



THE YASH BIRLA GROUP

Move ahead. Stay ahead




25th Annual Report 2010-11



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BOARD OF DIRECTORS

Shri Yashovardhan Birla	Chairman
Shri P.V.R. Murthy	Managing Director
Shri M.S. Arora	Director (Appointed w.e.f. 12.11.2010)
Shri Kalyan Bhattacharya	Whole Time Director & President (Resigned w.e.f. 12.11.2010)
Shri Y.P. Trivedi	Independent Director
Shri Rajesh V. Shah	Independent Director
Shri Upkar Singh Kohli	Independent Director

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

THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
11-B, Vasta House,
Janmabhoomi Marg, Fort,
Mumbai – 400 001.

REGISTRARS

Adroit Corporate Services Pvt. Ltd.
19/20, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Mumbai – 400 059.

REGISTERED OFFICE

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

HEAD OFFICE & FACTORY

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

WINDMILL

Varekwadi, Tal Patan,
Distt. Satara,
Maharashtra.

**NOTICE FOR TWENTY FIFTH ANNUAL
GENERAL MEETING
NOTICE**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of BIRLA POWER SOLUTIONS LIMITED will be held on Monday, 19th September, 2011 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, 2011 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 appoint a Director in place of Mr. Rajesh V. Shah who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 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 re-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.

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

4. **To appoint Mr. M.S. Arora 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. M.S. Arora 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.”

By Order of the Board

Place : Mumbai
Dated : 11th August, 2011

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 from 15th September, 2011 to 19th September, 2011 (both days inclusive)
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.
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. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
7. 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 obtaining dividend drafts. 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 concerned shareholders for the same.

8. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical & Electronic) at the following address:

Adroit Corporate Services Pvt. Ltd.
(Unit : Birla Power Solutions Limited)
19/20, Jaferbhoy Industrial Estate, 1st Floor,
Makwana Road, Andheri (E) Mumbai – 400 059

ANNEXURE TO THE NOTICE

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

Item No. 4

To appoint Mr M.S. Arora as a Director liable to retire by rotation:

Mr. M.S. Arora was appointed by the Board on 12.11.2010 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. M.S. Arora 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 ₹ 500/- proposing the candidature of Mr.M.S.Arora for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. M. S. Arora 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. M.S. Arora 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 except Mr. M.S. Arora, is in any way, concerned or interested in the said resolutions.

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

Name of Director	Mr. Rajesh V. Shah
Date of Birth	10th January, 1953
Date of Appointment	16.12.2005
Expertise in specific functional areas	A Chartered Accountant - Finance, Accounts and Tax matters
List of outside Directorships in other Companies.	1. Melstar Information Technologies Ltd. 2. Birla Pacific Medspa Ltd. 3. Birla Machining & Tools Ltd.
Chairman / Member of the Committees of other Companies.	1. Birla Machining & Toolings Ltd. Audit Committee and Shareholders Grievance Committee 2. Melstar Information Technologies Ltd. – Audit Committee 3. Birla Pacific Medspa Ltd. – Audit Committee
No. of shares held in The company	NIL

Name of Director	Mr. M. S. Arora
Date of Birth	16.02.1962
Date of Appointment	12th November, 2010
Expertise in specific functional areas	Engineering, general management
List of outside Directorships in other Companies.	1. Zenith Birla (India) Ltd. 2. Birla Precision Technologies Ltd. 3. Zenith Middle East FTZ
Chairman / Member of the Committees of other Companies.	1. Zenith Birla (India) Ltd. -Shareholders Grievance Committee 2. Birla Precision Technologies Ltd. Shareholders Grievance Committee
No. of shares held in The company	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Twenty Fifth Annual Report together with the audited statement of accounts of the Company for the financial year ended on 31st March, 2011.

FINANCIAL RESULTS

(₹ in Lacs)

	For the year ended 31.03.2011	For the year ended 31.03.2010
Sales & Other Income	30406.40	24014.88
Profit before interest and depreciation	3733.79	2277.79
Interest (Net)	2347.61	1633.33
Profit before depreciation	1386.18	644.46
Depreciation	378.02	346.66
Profit after depreciation but before Tax	1008.16	297.80
Provision for taxation	260.98	95.78
Adjustment of provision for earlier years	(1.57)	45.93
Tax adjustment for the earlier years	(6.90)	21.49
Profit after tax	755.65	134.60

OPERATIONS

During the financial year under review the total revenue for the financial year ended 31st March, 2011 was ₹ 304,06.40 lacs as against ₹ 240,14.88 lacs during the previous financial year ended 31st March, 2010 showing an increase of 26.61%. Similarly profit after tax for the same periods were ₹ 755.65 lacs and ₹134.60 lacs respectively showing an increase of 461.4%. This was possible due to better management of working capital funds and cutting costs.

During this financial year, the Company has worked with various prestigious customers in the field of Education, Defence, Financial Services, various e-Governance programmes, etc. One of these successfully executed orders included a significantly large order for an Education Project in Bihar.

FUTURE OUTLOOK

Recognizing the need of the market, we are working towards introducing newer products with specific emphasis on agricultural segment. In the financial year 2011-12, we are expecting to launch Diesel Pump Set and Power Tiller. We realize, with government's initiatives on farm mechanization, these products will be in great demand with high growth rates.

We are building on the strength of last year's introduction of LED business unit. In some of the government agencies,

our products have passed the testing parameters and we expect order flow to start during current financial year.

Further the company recognizes that employees are key strength and has lately been on a drive to induct young and bright sales force. This is to ensure that we are closer to customer and helps us identify products that they need.

DIVIDEND

Keeping in view the tight liquidity position in the market and in order to conserve funds for working capital needs, your Directors do not recommend any dividend for the Financial Year 2010-11.

BONUS ISSUE

Pursuant to the approval granted by the shareholders in the previous Annual General Meeting, on 25th October, 2010, the company has issued and allotted 35,58,65,995 fully paid bonus equity shares of Re 1/- each. As a result of the bonus issue, the paid up share capital, has increased to ₹ 213,51,96,905.00

The new bonus Equity shares have been listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

ISSUE OF SHARE WARRANTS TO PROMOTER GROUP COMPANIES

On 9th June, 2011, in accordance with applicable SEBI (ICDR) Regulations, the company has issued and allotted 21,35,19,690 convertible share warrants to the promoter group companies. These companies can exercise option to convert warrants into equal number of equity shares of Re 1/- each within a period of 18 months from the date of allotment at a price of ₹ 2.10/- per share.

DIRECTORS

Mr. Kalyan Bhattacharya has resigned as Whole Time Director and Director with effect from 12th November, 2010. The Board placed on record its deep sense of appreciation of the services rendered by Mr. Bhattacharya to the company during his tenure.

