sales Tax Acts	Sales Tax	257.76	Upto 31 st March 2009

- (b) According to the information and explanations given to us and the records of the Company examined by us, there were no disputed dues in respect of Income-tax, Wealth-tax, Service-tax, Custom duty, Excise duty and Cess. The particulars of dues of Sales-tax as at March 31, 2010, which have not been deposited on account of disputes, are as follows:

Sr. No.	Name of Statute	Nature of Dues	Amount Rupees	Forum where dispute is pending.
1	Delhi Sales Tax Act	Sales Tax	173.21	Additional Commissioner Appeal in Tribunal
2	Kerala Sales Tax Act	Sales Tax	90.24	Assessing Officer
3	U.P. Sales Tax Act	Sales Tax	78.45 6.31	Joint Commissioner Appeal High Court

Sr. No.	Name of Statute	Nature of Dues	Amount Rupees	Forum where dispute is pending.
4	Bihar Sales Tax Act	Sales Tax	7.69	Joint Commissioner Commercial Tax Appeal
5	Maharashtra Sales Tax Act	Sales Tax	8.61	Assistant Commissioner (Appeal)
6	Andhra Pradesh Sales Tax Act	Sales Tax	1.14	Assessing Officer
7	Orissa Sales Tax Act	Sales Tax	1.29	Joint Commissioner Sales Tax
8	Tamil Nadu Sales Tax Act	Sales Tax	18.57	Assessing Officer
9	West Bengal Sales Tax Act	Sales Tax	11.60	Directorate of Commercial Tax
10	Karnataka Sales Tax Act	Sales Tax	27.11	Joint Commissioner Commercial Tax (Appeal)
11	Gujarat Sales Tax Act	Sales Tax	2.25	Commissioner of Sales Tax
12	Uttarakhand Sales Tax Act	Sales Tax	489.31	Deputy Commissioner (Appeal)
		Total	915.78	

10. The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

BIRLA POWER SOLUTIONS LTD.

16. The Company has not obtained any term loans during the year.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For and on behalf of

DALAL & SHAH

Chartered Accountants

Firm Registration Number:102021W

S Venkatesh

Partner

Membership No. 037942

Mumbai: August 30, 2010

BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule	As At 31st March, 2010 Rs in Lacs	As At 31st March, 2009 Rs In Lacs
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	7,171.53	4,246.53
Reserves and Surplus	2	20,426.55	15,533.85
		<u>27,598.08</u>	<u>19,780.38</u>
Loan Funds			
Secured Loans	3	5,328.28	5,998.26
Unsecured Loans	4	5,060.98	3,526.75
		<u>10,389.26</u>	<u>9,525.01</u>
Deferred Tax Liability (Net) (Refer Note 13(b) in Schedule 21)		181.05	64.01
		<u>38,168.39</u>	<u>29,369.40</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	10,114.59	9,989.85
Less: Depreciation and Amortisation		4,151.68	4,772.53
Net Block		<u>5,962.91</u>	<u>5,217.32</u>
Capital work in progress		411.91	1,017.25
		<u>6,374.82</u>	<u>6,234.57</u>
Investments	6	180.40	0.48
Current Assets, Loans and Advances			
Inventories	7	4,543.83	4,397.94
Sundry Debtors	8	13,075.69	12,131.87
Cash and Bank Balances	9	9,340.79	606.89
Other Current Assets	10	508.95	419.15
Loans and Advances	11	13,088.40	11,447.52
		<u>40,557.66</u>	<u>29,003.37</u>
Less:			
Current Liabilities and Provisions			
Liabilities	12	7,241.29	5,088.52
Provisions		2,153.31	946.12
		<u>9,394.60</u>	<u>6,034.64</u>
Net Current Assets		<u>31,163.06</u>	<u>22,968.73</u>
Miscellaneous Expenditure			
(To the extent not written off or adjusted)	13	450.11	165.62
		<u>38,168.39</u>	<u>29,369.40</u>
Notes forming part of the Accounts	21		

The Schedules referred to herein above form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of the Board of Directors

For DALAL & SHAH
Firm Registration No.102021W
Chartered Accountants

Kalyan Bhattacharya
Whole Time Director & President

PVR Murthy
Director

S.Venkatesh
Partner
Membership No. 037942

N. Nagesh
Company Secretary

S. K. Sharma
A.V.P. - F & A

Place: Mumbai
August 30, 2010

Place: Mumbai
August 30, 2010

BIRLA POWER SOLUTIONS LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Year Ended 31st March, 2010 Rs in Lacs	Year Ended 31st March, 2009 Rs in Lacs
INCOME			
Sales	14	23,908.24	23,234.17
Less: Excise Duties		<u>95.90</u>	<u>756.94</u>
		23,812.34	22,477.23
Other Income	15	390.58	326.33
Increase/(Decrease) in Stocks	16	<u>131.84</u>	<u>94.37</u>
		<u>24,334.76</u>	<u>22,897.93</u>
EXPENDITURE			
Raw Materials Consumed, Purchase of Finished goods and Manufacturing Expenses	17	18,707.19	17,385.39
Employment Costs	18	1,230.84	1,121.57
Administrative Selling and Other Expenses	19	1,930.90	1,800.72
Interest and Finance Charges	20	1,821.37	1,462.19
Depreciation and Amortisation		<u>346.66</u>	<u>345.78</u>
		24,036.96	22,115.65
Profit for the year before Tax		297.80	782.28
Provision for Taxation:			
- Current Tax		61.47	162.03
- Deferred Tax Charge / (Credit)		33.86	198.78
- Fringe Benefit Tax		-	13.18
- Wealth Tax		<u>0.45</u>	<u>0.48</u>
Profit for the year after Tax		202.02	407.81
Prior Period Adjustments		(45.93)	(13.39)
Tax (including deferred tax) in respect of earlier years (Net)		<u>(21.49)</u>	<u>(77.15)</u>
		134.60	317.27
Balance brought forward from previous year		<u>1,739.61</u>	<u>1,422.34</u>
Profit available for Appropriation		1,874.21	1,739.61
Appropriations:			
Proposed Dividend		1,334.50	-
Corporate Dividend Tax		221.64	-
General Reserve		-	-
Balance Carried to Balance Sheet		<u>318.07</u>	<u>1,739.61</u>
Basic and Diluted Earnings per Share (In Rs) (Refer Note 18 in Schedule 21)		0.03	0.07
Notes forming part of the Accounts	21		

The Schedules referred to herein above form an integral part of the Profit and Loss Account

As per our report of even date

For and on behalf of the Board of Directors

For DALAL & SHAH
Firm Registration No.102021W
Chartered Accountants

Kalyan Bhattacharya
Whole Time Director & President

PVR Murthy
Director

S.Venkatesh
Partner
Membership No. 037942

N. Nagesh
Company Secretary

S. K. Sharma
A.V.P. - F & A

Place: Mumbai
August 30, 2010

Place: Mumbai
August 30, 2010

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

	Year ended March 31, 2010	Year ended March 31, 2009
(Rs. in Lacs)		
(A) Cash Flow From Operating Activities		
Net Profit Before Tax	297.80	782.28
Adjustments for :		
- Depreciation	346.66	345.78
- Interest Expenses	1,821.37	1,462.19
- Interest Income	(188.04)	(14.45)
- Profit on sale of Fixed Assets	(0.50)	(3.08)
- Excess Liability Written Back	(153.92)	(110.31)
- Loss on sale of Fixed Assets	50.26	3.52
- Unrealised Loss on Foreign exchange rate difference	197.61	-
- Bad Debts and Debit Balances Written off	181.62	388.72
- Provision for Doubtful Debts	36.22	-
- Prior period Expenses	(45.93)	(13.39)
- Miscellaneous Expenditure Written off	90.61	78.11
Operating Profit before Working Capital Changes	2,335.96	2,137.09
Adjustments for :	2,633.76	2,919.37
- Trade & Other Receivables	(1,514.50)	(5,045.70)
- Inventories	(145.89)	(808.28)
- Trade & Other Payables	2,410.10	2,065.79
Cash Generated from Operations	3,383.47	(868.82)
- Tax Payments (Net)	(425.07)	(15.51)
Net Cash Flow from Operating Activities (A)	2,958.40	(884.33)
(B) Cash Flow from Investing Activities		
- Purchase of Fixed Assets/ Capital advance Adjustment	(544.02)	764.88
- Sale of Fixed Assets	7.35	7.79
- Repayments of Loan from Bodies Corporate	(1,288.04)	(80.00)
- Purchase of Investment	(179.92)	-
- Interest Received	98.24	52.56
Net Cash Flow from Investing Activities (B)	(1,906.39)	745.23
(C) Cash Flow from Financing Activities		
- Borrowings (Net of repayments)	643.97	516.50
- Loss on Exchange Difference	(197.61)	-
- Interest Paid	(1,602.29)	(1,532.02)
- Issue of Sahre Capital	2,925.00	-
- Share Premium	6,314.24	-
- Share issue expenses	(375.10)	-
- Dividend Paid (including Corporate Dividend Tax)	(26.32)	(150.01)
Net Cash Flow from Financing Activities (C)	7,681.89	(1,165.53)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	8,733.90	(1,304.63)
Cash & Cash Equivalent at the beginning of the period	606.89	1,911.52
Cash & Cash Equivalent at the end of the period	9,340.79	606.89
	8,733.90	(1,304.63)

Notes to the Cash Flow Statement for the year ended March 31, 2010

- 1) The Cash Flow Statement has been prepared under the " Indirect Method " set out in AS-3 " Cash Flow Statement" referred to in The Companies Accounting Standard Rule, 2006
- 2) Cash and Cash equivalents include Rs. 244.04 Lacs (Previous Year Rs. 167.96 Lacs) which are available for use by the Company, (Refer Schedule - 9 in the financial statements)
- 3) Previous years' figures have been regrouped wherever necessary to conform to this years' classification

As per our report of even date

For DALAL & SHAH
Firm Registration No.102021W
Chartered Accountants

S.Venkatesh
Partner
Membership No. 037942

Place: Mumbai
Date: August 30, 2010

For and on behalf of the Board of Directors

Kalyan Bhattacharya
Whole Time Director & President

N. Nagesh
Company Secretary

PVR Murthy
Director

S. K. Sharma
A.V.P. - F & A

BIRLA POWER SOLUTIONS LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

	<u>As At 31st March, 2010 Rs in Lacs</u>	<u>As At 31st March, 2009 Rs In Lacs</u>
SCHEDULE '1'		
SHARE CAPITAL		
Authorised:		
100,00,00,000 Equity Shares of Re 1 each (Previous Year	10,000.00	5,500.00
5,50,00,000 Equity Shares of Rs 10 each)		
	<u>10,000.00</u>	<u>5,500.00</u>
Issued:		
71,71,66,560 Equity Shares of Re 1 each (Previous Year	7,171.67	4,246.67
4,24,66,656 Equity Shares of Rs 10 each)		
	<u>7,171.67</u>	<u>4,246.67</u>
Subscribed and Paid up:		
71,71,38,560 Equity Shares of Re 1 each (Previous Year	7,171.39	4,246.39
4,24,63,856 Equity Shares of Rs 10 each)		
Add: Forfeited Shares, amounts originally paid up	0.14	0.14
	<u>7,171.53</u>	<u>4,246.53</u>
Total	<u>7,171.53</u>	<u>4,246.53</u>

Notes:

2,35,670, Equity Shares of Rs.10 each were issued and allotted on 26th December, 1995 to Industrial Credit & Investment Corporation of India Limited as per the Rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction, vide Order dated 20th November, 1995.

2,92,610 Equity Shares of Rs.10 each were issued and allotted on 26th December, 1995 to Industrial Development Bank of India as per the Rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction, vide Order dated 20th November, 1995.

2,08,920 Equity Shares of Rs.10 each were issued and allotted on 26th December, 1995 to Industrial Finance Corporation of India Limited as per the Rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction, vide Order dated 20th November, 1995.

1,00,620 Equity Shares of Rs.10 each were issued and allotted on 26th December, 1995 to Unit Trust of India as per the Rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction, vide Order dated 20th November, 1995.

1,11,820 Equity Shares of Rs.10 each were issued and allotted on 26th December, 1995 to Life Insurance Corporation of India as per the Rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction, vide Order dated 20th November, 1995.

19,310 Equity Shares of Rs.10 each were issued and allotted on 26th December, 1995 to The New India Assurance Company Limited as per the Rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction, vide Order dated 20th November, 1995.

16,940 Equity Shares of Rs.10 each were issued and allotted on 26th December, 1995 to The Oriental Insurance Company Limited as per the Rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction, vide Order dated 20th November, 1995.

14,110 Equity Shares of Rs.10 each were issued and allotted on 26th December, 1995 to General Insurance Corporation of India as per the rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction, vide Order dated 20th November, 1995.

SCHEDULES FORMING PART OF THE ACCOUNTS

	As At 31st March, 2010 Rs in Lacs	As At 31st March, 2009 Rs In Lacs
SCHEDULE '2'		
RESERVES AND SURPLUS		
Capital Investment Subsidy:		
Balance as per last account	25.00	25.00
Securities Premium Account:		
Balance as per last account	9,852.38	9,852.38
Add: Received during the year	<u>6,314.24</u>	<u>-</u>
	16,166.62	9,852.38
Revaluation Reserve:		
Balance as per last account	699.43	699.43
General Reserve:		
Balance as per last account	3,217.43	3,217.43
Add: Transferred from Profit and Loss Account	<u>-</u>	<u>-</u>
	3,217.43	3,217.43
Profit and Loss Account	318.07	1,739.61
Total	<u>20,426.55</u>	<u>15,533.85</u>

SCHEDULE '3'**SECURED LOANS**

Cash credit and Packing credit from Banks (See Note 1 below)	3,940.61	3,622.21
SBI Factors & Commercial Services (See Note 2 below)	639.02	1,089.98
Loan from SREI Infrastructure Finance Limited (See Note 3 below) (Due within one year Rs 600.00 Lacs)	740.18	1,265.62
Other Loans (See Note 4 below) (Due within one year Rs 5.18 Lacs)	8.47	20.45
Total	<u>5,328.28</u>	<u>5,998.26</u>

Notes:

1. Cash credit and Packing credit facilities from Banks is secured by first pari passu charge by way of mortgage of immovable assets and hypothecation of inventories, book debts and other receivables, both present and future.
2. Secured by way of first charge of Company's book debts in respect of agreed customers.
3. Secured by first and exclusive charge by way of hypothecation of whole of the movable properties of the Company including its movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future and also pari-passu charge by way of Mortgage of all those peices and parcels of Company's land admeasuring 36.82 acres bearing part of Khasra No. 1200/266/1/3, 1200/266/1/4, 1200/266/1/5, 1200/266/1/2, 1200/266/1/1 situated and lying at Majri Grant, Lal Tappar, Paranga Parwadun District Dehradun, Uttaranchal.
4. Other loans from Banks / Financial Institutions are secured by hypothecation of Motor Vehicles purchased there under.