Mr. P.V.R. Murthy was appointed as Managing Director by the Board with effect from 12th November, 2011 for a period of three years and the members approval was obtained by postal ballot on 23rd December 2011.

Mr. M. S. Arora was appointed as an Additional Director by the Board of Directors on 12th November, 2011 and he holds office up to the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, a member has proposed his candidature for appointment as Director.

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

Your Directors recommend reappointment of Mr M. S. Arora and Mr. Rajesh V. Shah.

SUBSIDIARY COMPANIES

Your Company has two subsidiaries as follows.

(a) Birla Urja Limited

The company is actively exploring various possibilities for setting up power projects based on renewable and non renewable sources in the country. The company has been registered with Gujarat government for 50 MW Solar PV project under "VIBRANT GUJARAT 2011". The company has also been registered with Government of Rajasthan for 50 MW thermal project and 5 MW solar PV project and the company is aggressively pursuing these projects and your directors are hopeful of firming up these projects in the near future.

(b) Birla Power Solutions Limited FTZ

The Company was incorporated on 8th December, 2010 in Hamriyah Free Trade Zone, U.A.E. to undertake the business of General trading. The company has commenced business and for the period 8th December, 2010 to 31st March 2011, the company has achieved a turnover of AED 53,015,566 equivalent to ₹ 6482.89 Lacs and made a net profit of AED 1,949,944 equivalent to ₹ 232.47 Lacs.

CONSOLIDATED ACCOUNTS

The consolidated accounts comprising the accounts of the Company and the above subsidiaries are appended. On a consolidated basis, the total turnover for the year ended on 31st March, 2011 was ₹ 35,682.10 Lacs and the profit after tax for the same period was ₹ 978.50 Lacs.

The audited accounts of these companies have been received and the statement pursuant to Section 212 of the Companies Act, 1956 forms part of the Accounts.

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2/2011 dated February 8, 2011, has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. The financial data of the subsidiaries have been furnished under 'Details of Subsidiaries' forming part of the Annual Report. Consolidated Financial Statements of the Company and its subsidiaries for the year ended March 31, 2011, together with reports of Auditors thereon and the statement pursuant to Section 212 of the Companies Act, 1956, form part of the Annual Report. The Annual Accounts and the related detailed information of subsidiary companies will be made available to the Members of the Company seeking such information at any point of time and they will also be available for inspection by any member at the Registered/Head Office of the Company and that of the subsidiary concerned.

REPORT 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

The total fixed deposits amount outstanding as on 31st March, 2011 is ₹ 5190.89 lacs. There are no defaults in repayment of matured deposits and payment of interest. There are no unpaid deposits other than those unclaimed.

AUDITORS

M/s Thakur, Vaidynath Aiyer and Company, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. They have expressed their willingness to be reappointed for a further term. And they 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.

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	2010-2011 (₹ in Lacs)	2009-2010 (₹ in Lacs)
Total Foreign Exchange earnings	7.08	NIL
Total Foreign Exchange outgo	92.76	57.81

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, 2011 the applicable accounting

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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, 2011 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, 2011 on a going concern basis.

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
Yashovardhan Birla
Chairman

Place : Mumbai

Date : 11th August, 2011

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, 2011

Name	Qualification	Age	Designation	Experience (yrs)	Date of commencement of employment	Remuneration (₹ in Lacs)	Last employment held/name of the employment
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Through out the year

Mr. Ashish Bhandari	B. Com. (Hons.) M. B. A.	49	Vice President Marketing	28	25.08.2007	28.60	Head Marketing in UM group
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Part of the Year

Mr. PVR Murthy	C.A. & M.B.A.	61	Managing Director	35	12.11.2010	38.89	Group Finance Director Yash Birla Group
Mr. Rajeev Gupta	B.Com. M.B.A.	37	Chief Operating Officer	16	01-01-2011	8.29	Vice President (Finance & MIS), Yash Birla Group
Mr. Kalyan Bhattacharya	B.E. Mechanical Engineering, M. Tech. IE & OR from IIT, Kharagpur	56	President & Whole Time Director	31	01.09.2007	48.06	Global Business Head, PT Texmaco, Jaya

FORM – B**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION FROM 1.04.2010 TO 31.03.2011****R & D/Product Development – 2010-11**

R & D Team has been continuously working on improving the performance of EG 2800 series of generators which has been successfully completed. It has resulted in better output and elimination of certain pain areas of the customers, This is expected to improve customer satisfaction.

Continual focus on addressing customer needs relating to product safety features and ease of operations have resulted in additional components being added in some of the products, specially 5KVA.

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.

Action Plan 2011 -12

- 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 40 KVA Diesel Generators with enhanced features
- 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 absorption adaptation & innovation : The company has expanded its range of engines by introducing 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 efforts e.g. product improvement, cost reduction, product development. : The new multifuel engines have helped the company in increasing its 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 its operations, interactions with shareholders, employees, government and lenders.

2. BOARD OF DIRECTORS

The composition, category and details of Directors' attendance during the Financial Year 2010-11 and other particulars are given below:

Name	No. of Board Meetings held	No. of Board Meetings attended	Last AGM attendance	No. of outside Directorships in Public Co.	No. of other committee Membership
Mr. Yashovardhan Birla Chairman Non Executive	05	03	No	12	1
Mr Y. P. Trivedi Independent Non Executive	05	03	No	9	7
Mr. P.V.R. Murthy Managing Director (with effect from 12.11.2011)	05	05	Yes	11	6
Mr. Rajesh V. Shah Independent Non Executive	05	05	Yes	3	4
Mr. Kalyan Bhattacharya Whole Time Director and President (Resigned with effect from 12.11.2010)	05	00	No	NIL	NIL
Mr. Upkar Singh Kohli Independent Non Executive	05	05	Yes	5	1
Mr. Mahender Singh Arora Additional Director (Appointed with effect from 12.11.2010)	05	02	No	2	2

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 Executive Director and the 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, 2011, the Board met 05 times on 14/05/2010, 12/08/2010, 30/08/2010, 12/11/2010 and 10/02/2011.

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 2010-11 and Attendance thereat are as under.

Name	Total Meetings held during the Year	Meetings Attended
Mr. Y. P. Trivedi (Chairman)	05	03
Mr. P.V.R. Murthy	05	05
Mr. Rajesh V. Shah	05	05
Mr. Upkar Singh Kohli	05	05

During the financial year ended on 31st March, 2011, the Committee met 05 times on 14/05/2010, 12/08/2010, 30/08/2010, 12/11/2010 and 10/02/2011.

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.P.V.R.Murthy (non independent Director)
4. 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. Upka Singh Kohli
3. Mr. P.V.R. Murthy
4. Mr. Rajesh V. Shah

One meeting of Remuneration Committee was held on 12th November, 2011 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.

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.