BIRLA POWER SOLUTIONS LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

	<u>As At</u> <u>31st March, 2010</u> <u>Rs in Lacs</u>	<u>As At</u> <u>31st March, 2009</u> <u>Rs In Lacs</u>
SCHEDULE '4'		
UNSECURED LOANS		
Fixed Deposits	875.36	582.08
Loan from Companies (See Note below) (Due within one year Rs 2035.27 Lacs)	3,914.30	2,893.63
Add: Interest accrued and due	271.32	51.04
Total	<u><u>5,060.98</u></u>	<u><u>3,526.75</u></u>

Note: Includes unsecured loan of Rs 700.00 Lacs for which other group companies have given security to the lenders by way of pledge of some of their investments

SCHEDULE '5' **FIXED ASSETS**

	GROSS BLOCK (AT COST/BOOK VALUE)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at	Addition	Sale/	As at	Upto	For the	Sale/	Upto	As at	As at
	1st April 2009	during the Year	Adjustment during the Year	31st March 2010	31st March 2009	Year	Adjustment during the Year	31st March 2010	31st March 2010	31st March 2009
Freehold Land	709.85	-	-	709.85	-	-	-	-	709.85	709.85
Buildings	1,243.86	25.60	-	1,269.46	309.66	32.96	-	342.62	926.84	934.20
Leasehold Land	17.46	-	-	17.46	13.36	0.58	-	13.94	3.52	4.10
Plant and Machinery	7,225.35	1,058.71	998.34	7,285.72	3,994.71	216.28	948.42	3,262.57	4,023.15	3,230.64
Furniture, Fixtures and Office Equipments	514.09	3.45	10.84	506.70	299.86	55.20	10.50	344.56	162.14	214.23
Intangible Assets (Computer Software)	92.61	61.60	-	154.21	18.73	30.66	-	49.39	104.82	73.88
Vehicles	186.63	-	15.44	171.19	136.21	10.98	8.59	138.60	32.59	50.42
Total	9,989.85	1,149.36	1,024.62	10,114.59	4,772.53	346.66	967.51	4,151.68	5,962.91	5,217.32
Capital Work in Progress									411.91	1,017.25
Grand Total	9,989.85	1,149.36	1,024.62	10,114.59	4,772.53	346.66	967.51	4,151.68	6,374.82	6,234.57
Previous Year's Total	9,855.23	205.29	70.67	9,989.85	4,489.21	345.78	62.46	4,772.53	5,217.32	

Note: The freehold land located at Dehradun was revalued as at 31st March, 2007. The registered valuer had carried out the valuation on the basis of the then market value. The addition to asset on account of this revaluation, amounting to Rs 699.43 Lacs was correspondingly credited to the Revaluation Reserve.

	<u>As At</u> <u>31st March, 2010</u> <u>Rs in Lacs</u>	<u>As At</u> <u>31st March, 2009</u> <u>Rs In Lacs</u>
SCHEDULE '6'		
INVESTMENTS - LONG TERM		
Unquoted (at Cost)		
Non-Trade		
2000 (2000) Equity Shares of Rs 25 each, fully paid up, in The Shamrao Vithal Co-operative Bank Limited	0.48	0.48
	<u>0.48</u>	<u>0.48</u>
Share Application Money:		
Birla Urja Limited	3.00	-
Birla Surya Limited	176.92	-
Total	<u><u>180.40</u></u>	<u><u>0.48</u></u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	As At 31st March, 2010 Rs in Lacs	As At 31st March, 2009 Rs In Lacs
SCHEDULE '7'		
INVENTORIES		
(At lower of 'Cost' or 'Net Realisable Value')		
Stores and Spare Parts	173.79	194.23
Raw Materials and Components	1,784.29	1,735.65
Semi-finished Goods	809.89	550.69
Scrap	1.98	4.08
Finished Goods	1,773.88	1,913.29
Total	4,543.83	4,397.94
SCHEDULE '8'		
SUNDRY DEBTORS (UNSECURED)		
(a) Outstanding for more than six months:		
Considered good	1,837.30	2,289.46
Receivable under an arrangement (Refer Note 6 in Schedule 21)	2,862.01	2,941.72
	4,699.31	5,231.18
Considered doubtful	36.22	-
Less: Provision	36.22	-
	-	-
(b) Other debts - Considered good	8,376.38	6,900.69
Total	13,075.69	12,131.87
SCHEDULE '9'		
CASH AND BANK BALANCES		
Cash on hand	4.35	1.44
Balances with Scheduled Banks:		
In Current Accounts	658.51	391.11
In Deposit Accounts *	293.63	214.34
Balances with a Non-Scheduled Bank:		
In Deposit Account with Euram Bank, Vienna, Austria, (Being proceeds out of GDR issue) (Maximum balance during the year Rs 9239.23 Lacs)	8,384.30	-
Total	9,340.79	606.89
*Includes Rs.244.04 Lacs deposits (Previous Year Rs. 167.96 Lacs), receipts of which are pledged with banks and Government authorities		
SCHEDULE '10'		
OTHER CURRENT ASSETS		
Interest Receivable (Refer Note 5 in Schedule 21)	508.95	419.15
Total	508.95	419.15

BIRLA POWER SOLUTIONS LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

	<u>As At</u> <u>31st March, 2010</u> <u>Rs in Lacs</u>	<u>As At</u> <u>31st March, 2009</u> <u>Rs In Lacs</u>
SCHEDULE '11'		
LOANS AND ADVANCES		
(Unsecured, Considered good)		
Loans to Companies	1,692.69	404.65
Advances recoverable in cash or in kind or for value to be recovered (Refer Notes 5 and 7 in Schedule 21)	11,372.73	10,979.23
Balances with Excise and Custom authorities	22.98	63.29
Advance recoverable from the whole-time director	-	0.35
Total	<u>13,088.40</u>	<u>11,447.52</u>
SCHEDULE '12'		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors:		
Due to Micro, Small and Medium enterprises (Refer Note 14 in Schedule 21)	94.88	25.77
Due to other Creditors	6,892.51	4,780.65
Interest accrued but not due on loans	32.18	33.38
Corporate Dividend Tax	-	21.64
Other Liabilities	199.25	199.93
Unclaimed Dividend	22.47	27.15
Sub-total	<u>7,241.29</u>	<u>5,088.52</u>
Note: There is no amount due and outstanding to be credited to Investors Education and Protection Fund as at 31st March, 2010		
B. PROVISIONS		
Provision for Taxation (Net of Advance Tax)	334.12	754.38
Provision for Wealth Tax	0.45	0.96
Fringe Benefit Tax	-	4.07
Provision for Gratuity	146.62	89.04
Provision for Unencashed leave	115.98	97.67
Proposed Dividend	1,334.50	-
Corporate Dividend Tax	221.64	-
Sub-total	<u>2,153.31</u>	<u>946.12</u>
Total	<u>9,394.60</u>	<u>6,034.64</u>
SCHEDULE '13'		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Share Issue Expenses:		
Balance as per last account	165.62	243.73
Add: Incurred during the year	375.10	-
	<u>540.72</u>	<u>243.73</u>
Less: Amortised during the year	90.61	78.11
	<u>450.11</u>	<u>165.62</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	Year Ended 31st March, 2010 Rs in Lacs	Year Ended 31st March, 2009 Rs in Lacs
SCHEDULE '14'		
SALES		
Sales	24,318.72	23,410.64
Less: Claims, Rebates and Discounts	410.48	176.47
	<u>23,908.24</u>	<u>23,234.17</u>
SCHEDULE '15'		
OTHER INCOME		
Sale of Scrap	45.79	67.10
Duty Drawback	-	0.69
Rent	0.42	0.42
Profit on sale of assets	0.50	3.08
Excess Provisions and Liabilities written back	153.92	110.31
Gain on variation in foreign exchange rates (Net)	1.18	6.09
Miscellaneous Income	0.73	49.19
Brokerage Received	-	75.00
Interest received on Inter Corporate Deposits	170.92	1.75
Interest received on fixed deposits with banks (Tax deducted Rs 0.82 Lac; Previous Year Rs 2.91 Lacs)	17.12	12.70
Total	<u>390.58</u>	<u>326.33</u>
SCHEDULE '16'		
INCREASE/ (DECREASE) IN STOCKS		
Closing Stock:		
Finished Goods	1,773.88	1,913.29
Scrap	1.98	4.08
Work in Progress	809.89	550.69
	<u>2,585.75</u>	<u>2,468.06</u>
Less: Opening Stock:		
Finished Goods	1,913.29	1,668.20
Scrap	4.08	11.50
Work in Progress	550.69	580.82
	<u>2,468.06</u>	<u>2,260.52</u>
	117.69	207.54
Add/(Less): Variation in excise duty on opening and closing stock of finished goods	14.15	(113.17)
Net Increase/ (Decrease) in Stock	<u>131.84</u>	<u>94.37</u>
SCHEDULE '17'		
RAW MATERIALS CONSUMED, PURCHASE OF FINISHED GOODS, AND MANUFACTURING EXPENSES		
Raw Materials and Components Consumed	5,398.78	7,290.07
Purchase of Finished Goods	12,995.90	9,710.29
Stores and Spare Parts Consumed	184.01	255.21
Power and Fuel	85.47	88.13
Repairs and Maintenance:		
Plant and Machinery	19.55	18.07
Buildings	5.56	9.78
Other Assets	17.92	13.84
	<u>43.03</u>	<u>41.69</u>
Total	<u>18,707.19</u>	<u>17,385.39</u>

BIRLA POWER SOLUTIONS LTD.**SCHEDULES FORMING PART OF THE ACCOUNTS**

	Year Ended 31st March, 2010 Rs in Lacs	Year Ended 31st March, 2009 Rs in Lacs
SCHEDULE '18'		
EMPLOYMENT COSTS		
Salaries, Wages and Bonus	983.65	943.43
Contribution to Provident and Other Funds	131.58	69.24
Welfare Expenses	115.61	108.90
Total	1,230.84	1,121.57

SCHEDULE '19'**ADMINISTRATIVE, SELLING, AND OTHER EXPENSES**

Rent	79.63	79.45
Rates and Taxes	24.09	7.44
Insurance	17.77	21.65
Freight, forwarding and handling expenses	292.22	359.84
Commission on sales	125.00	50.60
After Sales service expenses	83.35	36.06
Travelling and Conveyance	99.54	133.07
Auditors Remuneration	16.55	11.70
Directors Fees	3.29	2.94
Whole time director's remuneration	27.80	27.80
Advertisement and Publicity	203.96	152.68
Loss on sale/discardment of assets	50.26	3.52
Provision for Doubtful Debts	36.22	-
Bad Debts/Debit balances written off	181.62	388.72
Telephone, Telex and Fax expenses	26.22	32.30
Marketing and Business promotion expenses	11.04	18.61
Legal and Professional expenses	42.66	103.25
Unrealised Loss on variation on foreign exchange rates	197.61	-
Miscellaneous expenses	321.46	292.98
Miscellaneous expenditure written off	90.61	78.11
Total	1,930.90	1,800.72

SCHEDULE '20'**INTEREST AND FINANCE CHARGES**

Interest on Fixed Loans	907.44	534.69
Interest to Banks and Others	524.11	566.49
Finance Charges	389.82	361.01
Total	1,821.37	1,462.19

SCHEDULE-21**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS****I. SIGNIFICANT ACCOUNTING POLICIES****A) Basis of preparation of Financial Statements**

The financial statements have been prepared on an accrual basis and under historical cost convention (except freehold land which has been revalued) and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) and the relevant provisions of the Companies Act, 1956.

B) Use of Estimate

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

C) Revenue Recognition

- (i) Revenues / Incomes and Costs / Expenditure are generally accounted on accrual, as they earned or incurred.
- (ii) Sale of Goods is recognized on transfer of significant risks and rewards of ownership, which is generally on the dispatch of goods. Export Sales is recognized on the basis of shipment of goods to customer.
- (iii) Sales include sale of power produced at Windmill Power Plant.
- (iv) Benefit on account of entitlement to import goods free of duty under the "Duty Entitlement Pass Book Scheme" and Duty Draw Back Scheme are accounted in the year of export.
- (v) Insurance claims are recognized when there exists, no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.
- (vi) Interest Income is accrued on time proportion basis over the period of loan / deposit / investment.
- (vii) Dividend income is accounted for the year in which the right to receive the same is established.

D) Fixed Assets

- (a) Fixed Assets are carried at cost of acquisition or construction including incidental expenses, less accumulated depreciation, amortization except freehold land. Expenditure on additions, improvements and renewals is capitalized.
- (b) Freehold Land have been revalued as on 31st March, 2007 and accordingly carried thereafter at revalued figure.

E) Intangible Assets

Capital expenditure on purchase and development of identifiable assets viz., Computer Software is recognized as Intangible Assets in accordance with principles given under AS-26 - Intangible Assets.

F) Expenditure Incurred During Construction Period

In respect of new/ major expansion of the Units, the indirect expenditure incurred during construction period up to the date of commencement of commercial production is capitalized on various categories of fixed assets on proportionate basis.

G) Depreciation

- i) Depreciation on Furniture and Fixtures, Vehicles and Office Equipments is provided on written down value method and on other assets it is provided on straight-line method at the rates given in Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on additions due to foreign exchange variations capitalized in earlier years is provided over the remaining useful life of the assets.
- iii) Premium paid on Leasehold Land is amortized over the period of lease.

BIRLA POWER SOLUTIONS LTD.

- iv) Intangible assets, in form of Computer Software is amortized over a period of five years.
- v) Depreciation is provided on pro-rata basis with reference to the month of addition / deletion. Assets costing less than Rs.5000/- each are fully depreciated in the year of purchase.
- vi) Pursuant to the revision in the rates prescribed in Schedule XIV to the Companies Act, 1956 vide notification No. GSR 756 (E) dated 16.12.93 issued by the Ministry of Law, Justice and Company Affairs, depreciation has been calculated at new rates only on additions to assets made after the said date.

H) Investments

Long term Investments are stated at cost. Provision for diminution in value is made only if decline in the value of such Investments is other than temporary.

I) Inventories

Inventories of Raw Materials, Work-in-Progress, Finished Goods (including purchased for trade), Packing Materials, Stores and Spares are stated 'at cost or net realizable value, whichever is lower'. Cost comprise all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formulae used is 'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. Research and Development inventories are written off over a period of three years.

J) Foreign Currency Translations

All transactions in foreign currency are recognized at the rates of exchange prevailing on the dates when the relevant transactions have taken place.

Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

K) Borrowing Costs

Interest and other borrowing costs attributable to the acquisition / construction of qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

L) Employee Benefits

A. Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia etc. and are recognized in the period in which the employee renders the related service.

B. Post Employment Benefits :

i. Defined Contributions Plans:

Company's contribution paid/payable during the period to Provident Fund, EDLI, Officer Superannuation Fund, ESIC and Labour Welfare Fund are recognized in the Profit and Loss Account.

ii. Defined Benefit Plans :

Provision for payments to the Employees Gratuity Fund after taking into account the funds available with the LIC is based on actuarial valuation done at the close of each financial year. At the reporting date Company's liabilities towards gratuity is determined by an independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits becomes vested. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

iii. Other Defined Benefits:

Provision for other defined benefits for long term leave encashment is made based on an independent actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains and losses are recognized immediately in the statement of Profit and Loss Account as income or expense. Company recognizes the undiscounted amount of short term employee benefits during the accounting period based on service rendered by the employee.