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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	30,000	NIL
2.	Mr. Y. P. Trivedi	30,000	30,000
3.	Mr. M. S. Arora	20,000	NIL
4.	Mr. P.V.R. Murthy	30,000	30,000
5.	Mr. Rajesh V. Shah	50,000	50,000
6.	Mr. Upkar Singh Kohli	50,000	50,000

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

The sitting fees is ₹ 10,000/- per Board meeting and ₹ 10,000/- per Audit Committee meeting

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. Yashovardhan 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, 2010 to 31st March, 2011.

- ▶ Complaints pending at the beginning of the year : nil
- ▶ Complaints received during the period : 94
- ▶ Disposal of complaints : 94
- ▶ Complaints lying unresolved at the end of period : nil

During the financial year ended on 31st March, 2011, the Committee met 02 times on 31/08/2010 and 31/12/2010

6. GENERAL BODY MEETINGS

Details of last three AGMs held

Year	Date	Venue	Time
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
2009-2010	30.09.2010	Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	3.00 p.m.

Details of special resolutions passed in the previous three AGMs22nd 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

24th AGM held on 30th September, 2010

1. Issuance of Equity share warrants to the Promoter(s) on preferential allotment basis.
2. Amendment of the Articles of Association of the Company consequent to increase in Authorised share capital of the Company.
3. Reappointment of Mr. Kalyan Bhattacharya as Whole-time Director.
4. Change in place of keeping Registers and records.

Following Resolutions were passed by way of postal Ballot on 23rd December, 2010.

1. Issuance of equity share warrants to promoter group companies on a preferential allotment basis
2. Appointment of Mr. P.V.R. Murthy as Managing Director

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, PENALTIES, 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.P V.R.Murthy, Managing Director 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	: Monday, 19th September, 2011 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 2010 – 31st March, 2011
Date of Book Closure	: 15th September, 2011 to 19th September, 2011

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 2010-11 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 31.03.2011

BPSL HIGH / LOW QUOTES**BSE High Vs BPSL High**

	BSE High	BPSL High
Apr-10	18,047.86	3.66
May-10	17,536.86	3.25
Jun-10	17,919.62	2.45
Jul-10	18,237.56	2.84
Aug-10	18,475.27	2.75
Sep-10	20,267.98	2.38
Oct-10	20,854.55	2.04
Nov-10	21,108.64	1.72
Dec-10	20,552.03	1.45
Jan-11	20,664.80	1.30
Feb-11	18,690.97	1.34
Mar-11	19,575.16	1.09

BSE Low Vs BPSL Low

	BSE Low	BPSL Low
Apr-10	17,276.80	3.04
May-10	15,960.15	2.21
Jun-10	16,318.39	2.26
Jul-10	17,395.58	2.31
Aug-10	17,819.99	2.04
Sep-10	18,027.12	1.79
Oct-10	19,768.96	1.50
Nov-10	18,954.82	1.15
Dec-10	19,074.57	1.15
Jan-11	18,038.48	1.02
Feb-11	17,295.62	1.01
Mar-11	17,792.17	0.99

Stock price performance of Birla Power Solutions Limited (BPSL) vs. NSE Nifty during the Financial Year ended on 31.03.2011

NSE High Vs BPSL High

	NSE High	BPSL High
Apr-10	5399.65	3.65
May-10	5278.70	3.25
Jun-10	5366.75	2.45
Jul-10	5477.50	2.85
Aug-10	5549.80	2.70
Sep-10	6073.5	2.40
Oct-10	6284.1	2.05
Nov-10	6338.5	1.60
Dec-10	6147.5	1.50
Jan-11	6181.05	1.25
Feb-11	5599.25	1.35
Mar-11	5872.00	1.10

NSE Low Vs BPSL Low

	NSE Low	BPSL Low
Apr-10	5160.90	3.00
May-10	4786.45	2.20
Jun-10	4961.05	2.25
Jul-10	5225.60	2.30
Aug-10	5348.90	2.05
Sep-10	5403.05	1.75
Oct-10	5937.1	1.50
Nov-10	5690.35	1.15
Dec-10	5721.15	1.20
Jan-11	5416.65	1.00
Feb-11	5177.70	1.00
Mar-11	5348.20	1.00

Registrar and Transfer Agent

Adroit Corporate Services Pvt. Ltd., 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Andheri (E.), Mumbai – 400 059 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:

Adroit Corporate Services Pvt. Ltd.
(Unit : Birla Power Solutions Limited)

19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Andheri (E.), Mumbai – 400 059

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 LTD.

Birla Power Solutions Limited Shareholding pattern as on March 31, 2011

BIRLA POWER SOLUTIONS LIMITED					
Statement Showing Shareholding Pattern for the year ended 31st March, 2011					
Category of Shareholder	Number of	Total number of shares	Percentage	Shares Pledged or otherwise encumbered	
				Number of shares	As a percentage
Shareholding of Promoter and Promoter Group	5	86261184	4.04	22655000	26.26
Public shareholding					
Institutions					
Mutual Funds/ UTI	3	108000	0.00	0.00	0.00
Financial Institutions / Banks	8	27000	0.00	0.00	0.00
Central Government/State Government(s)	1	6474564	0.30	0.00	0.00
Non-institutions				N. A.	N. A.
Bodies Corporate	1240	184873770	8.66	0.00	0.00
Individuals	211331	1036252029	48.53	0.00	0.00
Clearing Member	137	2238529	0.10	0.00	0.00
NRI	1355	36284789	1.70	0.00	0.00
NRI Corp. Bodies	6	14400	0.00	0.00	0.00
Foreign Corp. Bodies (Including FDI)	1	73322156	3.43	0.00	0.00
TRUST	6	6864	0.00	0.00	0.00
Shares held by Custodians and against which Depository Receipts have been issued	1	709430820	33.23	0.00	0.00
GRAND TOTAL	214094	2135196905	100.00	22655000	1.06

Birla Power Solutions Limited Distribution Schedule as on 31/03/2011

No of Shares	No. of shareholders	No. of shares held	Shareholding %
1 - 100	9392	398837	4.39
101 - 500	30130	8080305	14.07
501 - 1000	30579	21657152	14.28
1001 - 2000	54612	72849615	25.51
2001 - 3000	25878	64230004	12.09
3001 - 4000	10433	37058986	4.87
4001 - 5000	8842	41284924	4.13
5001 - 10000	22184	155964892	10.36
10001 - 20000	12637	173089920	5.90
20001 - 50000	6390	196366101	2.98
50001 & Above	3017	1364216169	1.41
Total	214094	2135196905	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, 2011, 2,12,72,60,954 nos. of shares representing 99.63% of the total share capital of the Company have been dematerialized.

Outstanding GDRs

The Company has allotted 1,06,21,92,350 Equity shares underlying 2,12,43,847 GDRs on 09.07.2011. The GDRs are listed on Luxembourg Stock Exchange.