M) Miscellaneous Expenditure

Share Issue expenses is amortised over a period of five years.

N) Research and Development

Research and Development expenditure is charged to revenue under the natural heads of accounts in the year in which it is incurred. However, Research and Development expenditure on fixed assets is treated in the same way as expenditure on the other fixed assets.

O) Taxation

Income Tax expense comprises current tax and deferred tax charge or credit.

Provision for Current Tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax assets and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets arising mainly on account brought forward losses and unabsorbed depreciation under tax laws, are recognized only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of Deferred tax assets are reviewed to reassure realization.

P) Government Grants

Grants received against specific fixed assets are adjusted to the cost of the assets. Revenue Grants are recognized in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

Q) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

R) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent assets are neither recognized nor disclosed in the Financial Statements.

II. NOTES TO THE ACCOUNTS

1. Contingent liabilities not provided for : -

(Rs in Lacs)

Nature of Liability	As at 31 st March, 2010	As at 31 st March, 2009
(i) Disputed Sales Tax liabilities	1088.16	998.81
(ii) Claims against the Company not acknowledged as debts	164.58	131.04
Total:	1252.74	1129.85

Note: The Company has contested the above demands and claims at various levels. Future cash outflows in respect of these are determinable only upon judgments/decisions at various forums.

BIRLA POWER SOLUTIONS LTD.**(Rs in Lacs)**

Nature of Liability	As at 31st March, 2010	As at 31st March, 2009
2. Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	114.98	45.65

3. Remuneration to Auditors : **(Rs in Lacs)**

	2009-2010	2008-2009
(i) Audit fees	12.62	10.00
(ii) Certification etc.	3.11	1.55
(iii) Out of Pocket Expenses	0.82	0.15
Total	16.55	11.70

4. Remuneration paid/payable to Whole-time Director and President: **(Rs in Lacs)**

	2009-2010	2008-2009
Salary	13.80	13.80
Allowances	6.90	6.90
Contribution to Provident Funds	-	-
Perquisites	7.10	7.10
Total	27.80	27.80

Note: As the employee wise break-up of liability on account of gratuity and leave encashment is not ascertainable, the same has not been disclosed.

5. The Company has loans and other recoverables aggregating Rs 721.76 Lacs from Birla Transasia Carpets Limited (BTCL), a sick industrial undertaking. BTCL has made a reference to the Board for Industrial and Financial Reconstruction (BIFR).

The management relies on the estimations made by an independent valuer in respect of the realizable values of assets viz. land, buildings and plant and machinery of BTCL and accordingly considers its exposures to be good and adequately covered and expects full realisability of the same in future. The Company has, after the close of the year, received an amount of Rs 250 Lacs from BTCL.

- 6(a) The Company had entered into an agreement with Blue Bird India Limited, to recover its debts amounting to Rs 4318.68 Lacs, under an arrangement, during the accounting year 2007-08. The Company has, during the year 2008-09 and 2009-10 recovered Rs 1376.96 Lacs and Rs 1238.23 Lacs respectively. The balance outstanding amount of Rs 1703.49 Lacs is expected to be recovered by June, 2011, under the said arrangement.
- 6(b) The Company has, during the year, entered into an agreement with Mind Tree Mercantile Company Private Limited, to recover its debts amounting to Rs 1158.52 Lacs, under an arrangement. The amounts are expected to be recovered by March, 2013 and the first installment is due in September, 2010, under the arrangement. The Company has, after the close of the year, received an amount of Rs. 50.08 Lacs.
7. The Company has, during the year, entered into an agreement with Mona Futuristic Telecom Private Limited, to recover its advances amounting to Rs 3205.22 Lacs, under an arrangement. The amounts are expected to be recovered over a period from July,2010 to September,2012. The Company has, after the close of the year, already received an amount of Rs 963.27 Lacs as per the agreement.
8. The Company during March, 2006 had a public issue of Equity Shares, which was over subscribed. As per SEBI rules, refund orders were issued to the subscribers in respect of the excess amounts. An amount of Rs 14.41 Lacs (Previous Year Rs 14.71 Lacs) is pending for encashment as at 31st March, 2010.

9. Employee Benefits

(a) Defined Benefit Plans (Rs in Lacs)

Gratuity	2009-2010	2008-2009
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Liability to be recognized in Balance Sheet as on 31st March, 2010

Present value of Funded Obligations	(273.28)	(218.55)
Fair Value of Plan Assets	126.66	129.51
Net Assets/ (Liability)	(146.62)	(89.04)

Change in Plan Assets (Reconciliation of Opening and Closing Balances)

Fair value of Plan Assets as at 1 st April, 2009	129.51	119.48
Expected Return on Plan Assets	11.32	10.93
Actuarial Gain / (Losses)	0.12	(0.35)
Contributions	3.46	17.31
Benefits Paid	(17.75)	(17.86)
Fair Value of Plan Assets as at 31 st March, 2010	126.66	129.51

Reconciliation of Opening and Closing Balances of Obligation

Change in defined Benefit Obligation		
Obligation as at 1 st April, 2009	218.57	229.82
Current Service Cost	18.27	16.73
Interest Cost	17.48	14.09
Actuarial Losses / (Gain)	36.71	(24.21)
Benefits Paid	(17.75)	(17.86)
Obligation as at 31 st March, 2010	273.28	218.57

Expenditure to be recognized during the Year

Current Service Cost	18.27	16.73
Interest Cost	17.48	14.09
Expected Return on Plan Assets	(11.32)	(10.93)
Net Actuarial Losses / (Gains) Recognized during the year	36.59	(24.56)
Total Expenditure included in "Employment Costs"	61.02	4.67

Assumptions

Discount Rate (per annum)	8.00%	7.00%
Expected Rate of return on assets (per annum)	9.25%	9.15%
Salary Escalation Rate	5.00%	5.00%

Major Category of Plan Asset as percentage of total plan

LIC Group Gratuity Scheme	100%	100%
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Note: The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(b) Defined Contribution Plan:

An amount of Rs 131.58 Lacs (Previous Year Rs 69.24 Lacs) is recognized as an expense and included in Schedule 18 "Contribution to Provident and other Funds" to the Profit and Loss Account.

BIRLA POWER SOLUTIONS LTD.

10. Segment Information:

Information about Business Segment – Primary

(Rs in Lacs)

Particulars	Power and Allied	Electrical Appliances	Others	Unallocated	Total
Segment Revenue					
External Sales	8,005.98 (10,028.70)	15,767.46 (12,394.13)	38.90 (54.40)	- (-)	23,812.34 (22,477.23)
Inter Segment Sales	-	-	-	-	-
Total Segment Revenue	8,005.98 (10,028.70)	15,767.46 (12,394.13)	38.90 (54.40)	- (-)	23,812.34 (22,477.23)
Less: Inter Segment Revenue	-	-	-	-	-
Net Revenue from operations	8,005.98 (10,028.70)	15,767.46 (12,394.13)	38.89 (54.40)	- (-)	23,812.34 (22,477.23)
Segment Results					
Profit before Interest and Tax	625.15 (98.85)	1,348.59 (1,895.46)	(0.68) (15.70)	- (-)	1,973.06 (2,010.01)
Interest				1,821.37 (1,462.19)	1,821.37 (1,462.19)
Other Unallocated Income (net of unallocable expenditure)				100.18 (221.07)	100.18 (221.07)
Profit before Tax but after Prior Period adjustments					251.87 (768.89)
Other Information					
Segment Assets	26,334.29 (21,796.17)	10,005.48 (12,311.33)	124.77 (149.04)		36,464.54 (34,256.54)
Unallocated Common Assets				11,098.45 (1,147.50)	11,098.45 (1,147.50)
Total Assets	26,334.29 (21,796.17)	10,005.48 (12,311.33)	124.77 (149.04)	11,098.45 (1,147.50)	47,562.99 (35,404.04)
Segment Liabilities	7,760.90 (4,912.39)	19.17 (299.01)	3.29 (3.29)		7783.36 (5,214.69)
Unallocated Common Liabilities				10,625.41 (10,408.97)	10,625.41 (10,408.97)
Total Liabilities	7,760.90 (4,912.39)	19.17 (299.01)	3.29 (3.29)	10,625.41 (10,408.97)	18,408.77 (15,623.66)
Capital Expenditure	544.02 (85.11)	- (-)	- (-)	- (-)	544.02 (85.11)
Unallocated Capital Expenditure	-	-	-	-	-
Total Capital Expenditure	544.02 (85.11)	- (-)	- (-)	- (-)	544.02 (85.11)
Depreciation and Amortisation	312.47 (311.59)	- (-)	34.19 (34.19)	- (-)	346.66 (345.78)
Non Cash Expenses Other than Depreciation	- (-)	- (-)	- (-)	- (-)	- (-)
Unallocated Non Cash Expenses	- (-)	- (-)	- (-)	- (-)	- (-)
Total Non Cash Expenses	- (-)	- (-)	- (-)	- (-)	- (-)

NOTES:

1. The Primary Segment identifiable is as follows:
 - (i) Power and Allied Products: Manufacturing HKVA and Portable Generators, Engines, Pumps, Power Tillers, Inverters and Trading of Allied Products.
 - (ii) Electrical Appliances: Trading of Electrical appliances & Miscellaneous Components .
 - (iii) Others: Wind Mill energy Generation.
 - (iv) Previous year figures have been regrouped/ rearranged wherever considered necessary.
 2. Company's major revenue are from Domestic Market so disclosure of Secondary Segment Information as per geographical customers has not been considered necessary.
 3. Previous year figures have been regrouped/rearranged wherever considered necessary.
 4. The figures in brackets indicate the previous period figures.
11. Related Party Information:

Related Party Disclosure as required by the Accounting Standards 18 (AS – 18)

a) Nature of Related Party Relationship and balances outstanding

Sr. No	Particulars	Name of the Parties	Balance as at 31 st March, 2010		Balance as at 31 st March, 2009	
			(Rs in Lacs)		(Rs in Lacs)	
			Receivable	Payable	Receivable	Payable
1.	Key Management Personnel					
		Directors				
		Shri Yash Birla (Chairman)	-	-	-	-
		Shri Y.P.Trivedi	-	-	-	-
		Shri P.V.R.Murthy	-	-	-	-
		Shri Rajesh V Shah	-	-	-	-
		Shri Upkar Kohlil	-	-	-	-
		Shri Kalyan Bhattacharya	-	0.23	0.35	-
		Company Secretary and Compliance Officer				
		Shri N Nagesh	0.22	-	-	0.16
2.	Enterprises owned or significantly influenced by Key Management personnel or their relatives					
		Birla International (P) Limited	15.00	3.06	328.76	39.20
		Shearson Investment & Trading Co. (P) Limited	36.83	-	37.38	5.50
		Viking Travels (P) Limited	-	-	0.06	-
		Daggar Forst Tools Limited	-	148.33	28.41	166.03
		Zenith Birla (India) Limited	-	1559.09	54.40	1512.62
		Godavari Corporation Limited	-	138.43	2.63	68.98
		Shloka Infotech Limited	-	-	11.98	-
		Birla Capital & Finance Limited	-	-	89.27	0.65
		Birla Electricals Limited	157.38	-	207.34	-

BIRLA POWER SOLUTIONS LTD.

Sr. No	Particulars	Name of the Parties	Balance as at 31 st March, 2010		Balance as at 31 st March, 2009	
			(Rs in Lacs)		(Rs in Lacs)	
			Receivable	Payable	Receivable	Payable
		Birla TransAsia Carpets Limited	721.76	-	783.84	-
		Birla Global Corporate Limited	-	16.43	-	9.41
		Birla Accucast Limited (Birla Perucchini Limited)	180.00	14.90	180.00	7.18
		Birla Infrastructure Private Limited	-	221.00	-	200.00
		Nirved Traders Private Limited	1629.98	-	-	51.77
		Vedant Consultancy Private Limited	17.76	-	1054.78	-
		Birla Bombay Private Limited	-	-	-	0.03
		Birla Surya Limited	176.92	-	32.40	-
		Birla Cotsyn (India) Limited	198.77	-	-	996.60
		Melstar Technologies Limited	-	-	-	27.31
		Birla Urja Limited	15.24	-	-	-
		Birla Energy Infra Limited	-	-	-	-
		Birla Shloka Edutech Limited	-	1.02	-	-

b) Transaction with Related Parties

Sr. No	Particulars	Key Management Personnel		Enterprise owned or significantly influenced by Key Management personnel or their relatives	
		(Rs in Lacs)		(Rs in Lacs)	
		2009-2010	2008-2009	2009-2010	2008-2009
1.	Purchase Of Goods				
	a) Birla International Private Limited	-	-	0.06	7.80
	b) Birla Accucast Limited	-	-	62.38	21.87
	c) Zenith Birla (India) Limited	-	-	-	0.26
	d) Birla Electricals Limited	-	-	-	4.99
	e) Birla Transasia Carpets Limited	-	-	-	0.35
2.	Advance Given				
	a) Birla International Private Limited	-	-	0.86	-
	b) Birla Electricals Limited	-	-	0.05	-
	c) Birla Cotysn (India) Limited	-	-	152.17	-
	d) Birla Urja Limited	-	-	15.24	-
	e) Birla Surya Limited	-	-	144.53	32.40
	f) Shearson Investment Co	-	-	-	0.37
	g) Godavari Corporation	-	-	-	0.02

Sr. No	Particulars	Key Management Personnel		Enterprise owned or significantly influenced by Key Management personnel or their relatives	
		(Rs in Lacs)		(Rs in Lacs)	
		2009-2010	2008-2009	2009-2010	2008-2009
	h) Viking Travels Private Limited	-	-	-	14.00
	i) Shloka Infotech Limited	-	-	-	15.72
3.	Advance Taken				
	a) Birla Shloka Edutech Limited	-	-	13.00	-
	b) Birla Global Corporate Limited	-	-	2.45	19.19
	c) Daggar Forst Limited	-	-	-	0.25
	d) Birla Cotyson (India) Limited	-	-	-	44.50
	e) Birla Bombay Private Limited	-	-	-	0.03
	f) Melstar Information Technology	-	-	-	27.31
4.	Advance Taken Refund				
	a) Birla Electricals Limited	-	-	0.72	-
	b) Daggar Forst Tools Limited	-	-	6.25	-
5.	Interest on Loan Taken				
	a) Zenith Birla (India) Limited	-	-	169.94	6.50
	b) Godavri Corporation	-	-	12.08	39.79
	c) Daggar Forst Tools Limited	-	-	15.14	-
	d) Birla Infrastructure Limited	-	-	21.00	-
6.	Interest on Loan Given				
	a) Shearson Investment & Trading Co.	-	-	-	-
	b) Nirved Traders	-	-	-	-
	c) Godavari Corporation	-	-	-	-
	d) Birla Accucast Limited	-	-	-	-
7.	Loan Taken				
	a) Zenith Birla India Limited	-	-	550.00	237.00
	b) Shearson Investment & Trading Co.	-	-	129.00	322.00
	c) Godavari Corporation	-	-	-	-
	d) Daggar Forst Tools Limited	-	-	-	86.50
	e) Birla Cotysn Limited	-	-	-	950.00
8.	Loan Taken Refund				
	a) Shearson Investment & Trading Co.	-	-	1810.00	376.28
	b) Zenith Birla India Limited	-	-	650.00	155.50
	c) Godavari Corporation Limited	-	-	-	413.72
9.	Loan Given				
	a) Shearson Investment & Trading Co.	-	-	1844.80	426.50
	b) Nirved Traders	-	-	1858.78	-

BIRLA POWER SOLUTIONS LTD.