Location of Plants

- | | |
|--|---|
| 1. Village - Lal Tappar,
P.O. Resham Majri - 248140
Dehradun | 2. Varekwadi, Tal
Dist. Satara
Patan, Maharashtra |
|--|---|

9. 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 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)**a. Industry structure and developments**

The Company is engaged in the production of Portable Gensets, Multi Purpose Engines, Pump sets, Sprayers, Inverters, Power Tillers and Wind Energy.

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.

BIRLA POWER SOLUTIONS LTD.

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, 2011 is given below;

PRIMARY SEGMENT (Product Wise)

(₹ in lacs)

Particulars	Power & Allied products	Power Generating Equipment / Spares	Others	Total
Sales (Gross)	3890.13	25307.34	27.79	29225.26

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

Power Generating Equipment / Spares : Trading of Power Generating Equipment and Spares, 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.

h. Financial Highlights

1. Sales

Sales (net of excise) during the financial year ended on 31st March, 2011 was ₹ 29199.21 Lacs as against ₹ 23812.34 Lacs during the last financial period ended on 31st March, 2010

2. Profit

During the financial year ended as on 31st March, 2011 the Company has earned a net profit of ₹ 755.65 Lacs as against 134.60 lacs earned during the last financial year ended on 31st March, 2010.

3. Fixed Assets

For the financial year ended on 31st March, 2011 the Company added ₹ 3197.98 Lacs to its gross block of assets.

4. Sundry Debtors

Sundry Debtors amounting to ₹ 17,024.27 Lacs as at 31st March, 2011 as compared to ₹ 13,075.69 Lacs as at 31st March, 2010.

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, 2011.

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
For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No. 000038N

C.V. Parameswar
Partner
Membership No. 11541

Dated : 11th August, 2011

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, 2011, 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, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 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 in particular note no.8 in regard to a compounding application made to the ROC, 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, 2011;
 - 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 THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountant
Firm Registration Number: 000038N

C.V. Parameswar
Partner
M.No:11541

Place: Mumbai
Date: 11.08.2011

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, 2011]**

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 under a programme of verification laid down 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 off by the Company during the year.
2. (a) The inventory has been physically verified by the management during the year. In respect of inventory lying with third parties, these have been physically

- verified by the management and confirmed by the parties. 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 have 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 ₹ 1700.30 Lacs and ₹ 1700.24 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 wherever 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 not taken an unsecured loans from any companies, firms or parties covered in the register maintained under Section 301 of the Act.
 - (f) As the company has not taken unsecured loan from companies, firms or parties under section 301 of the Act, the question of rate of interest and other terms are not applicable.
 4. In our opinion and according to the information and explanations given to us, 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 ₹ 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 the company has invested ₹ 118.5 lacs out of the amount of ₹ 2504.3 lacs, in liquid assets, after the period specified under Rule 3A of the Rules.* Except for what is stated above 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 generally 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 Sales tax dues outstanding as at March 31, 2011, for a period of more than six months from the date they became payable are as follows:

BIRLA POWER SOLUTIONS LTD.

Sr. No	Name of the Statute	Nature of dues	Amount (₹ lacs.)	Period to which the amount relates
1	Sales Tax Acts	Sales Tax	144.84	Upto 30th September 2010

- (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, 2011, 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	92.12	Assessing Officer
3	U.P. Sales Tax Act	Sales Tax	71.36	Joint Commissioner Appeal High Court
4	Bihar Sales Tax Act	Sales Tax	7.69	Joint Commissioner Commercial Tax Appeal
5	Andhra Pradesh Sales Tax Act	Sales Tax	1.14	Assessing Officer
6	Orissa Sales Tax Act	Sales Tax	1.29	Joint Commissioner Sales Tax
7	Tamil Nadu Sales Tax Act	Sales Tax	18.57	Assessing Officer
8	West Bengal Sales Tax Act	Sales Tax	15.38	Directorate of Commercial Tax
9	Gujarat Sales Tax Act	Sales Tax	2.25	Commissioner of Sales Tax
10	Uttarakhand Sales Tax Act	Sales Tax	489.31	Deputy Commissioner (Appeal)
		Total	872.32	

10. The Company has no accumulated losses as at March 31, 2011 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.
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 management has disclosed the enduse of money raised by issue of Global Depository Receipts and we have verified the same.
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 THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountant
Firm Registration Number: 000038N

C.V. Parameswar
Partner
M.No:11541

Place: Mumbai
Date: 11.08.2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As At March 31st, 2011 (₹ In Lacs)	As At March 31st, 2010 (₹ In Lacs)
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Share Capital	1	21,352.11	7,171.53
(b) Reserves and Surplus	2	30,891.95	20,426.55
		<u>52,244.06</u>	<u>27,598.08</u>
2. Loan Funds			
(a) Secured Loans	3	4,008.58	5,328.28
(b) Unsecured Loans	4	8,032.63	5,060.98
		<u>12,041.21</u>	<u>10,389.26</u>
3. Deferred Tax Liability (Net) (Refer Note 14 in Schedule 21)			
		114.11	181.05
		<u>64,399.38</u>	<u>38,168.39</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	5	10,250.20	10,114.59
(b) Less: Depreciation and Amortization		4,017.22	4,151.68
(c) Net Block		<u>6,232.98</u>	<u>5,962.91</u>
(d) Capital Work-in-Progress		2,926.08	411.91
		<u>9,159.06</u>	<u>6,374.82</u>
2. Investments			
	6	7,352.93	180.40
3. Current Assets, Loans and Advances			
(a) Inventories	7	4,464.40	4,543.83
(b) Sundry Debtors	8	17,024.27	13,075.69
(c) Cash and Bank Balances	9	13,947.35	9,340.79
(d) Other Current Assets	10	1,002.12	508.95
(e) Loans and Advances	11	19,332.26	13,088.40
		<u>55,770.40</u>	<u>40,557.66</u>
Less :			
Current Liabilities and Provisions			
(a) Liabilities	12	8,322.60	7,241.29
(b) Provisions		810.26	2,153.31
		<u>9,132.86</u>	<u>9,394.60</u>
Net Current Assets			
		<u>46,637.54</u>	<u>31,163.06</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)			
	13	1,249.85	450.11
		<u>64,399.38</u>	<u>38,168.39</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 THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No. 000038N