Sr. No	Particulars	Key Management Personnel		Enterprise owned or significantly influenced by Key Management personnel or their relatives	
		(Rs in Lacs)		(Rs in Lacs)	
		2009-2010	2008-2009	2009-2010	2008-2009
	c) Godavari Corporation Limited	-	-	-	123.72
	d) Birla Accucast Limited	-	-	-	80.00
10.	Loan Given Refund				
	a) Birla Electrical Limited	-	-	39.01	-
	b) Birla Transasia Carpets Limited	-	-	58.84	-
	c) Birla Capital & Finance Co. Limited	-	-	6.81	-
	d) Vedant Counsaltancy Limited	-	-	120.00	-
	e) Nirved Traders Private Limited	-	-	375.39	-
11.	Rent				
	a) Nirved Traders Private Limited	-	-	21.17	22.35
	b) Birla International Private Limited	-	-	0.72	0.72
	c) Shearson Investment Co Limited	-	-	1.20	1.20
12.	Services Received				
	a) Birla International Private Limited – Sales Freight and Loading	-	-	1.65	5.75
	b) Birla Global Corporate Limited- Corporate Office Exp.	-	-	144.00	80.90
	c) Viking Travels Private Limited – Travelling Ticket Booking	-	-	14.54	1.24
13.	Sale Of Wind Energy				
	a) Zenith Birla India Limited	-	-	-	54.40
14.	Directors Remuneration				
	Mr. Kalyan Bhattacharya	27.80	27.80	-	-
15.	Directors Sitting Fees	3.29	2.94	-	-
16.	Company Secretary Remuneration				
	Mr. N Nagesh	15.00	12.00	-	-

12. Premises and Vehicle taken on operating lease: (Rs in Lacs)

Particulars	2009-2010	2008-2009
Rent and Lease Rent recognized in the Profit and Loss account	115.82	111.90

The total future minimum lease rental payable at the date of financial statement is as under: (Rs in Lacs)

Particulars	As at 31 st March, 2010	As at 31 st March, 2009
Not later than one year	94.72	92.20
Between two to five years	170.17	235.34

13. Taxation:

(a) Provision for Income Tax for the current year has been made under normal provision of the Income Tax Act, 1961.

(b) Deferred Taxation:

(Rs in Lacs)

	As at 31 st March, 2009	Charge/(Credit) during the year	As at 31 st March, 2010
Deferred Tax Liability on account of:			
Depreciation	220.41	218.48*	438.89
Shares Issue Expenses	-	20.77	20.77
Sub Total	220.41	239.25	459.66
Deferred Tax Assets on account of:			
Expenses U/s 43B of Income Tax Act allowable on Payment basis	156.40	110.18	266.58
Provision for Doubtful debts	-	12.03	12.03
Sub Total	156.40	122.21	278.61
Net Deferred Tax Liability/ (Assets)	64.01	117.04	181.05

*Includes Rs. 83.18 lacs related to earlier year

14. Micro, Small and Medium Enterprise Dues:

Sundry Creditors includes Rs 94.88 Lacs (Previous Year Rs 25.77 Lacs) due to Micro, Small and Medium Enterprises.

Following is the information, required to be furnished as per Section 22 of the Micro, Small and Medium Enterprise Development Act 2006.

(Rs in Lacs)

Sr. No	Particulars	31 st March, 2010	31 st March, 2009
1	The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. Principal Interest	86.61 8.27	25.59 0.18
2	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small, and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during each accounting year.	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	8.27	0.18
4	The amount of interest accrued and remaining unpaid at the end of accounting year: and	8.27	0.18
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues as above are actually paid to the Small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act,2006.	Nil	Nil

Above disclosures have been made based on information available with the Company, for suppliers who are registered as Micro, Small and Medium Enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at 31st March, 2010.

BIRLA POWER SOLUTIONS LTD.

15. The information as required by para 3 and 4 part-II of the schedule VI of companies Act, 1956.

A. Licensed and installed Capacity: Annual Capacity

Particulars	Units	Licensed Capacity		Installed Capacity*	
		As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009
D.G.Set up to 1000 KVA	Nos.	50,000	50,000	20,000	20,000
Portable Generator Sets	Nos.	1,07,000	1,25,000	1,07,000	1,25,000
Multipurpose Engines	Nos.	75,000	75,000	75,000	75,000
Wind Energy	KWH	N.A.	N.A.	11,03,800	11,03,800
Inverters	Nos.	150,000	150,000	60,000	60,000
UPS	Nos.	150,000	150,000	NIL	NIL
Auto Mains Panel	Nos.	10,000	10,000	NIL	NIL
Battery Chargers	Nos.	10,000	10,000	NIL	NIL
Voltage Stabilizers	Nos.	75,000	75,000	NIL	NIL

N.A. represents not applicable.

* Installed capacity has been certified by the management and relied upon by the auditor, being a technical matter.

B. Stocks and Turnover:

Particulars	Opening Stock		Production Quantity	Turnover		Closing Stock	
	Quantity	Value (In Lacs)		Quantity	Value (In Lacs)	Quantity	Value (In Lacs)
Generators	4659 (3846)	1074.77 (814.49)	15114 (14820)	15769 (13990)	6206.49 (9231.41)	4060 [§] (4659)	1128.30 (1074.77)
Multi Purpose Engine	385 (452)	37.27 (42.79)	407 (172)	396 (243)	67.86 (21.70)	422 [§] (385)	39.63 (37.27)
Inverter (E P)/ Battery	8561 (5629)	243.84 (153.09)	6039 (12727)	7705 (12146)	273.34 (504.74)	6622 [§] (8561)	192.93 (243.84)
Pump Set & Sprayers	933 (1487)	116.43 (190.66)	11532 (6147)	11329 (6820)	1458.55 (929.35)	1030 [§] (933)	122.76 (116.43)
Components for Sale Servicing for generator sets, multi purpose engine & miscellaneous items	*	141.79 (161.67)	*	*	95.65 (98.44)	*	93.75 (141.79)
Wind Energy (KVA)			1011204 (1370124)	998268 [@] (1259458)	38.89 (54.40)		
Goods Traded In:							
Electrical Appliances	*	299.19 (305.50)	*	*	15767.46 (12394.13)	*	196.51 (299.19)
Total		1913.29 (1668.20)			23908.24 (23234.17)		1773.88 (1913.29)

* In view of considerable number of items having diverse nature, it is not practicable to furnish quantitative information.

§ Difference in quantity tally is on account of Write offs, dismantle of items & shortages accounted for on physical verification.

@ It excludes 12936 KVA (Previous Year includes 1,10,666 KVA) as transmission loss.

C. Purchase of Goods Traded in by the Company

Particulars	Units	2009-2010		2008-2009	
		Quantity	Value (Rs in Lacs)	Quantity	Value (Rs in Lacs)
Inverters (E P)	Nos.	Nil	Nil	2695	196.14
Components for Sales, Servicing of Generator sets, Multi purpose engine & Miscellaneous items	Nos.	*	26.72	*	31.25
Electrical Appliances	Nos.	*	12969.18	*	9482.90
Total		Nil	12995.90	2695	9710.29

* In view of considerable number of items having diverse nature, it is not practicable to furnish quantitative information.

D. Raw Materials and Components Consumed

Particulars	Units	2009-2010		2008-2009	
		Quantity	Value (Rs in Lacs)	Quantity	Value (Rs in Lacs)
Engines	Nos.	670	249.81	2656	1930.93
Alternators	Nos.	736	83.34	2656	1005.67
Accoustic Hood/Canopies	Nos.	9714	1039.78	6891	919.97
A M F Panels		Nil	Nil	1076	347.02
Pumps		11492	226.85	6146	121.51
Others \$			3799.00		2964.97
Total			5398.78		7290.07

\$ In view of considerable number of items having diverse nature, it is not possible to furnish quantitative information of Raw Material & Component consumed.

E. Imported and indigenous raw materials consumption:

Particulars	2009-2010		2008-2009	
	Imported	Indigenous	Imported	Indigenous
Raw materials and Components	84.68	5314.10	198.04	7092.03
- Rs in Lacs	1.57	98.43	2.72	97.28
- Percentage				
Stores and Spare Parts				
- Rs in Lacs	3.27	180.74	0.03	255.18
- Percentage	1.78	98.22	0.01	99.99

F. CIF value of Imports

Particulars	2009-2010 (Rs in Lacs)	2008-2009 (Rs in Lacs)
Raw Materials and Components, Gensets, Electrical Appliances, Consumable Stores and Spare Parts (including spare parts for sales and servicing of Generator Sets and Capital Goods) (Including in Transit)	57.81	4.91

BIRLA POWER SOLUTIONS LTD.

G. Expenditure in foreign currency

Particulars	2009-2010 (Rs in Lacs)	2008-2009 (Rs in Lacs)
Travelling Expenses	Nil	1.85
Interest Expenses	Nil	2.32

H. FOB value of Exports

Particulars	2009-2010 (Rs in Lacs)	2008-2009 (Rs in Lacs)
Exports	Nil	39.89

I. Dividend remitted to Non- Resident Shareholders in foreign currency.

Particulars	2009-2010	2008-2009
Number of Non- Resident shareholders	1	1
Number of Equity Shares held by them	1,120,000	1,120,000
Gross amount of Dividend (Rs in lacs)	Nil	3.36
Dividend in respect of 1 st April, 2008 to 31st March, 2009 (Rs in Lacs)	Nil	3.36
Pertaining to Year	2008-2009	2007-2008

J. There are no derivative instruments outstanding as at the year end. Foreign currency exposures which are not hedged as at the year end are as follows:

Particulars/Currency Denomination	2009-2010		2008-2009	
	Foreign Currency	Indian Rupees (Rs in Lacs)	Foreign Currency	Indian Rupees (Rs in Lacs)
Creditors	EURO 180	0.11	Nil	Nil
Deposit in Foreign Bank	USD 18573839.03	8384.23	Nil	Nil

16. Prior period adjustments (Net) include the following: (Rs in Lacs)

Sr. No.	Description	2009-2010	2008-2009
1	Advertisement Expenses	9.08	0.87
2	Interest (Net)	1.13	0.28
3	Salary & Others	-	9.44
4	Brokerage Charges	5.06	-
5	Purchases	4.01	-
6	Depreciation	-	1.62
7	Service Tax	7.95	-
8	Miscellaneous	18.70	1.18
	Total	45.93	13.39

17. (a) The Company has, with effect from 14th April 2009, split one Equity Share of Rs 10 each into 10 Equity Shares of Re 1 each.
- (b) The Company issued and allotted 29,25,00,000 Equity Shares of the face value of Re 1 per Share at a premium of Rs 2.20 per Share under the GDR Offer aggregating Rs 9239.23 Lacs on 27th January, 2010. The proceeds are intended to be utilised for General Corporate Purpose and long term Working Capital requirements. Pending utilisation, the amounts are held in deposit account with a bank.

18. Earnings per Share

Particulars	2009-2010	2008-2009
Net Profit as per Profit and Loss Account (Rs in Lacs)	134.60	317.27
Weighted Average Number of Equity Shares (In Nos)	475926231	424638560
Basic and Diluted Earnings Per Share (In Rs)	0.03	0.07
Nominal value per share in Rupees	1.00	1.00

19. The figures of the previous year have been rearranged and/ or regrouped wherever considered necessary to facilitate comparisons.

As per our report of even date

For DALAL & SHAH
Firm Registration No.102021W
Chartered Accountants

S.Venkatesh
Partner
Membership No. 037942

Place: Mumbai
August 30, 2010

For and on behalf of the Board of Directors

Kalyan Bhattacharya
Whole Time Director & President

N. Nagesh
Company Secretary

Place: Mumbai
August 30, 2010

PVR Murthy
Director

S. K. Sharma
A.V.P. - F & A

BIRLA POWER SOLUTIONS LTD.

20. Additional information pursuant to part IV of schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code

Balance Sheet Date Date Month Year

II. Capital raised during the year (Rs. in Thousands)

Public Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="5"/>	Rights Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Liabilities <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="9"/>	Total Assets <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="9"/>
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Sources of Funds

Paid-up Capital <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="3"/>	Reserves & Surplus <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="5"/>
Secured Loans <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="8"/>	Unsecured Loans <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="8"/>

Application of Funds

Net Fixed Assets (Including Capital Work in progress) <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="2"/>	Investments <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="0"/>
Net Current Assets <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="6"/>	Miscellaneous Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="1"/>
Accumulated Losses <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	

IV. Performance of Company (Rs. in Thousands)

Turnover (Including Other Income) <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="2"/>	Total Expenditure <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="5"/>
Profit before tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="7"/>	Profit After Tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="0"/>
Earning per Share (In Rs.) <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="3"/>	Dividend Rate % <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="."/> <input type="text" value="7"/> <input type="text" value="5"/>

V. Generic names of Two Principal Products of Company (as per monetary terms)

Items Code No. (ITC Code) :

Product Description : DIESEL GENERATOR SET

Item Code No. (ITC Code) :

Product Description : PORTABLE GENERATOR SET

Item Code No. (ITC Code) :

Product Description : MULTI PURPOSE ENGINE

For and on behalf of the Board of Directors

Kalyan Bhattacharya
Whole Time Director & President

PVR Murthy
Director

N. Nagesh
Company Secretary

S. K. Sharma
A.V.P. - F & A

BIRLA POWER SOLUTIONS LIMITED

Regd Office: Industry House, 159 Churchgate Reclamation House, Mumbai 400 020

TWENTY FOURTH ANNUAL GENERAL MEETING

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

I/We hereby record my/our presence at the Twenty Fourth Annual General Meeting of the Company held on Thursday, 30th September, 2010 at 3.00 pm at Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

Name(s) of the shareholder(s) or proxy

Folio No/Client ID DP ID

Signature(s) of the shareholder(s) or Proxy

BIRLA POWER SOLUTIONS LIMITED

Regd Office: Industry House, 159 Churchgate Reclamation House, Mumbai 400 020

PROXY FORM

I/We _____

Of _____

being a member/s of Birla Power Solutions Limited hereby appoint _____

of _____ or failing him _____

of _____ or failing of him _____

of _____ as my/our proxy in my/our absence to attend and vote for me/us on my /our behalf at the Twenty Fourth Annual General Meeting of the Company to be held on Thursday, 30th September, 2010 at 3.00 pm at Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

Signed this _____ day of _____ 2010

Please
affix Re.1/-
Revenue
Stamp

Folio No./Client ID/DP ID

Signature _____

Note: The proxy form duly completed must be deposited at the registered office of the Company not later than 48 hours before the time of the meeting.





Vill - Lal Tappar.P.O- Resham Majri, Dehradun - 248 140. Ph: 0135 - 2499251, Fax - 0135 - 2499227
Email: mktg@birlapower.com | Visit Us: www.birlapower.com

BOOK-POST



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159, Churchgate Reclamation,
Mumbai – 400020.