For and on behalf of the Board of Directors

C.V. Parameswar
Partner
Membership No. 11541

M S Arora
Director

N Nagesh
Company Secretary

P V R Murthy
Managing Director

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

Place : Mumbai
Dated : 11th August, 2011

Place : Mumbai
Dated : 11th August, 2011

BIRLA POWER SOLUTIONS LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year Ended 31st March, 2011 (₹ In Lacs)	Year Ended 31st March, 2010 (₹ In Lacs)
INCOME			
Sales	14	29,225.25	23,908.24
Less: Excise Duties		<u>26.04</u>	<u>95.90</u>
		29,199.21	23,812.34
Other Income	15	1,207.19	202.54
Increase/ (Decrease) in Stocks	16	<u>(14.29)</u>	<u>131.84</u>
		<u><u>30,392.11</u></u>	<u><u>24,146.72</u></u>
EXPENDITURE			
Raw Materials Consumed, Purchase of Finished goods and Manufacturing Expenses	17	23,655.63	18,689.27
Employment Costs	18	1,268.01	1,230.84
Administrative, Selling and Other Expenses	19	1,734.68	1,948.82
Interest and Finance Charges	20	2,347.61	1,633.33
Depreciation and Amortisation		<u>378.02</u>	<u>346.66</u>
		<u>29,383.95</u>	<u>23,848.92</u>
Profit for the year before Tax		1,008.16	297.80
Provision for Taxation :			
- Current Tax		327.61	61.47
- Wealth Tax		0.31	0.45
- Deferred Tax Charge / (Credit)		<u>(66.94)</u>	<u>33.86</u>
		<u>260.98</u>	<u>95.78</u>
Profit for the year after Tax		747.18	202.02
Prior Period Adjustments (Refer Note No. 17 in Schdule 21)		1.57	(45.93)
Tax adjustments relating to earlier years (Net)		<u>6.90</u>	<u>(21.49)</u>
		<u>755.65</u>	<u>134.60</u>
Balance brought forward from previous year		<u>318.07</u>	<u>1,739.61</u>
Profit available for Appropriation		1,073.72	1,874.21
Appropriations :			
Proposed Dividend		-	1,334.50
Corporate Dividend Tax		-	221.64
Balance Carried to Balance Sheet		<u><u>1,073.72</u></u>	<u><u>318.07</u></u>
Basic Earnings per Share (In ₹)		<u>0.04</u>	<u>0.03</u>
Diluted Earnings per Share (In ₹)		<u>0.05</u>	<u>0.03</u>
(Refer Note No 19 in Schedule 21)			
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 THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No. 000038N

For and on behalf of the Board of Directors

C.V. Parameswar
Partner
Membership No. 11541

M S Arora
Director

P V R Murthy
Managing Director

N Nagesh
Company Secretary

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

Place : Mumbai
Dated : 11th August, 2011

Place : Mumbai
Dated : 11th August, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended March 31, 2011 (₹ in Lacs)	Year ended March 31, 2010 (₹ in Lacs)
(A) Cash Flow From Operating Activities		
Net Profit Before Tax	1,008.16	297.80
Adjustments for :		
- Depreciation	379.63	346.66
- Interest Expenses	3,002.52	1,821.37
- Interest Income	(654.91)	(188.04)
- Profit on sale of Fixed Assets	(1.45)	(0.50)
- Excess Liability Written Back	(5.25)	(153.92)
- Loss on sale of Fixed Assets	25.26	50.26
- Unrealised Loss on Foreign Exchange Rate difference	(125.97)	197.61
- Issue of Bonus Shares (Out of Share Premium)	(3,558.66)	-
- Bad Debts and Debit Balances Written off	-	181.62
- Provision for Doubtful Debts	4.81	36.22
- Prior Period Expenses	1.57	(45.93)
- Miscellaneous Expenditure Written off	296.40	90.61
Operating Profit before Working Capital Changes	(636.05)	2,335.96
Adjustments for :	372.11	2,633.76
- Trade & Other Receivables	(5,350.17)	(1,514.50)
- Inventories	79.43	(145.89)
- Trade & Other Payables	1,012.81	2,410.10
Cash Generated from Operations	(3,885.82)	3,383.47
- Tax Payments (Net)	(415.02)	(425.07)
Net Cash Flow from Operating Activities (A)	(4,300.84)	2,958.40
(B) Cash Flow from Investing Activities		
- Purchase of Fixed Assets/ Capital Advance Adjustment	(3,197.98)	(544.02)
- Sale of Fixed Assets	10.30	7.35
- Repayments of Loan from Bodies Corporate	(4,847.10)	(1,288.04)
- Purchase of Investment	(7,172.52)	(179.92)
- Interest Received	161.74	98.24
Net Cash Flow from Investing Activities (B)	(15,045.56)	(1,906.39)
(C) Cash Flow from Financing Activities		
- Borrowings (Net of repayments)	1,520.39	643.97
- Loss on Exchange Difference	(829.06)	(197.61)
- Interest Paid	(2,739.18)	(1,602.29)
- Issue of Share Capital	14,180.58	2,925.00
- Share Premium	14,223.44	6,314.24
- Share issue expenses	(1,096.15)	(375.10)
- Dividend Paid (including Corporate Dividend Tax)	(1,307.07)	(26.32)
Net Cash Flow from Financing Activities (C)	23,952.95	7,681.89
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	4,606.55	8,733.90
Cash & Cash Equivalent at the beginning of the period	9,340.79	606.89
Cash & Cash Equivalent at the end of the period	13,947.34	9,340.79
	4,606.55	8,733.90

Notes to the Cash Flow Statement for the year ended March 31, 2011

- 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.
- Previous years' figures have been regrouped wherever necessary to confirm to this years' classification.

As per our report of even date
For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No. 000038N

C.V. Parameswar
Partner
Membership No. 11541

Place : Mumbai
Dated : 11th August, 2011

For and on behalf of the Board of Directors

M S Arora
Director

N Nagesh
Company Secretary

Place : Mumbai
Dated : 11th August, 2011

P V R Murthy
Managing Director

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

SCHEDULES FORMING PART OF THE ACCOUNTS

	As At 31st March, 2011 (₹ In Lacs)	As At 31st March, 2010 (₹ In Lacs)
SCHEDULE '1'		
SHARE CAPITAL		
Authorised :		
300,00,00,000 Equity Shares of Re. 1/- each (Previous Year)	30,000.00	10,000.00
100,00,00,000 Equity Shares of Re. 1/- each)	<u>30,000.00</u>	<u>10,000.00</u>
Issued :		
2,135,224,905 Equity Shares of Re. 1/- each (Previous Year)	21,352.25	7,171.67
71,71,66,560 Equity Shares of Re. 1/- each)	<u>21,352.25</u>	<u>7,171.67</u>
Subscribed and Paid up :		
2,135,196,905 Equity Shares of Re.1/- each (Previous Year (71,71,38,,560 Equity Shares of Re.1/- each)	21,351.97	7,171.39
Add : Forfeited Shares, amount originally paid up	0.14	0.14
Total :	<u>21,352.11</u>	<u>7,171.53</u>

Notes:

2,35,670, Equity shares of ₹10/- each were issued and allotted on 26th December, 1995 to Industrial Credit & Investment Corporation of India Ltd. 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 ₹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 ₹10/- each were issued and allotted on 26th December, 1995 to Industrial Finance Corporation of India Ltd. 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 ₹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 ₹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 ₹10/- each were issued and allotted on 26th December, 1995 to The New India Assurance Co. Ltd. as per the Rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction, vide order dated 20th November, 1995.

16,940 Equity shares of ₹10/- each were issued and allotted on 26th December, 1995 to The Oriental Insurance Co. Ltd. as per the Rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction, vide order dated 20th November, 1995.

14,110 Equity shares of ₹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.

35,58,65,995 Equity Shares were allotted on 25 th. October, 2010 to the eligible Share holders of the Company as Bonus Shares in the ratio of One new fully paid up Equity Share for every Five Equity Shares of Re. 1/- each held in the Company as on the record date i.e. 21-10-2010.

1,06,21,92,350 Convertible Equity Share Warrants were converted on 09-07-2010 into Equity Shares, against the underlying 2,12,43,847 GDR's issued to Bank of New York, Melon.

SCHEDULES FORMING PART OF THE ACCOUNTS

	As At	As At
	31st March, 2011	31st March, 2010
	(₹ In Lacs)	(₹ In Lacs)
<u>SCHEDULE '2'</u>		
RESERVES AND SURPLUS		
Capital Investment Subsidy:		
Balance as per last account	25.00	25.00
Securities Premium Account:		
Balance as per last account	16,166.62	9,852.38
Add: Received against GDR issue	<u>9,709.75</u>	<u>6,314.24</u>
	25,876.37	16,166.62
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	1,073.72	318.07
Total :	<u><u>30,891.95</u></u>	<u><u>20,426.55</u></u>

SCHEDULE '3'**SECURED LOANS**

Cash credit from Banks (See Note 1 below)	3,971.66	3,940.61
SBI Factors & Commercial Services (See Note 2 below)	-	639.02
Loan from SREI Infrastructure Finance Ltd. (See Note 3 below)	-	740.18
(Due with in one year ₹ Nil (Previous Year ₹ 600.00 Lacs)		
Other Loans (See Note 4 below)	36.92	8.47
(Due with in one year ₹ 15.08 Lacs (Previous Year ₹ 5.18 Lacs)		
Total :	<u><u>4,008.58</u></u>	<u><u>5,328.28</u></u>

Notes :

1. The Cash 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 Distirct Dehradun, Uttarakhand.
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

	As At 31st March, 2011 (₹ In Lacs)	As At 31st March, 2010 (₹ In Lacs)
SCHEDULE '4'		
UNSECURED LOANS		
Fixed Deposits	5,190.89	875.36
Loan from Companies (Due within one year ₹ 714.48 Lacs)	2,438.84	3,914.30
Add : Interest accrued & due	402.90	271.32
Total :	8,032.63	5,060.98

Note: Includes unsecured loan of ₹ Nil Lacs (Previous Year ₹ 700 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**

Particulars	GROSS BLOCK (AT COST/BOOK VALUE)			DEPRECIATION AND AMORTISATION				NET BLCOK		
	As at	Addition	Sales/	As at	Upto	For The	Sales/	Upto	As at	As at
	1st April 2010	During the Year	Adjustment during the Year	31st March 2011	31st March 2010	Year	Adjustment during the Year	31st March 2011	31st March 2011	31st March 2010
Freehold Land	709.85	49.30	0.00	759.15	0.00	0.00	0.00	0.00	759.15	709.85
Buildings	1,269.46	25.19	0.00	1,294.65	342.62	33.17	0.00	375.79	918.86	926.84
Leasehold Land	17.46	0.00	0.00	17.46	13.94	0.58	0.00	14.52	2.94	3.52
Plant & Machinery	7,285.72	545.82	525.44	7,306.10	3,262.57	249.72	498.52	3,013.77	4,292.33	4,023.15
Furniture Fixture & Office Equipments	357.95	10.27	0.43	367.79	227.17	26.39	0.34	253.22	114.57	130.78
Office Equipments (Intangible Assets)	302.96	0.00	0.00	302.96	166.78	54.76	0.00	221.54	81.42	136.18
Vehicles	171.19	53.23	22.33	202.09	138.60	15.01	15.23	138.38	63.71	32.59
Total	10,114.59	683.81	548.20	10,250.20	4,151.68	379.63	514.09	4,017.22	6,232.98	5,962.91
Capital Work In Progress									2,926.08	411.91
Grand Total	10,114.59	683.81	548.20	10,250.20	4,151.68	379.63	514.09	4,017.22	9,159.06	6,374.82
Previous Year	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	

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 ₹ 699.43 Lacs was correspondingly credited to the revaluation reserve.

SCHEDULE '6'

	As At 31st March, 2011 (₹ In Lacs)	As At 31st March, 2010 (₹ In Lacs)
INVESTMENTS - LONG TERM		
Unquoted (At Cost)		
Non - Trade		
2000 (2000) Equity Shares of ₹ 25 each, fully paid up, in The Shamrao Vithal Co-Operative Bank Ltd.	0.48	0.48
94,30,000 (-) Equity Shares of ₹ 10 each, fully paid up, in Birla Urja Ltd.	943.00	-
52,000 (-) Equity Shares of ₹ 10 each, fully paid up, in Birla Energy Infra Ltd.	5.20	-
5,50,00,000 (-) Equity Shares of ₹10 each, fully paid up, in Birla Surya Ltd.	5,500.00	-
3,60,000 (-) Equity Shares of ₹ 250 each, fully paid up, in Enn Vee Holdings Private Ltd.	900.00	-
1 Fully paid up Share of UAE Dirham 35,000 of Birla Power Solutions Ltd.	4.25	-
FZE, A wholly owned subsidiary of the company	7,352.93	0.48
Share Application Money :	-	3.00
Birla Urja Limited	-	176.92
Birla Surya Limited	-	179.92
Total :	7,352.93	180.40

SCHEDULES FORMING PART OF THE ACCOUNTS

	As At 31st March, 2011 (₹ In Lacs)	As At 31st March, 2010 (₹ In Lacs)
SCHEDULE '7'		
INVENTORIES		
(At Lower of "Cost" or "Net realisable value")		
Stores and Spare Parts	150.03	173.79
Raw Materials and Components	1,762.25	1,784.29
Semi-finished Goods	846.21	809.89
Scrap	9.56	1.98
Finished Goods	1,696.35	1,773.88
Total	4,464.40	4,543.83
SCHEDULE '8'		
SUNDRY DEBTORS (UNSECURED)		
(a) Outstanding for more than six months :		
Considered good	7,509.80	1,837.30
Receivable under an arrangement (Refer Note 6 in Schedule 21)	1,016.65	2,862.01
	8,526.45	4,699.31
Considered doubtful	41.03	36.22
Less: Provision	41.03	36.22
	-	-
(b) Other debts - Considered good	8,497.82	8,376.38
Total	17,024.27	13,075.69
SCHEDULE '9'		
CASH AND BANK BALANCES		
Cash on hand	6.43	4.35
Balances with Scheduled Banks:		
In Current Accounts	512.14	658.51
In Deposit Accounts*	813.76	293.63
Balance with a Non-Scheduled Bank :		
In Deposit Account with Euram Bank, Vienna, Austria (Being proceeds out of GDR issue) {Maximum balance during the year ₹ 248,79.57 Lacs. (Previous Year ₹ 9239.23 Lacs)}	12,615.02	8,384.30
Total	13,947.35	9,340.79
*Includes ₹ 685.74 Lacs deposits (Previous Year ₹ 244.04 Lacs), receipts of which are pledged with Banks & Government Authorities.		
SCHEDULE '10'		
OTHER CURRENT ASSETS		
Interest Receivable (Refer Note No. 5 in Schedule 21)	1,002.12	508.95
Total	1,002.12	508.95

SCHEDULES FORMING PART OF THE ACCOUNTS

	As At 31st March, 2011 (₹ In Lacs)	As At 31st March, 2010 (₹ In Lacs)
SCHEDULE '11'		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Loans to Companies	6,539.79	1,692.69
Advances recoverable in cash or in kind or for value to be received (Refer Note No. 7 in Schedule-21)	12,780.76	11,372.73
Balances with Excise & Custom Authorities	11.71	22.98
Total	19,332.26	13,088.40
SCHEDULE '12'		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors :		
Due to Micro, Small & Medium Enterprises (Refer Note No. 15 in Schedule-21)	42.59	94.88
Due to Other Creditors	7,842.30	6,892.51
Interest accrued but not due on loans	163.93	32.18
Other Liabilities	223.88	199.25
Unclaimed Dividend	49.90	22.47
Sub Total	8,322.60	7,241.29
Note : There is no amount due and outstanding to be credited to Investors Education & Protection Fund as at 31st March, 2011.		
B. PROVISIONS		
Provision for Taxation (Net of Advance Tax)	240.26	334.12
Provision for Wealth Tax	0.31	0.45
Provision for Gratuity	210.28	146.62
Provision for Unencashed Leave	137.77	115.98
Proposed Dividend	-	1,334.50
Corporate Dividend Tax	221.64	221.64
Sub Total	810.26	2,153.31
Total	9,132.86	9,394.60
SCHEDULE '13'		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Share Issue Expenses:		
Balance as per last account	450.10	165.62
Add : Incurred during the year	1,096.15	375.10
	1,546.25	540.72
Less : Amortized during the year	296.40	90.61
Total	1,249.85	450.11

SCHEDULES FORMING PART OF THE ACCOUNTS

	Year Ended 31st March,2011 (₹ In Lacs)	Year Ended 31st March,2010 (₹ In Lacs)
<u>SCHEDULE '14'</u>		
SALES		
Sales	29,450.43	24,318.72
Less: Claims, Rebates and Discounts	225.18	410.48
Net Sales	<u>29,225.25</u>	<u>23,908.24</u>
<u>SCHEDULE '15'</u>		
OTHER INCOME		
Sale of Scrap	33.47	45.79
Rent	0.42	0.42
Profit on Sale of Assets	1.45	0.50
Excess Provisions and Liabilities written back	5.25	153.92
Gain on variation in foreign exchange rates (Net)	125.97	1.18
Income on Property	890.00	-
Miscellaneous Income	150.63	0.73
Total	<u>1,207.19</u>	<u>202.54</u>
<u>SCHEDULE '16'</u>		
INCREASE/ (DECREASE) IN STOCKS		
Closing Stock:		
Finished Goods	1,696.35	1,773.88
Scrap	9.56	1.98
Work in Progress	846.21	809.89
	<u>2,552.12</u>	<u>2,585.75</u>
Less : Opening 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>
Increase/ (decrease) in Finished Goods	<u>(33.63)</u>	117.69
Add/(Less) : Variation in excise duty on opening and closing stock of Finished Goods	19.34	14.15
Net increase/ (decrease) in Stock	<u>(14.29)</u>	<u>131.84</u>
<u>SCHEDULE '17'</u>		
RAW MATERIALS CONSUMED, PURCHASES OF FINISHED GOODS, AND MANUFACTURING EXPENSES		
Raw Materials and Components Consumed	2,695.01	5,398.78
Purchase of Finished Goods	20,762.88	12,995.90
Stores and Spare Parts Consumed	120.52	184.01
Power and Fuel	69.95	85.47
Repairs and Maintenance		
Plant and Machinery	5.44	19.55
Buildings	1.83	25.11
Total	<u>23,655.63</u>	<u>18,689.27</u>

BIRLA POWER SOLUTIONS LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

	Year Ended 31st March, 2011 (₹ In Lacs)	Year Ended 31st March, 2010 (₹ In Lacs)
SCHEDULE '18'		
EMPLOYMENT COSTS		
Salaries, Wages and Bonus	1,015.08	983.65
Contribution to Provident and Other Funds	140.07	131.58
Welfare Expenses	112.86	115.61
Total	1,268.01	1,230.84
SCHEDULE '19'		
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Rent	67.83	79.63
Rates and Taxes	41.19	24.09
Insurance	14.10	17.77
Freight, forwarding and handling expenses	154.06	292.22
Commission on Sales	22.04	125.00
After sales service expenses	42.67	83.35
Travelling and Conveyance	103.82	99.54
Auditors Remuneration	16.04	16.55
Directors' Fees	3.31	3.29
Whole Time Director's Remuneration	91.43	27.80
Advertisement and Publicity	97.35	203.96
Loss on sale/ discardment of assets	25.26	50.26
Bad Debts/ Debit balances written off	-	181.62
Provision for Doubtful Debts	4.81	36.22
Telephone, Telex and Fax expenses	21.72	26.22
Marketing and Business promotion expenses	53.94	11.04
Legal and Professional expenses	79.10	42.66
Repair to other assets	16.70	17.92
Brokerage and Commission	262.95	59.33
Printing and stationery	20.13	8.00
Miscellaneous expenses	293.90	254.13
Unrealised loss on variation on foreign exchange rates	-	197.61
Foreign Exchange fluctuation on imports - expenses	5.93	-
Miscellaneous expenditure written off	296.40	90.61
Total	1,734.68	1,948.82
SCHEDULE '20'		
INTEREST AND FINANCE CHARGES		
Interest on Fixed Loans	1,362.40	907.44
Interest to Banks & Others	532.93	524.11
Finance Charges	1,107.19	389.82
	3,002.52	1,821.37
Less : Interest Received		
Interest on Inter Corporate Deposits	594.86	170.92
Interest on Fixed Deposit with Banks	60.05	17.12
Total	654.91	188.04
	2,347.61	1,633.33

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 are 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 has 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.

- iv) Intangible assets, in form of Computer Software are 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 ₹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 comprises 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 are '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 Contribution 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 become 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 are amortized 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 of brought forward losses and unabsorbed depreciation under tax laws, are recognized only if there is a virtual certainty of its realization, and 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 is 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 : -****(₹ in Lacs)**

Nature of Liability	As at 31 st March, 2011	As at 31 st March, 2010
(i) Disputed Sales Tax liabilities	1021.82	1088.16
(ii) Claims against the Company not acknowledged as debts	164.58	164.58
Total:	1186.40	1252.74

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.

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(₹ in Lacs)

Nature of Liability	As at 31 st March, 2011	As at 31 st March, 2010
2. Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	2.45	114.98

3. Remuneration to Auditors : (₹ in Lacs)

	2010-2011	2009-2010
(i) Audit fees	12.82	12.62
(ii) Certification etc.	3.21	3.11
(iii) Out of Pocket Expenses	0.01	0.82
Total	16.04	16.55

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

	2010-2011	2009-2010
Salary	47.01	13.80
Allowances	23.51	6.90
Contribution to Provident Funds	-	-
Perquisites	20.91	7.10
Total	91.43	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 other recoverables aggregating ₹ 471.67 Lacs (Previous Year ₹ 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.

6(a) The Company had entered into an agreement with Blue Bird India Limited, to recover its debts amounting to ₹ 4318.68 Lacs, under an arrangement, during the accounting year 2007-08. The Company has recovered ₹ 4095.19 Lacs up to the period 31-03-11. The balance outstanding amount of ₹ 223.49 Lacs is expected to be recovered by end of the Current Financial Year 2011-12.

(b) The Company had entered into an agreement with Dee Square Technologies Pvt. Ltd., to recover its debts amounting to ₹ 1158.52 Lacs, under an arrangement during the Accounting Year 2009-10. The Company has recovered ₹ 365.36 lacs during the Year 2010-11. The Balance outstanding amounts of ₹ 793.16 lacs are expected to be recovered by March, 2013, as per the Agreement.

7. The Company had entered into an agreement with Mona Futuristic Telecom Private Limited, to recover its advances amounting to ₹ 3205.22 Lacs, under an arrangement during the Accounting Year 2009-10. The Company has recovered the entire amount during the Year 2010-11.

8. The Company has, during the year, given Loans amounting to ₹ 760.00 lacs to M/s Shearson Investment & Trading Company Pvt. Ltd. and ₹ 1011.00 lacs M/s Godavari Corporation Pvt. Ltd. in which Directors are interested. The Company had not sought permission from the Central Government as required under section 295 (1) of the Companies Act, 1956 for these transactions. Accordingly, the Company has filed suomoto compounding application with the Registrar of Companies, Mumbai.

9. 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 ₹ 14.41 Lacs (Previous Year ₹ 14.41 Lacs) is pending for encashment as at 31st March, 2011.

10. Employee Benefits

(a) Defined Benefit Plans	(₹ in Lacs)	
Gratuity	2010-2011	2009-2010
Liability to be recognized in Balance Sheet as on 31st March, 2011		
Present value of Funded Obligations	(339.85)	(273.28)
Fair Value of Plan Assets	129.57	126.66
Net Assets/ (Liability)	(210.28)	(146.62)
Change in Plan Assets (Reconciliation of Opening and Closing Balances)		
Fair value of Plan Assets as at 1 st April, 2010	126.66	129.51
Expected Return on Plan Assets	11.33	11.32
Actuarial Gain / (Losses)	(0.06)	0.12
Contributions	-	3.46
Benefits Paid	(8.36)	(17.75)
Fair Value of Plan Assets as at 31 st March, 2011	129.57	126.66
Reconciliation of Opening and Closing Balances of Obligation		
Change in defined Benefit Obligation		
Obligation as at 1 st April, 2010	273.28	218.57
Current Service Cost	18.86	18.27
Interest Cost	21.86	17.48
Actuarial Losses / (Gain)	34.22	36.71
Benefits Paid	(8.36)	(17.75)
Obligation as at 31 st March, 2011	339.86	273.28
Expenditure to be recognized during the Year		
Current Service Cost	18.86	18.27
Interest Cost	21.86	17.48
Expected Return on Plan Assets	(11.33)	(11.32)
Net Actuarial Losses / (Gains) Recognized during the year	34.28	36.59
Total Expenditure included in "Employment Costs"	63.67	61.02
Assumptions		
Discount Rate (per annum)	8.00%	8.00%
Expected Rate of return on assets (per annum)	9.25%	9.25%
Salary Escalation Rate	5.00%	5.00%
Major Category of Plan Asset as percentage of total plan		
LIC Group Gratuity Scheme	100%	100%

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 ₹ 140.07 Lacs (Previous Year ₹ 131.58 Lacs) is recognized as an expense and included in Schedule 18 "Contribution to Provident and other Funds" to the Profit and Loss Account.

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11. Segment Information:

Information about Business Segment – Primary

(₹ in Lacs)

Particulars	Power and Allied	Power Generating Equipment / Spares	Others	Unallocated	Total
Segment Revenue					
External Sales	3,890.13 (8,005.98)	25,307.34 (15,767.46)	27.79 (38.90)	- (-)	29,225.26 (23,812.34)
Inter Segment Sales	-	-	-	-	-
Total Segment Revenue	3,890.13 (8,005.98)	25,307.34 (15,767.46)	27.79 (38.90)	- (-)	29,225.26 (23,812.34)
Less: Inter Segment Revenue	-	-	-	-	-
Net Revenue from operations	3,890.13 (8,005.98)	25,307.34 (15,767.46)	27.79 (38.90)	- (-)	29,225.26 (23,812.34)
Segment Results					
Profit before Interest and Tax	(160.55) (625.15)	2,354.93 (1,348.59)	(11.44) (0.68)	- (-)	2,182.05 (1,973.06)
Interest				2,347.61 (1,821.37)	2,347.61 (1,821.37)
Other Unallocated Income (net of unallocable expenditure)				(1,175.29) (100.18)	(1,175.29) (100.18)
Profit before Tax but after Prior Period adjustments					1,009.73 (251.87)
Other Information					
Segment Assets	36,282.57 (26,334.29)	15,352.77 (10,005.48)	114.53 (124.77)		51,749.87 (36,464.54)
Unallocated Common Assets				21,782.37 (11,098.45)	21,782.37 (11,098.45)
Total Assets	36,282.57 (26,334.29)	15,352.77 (10,005.48)	114.53 (124.77)	21,782.37 (11,098.45)	73,532.24 (47,562.99)
Segment Liabilities	7,949.77 (7,760.90)	503.79 (19.17)	3.25 (3.29)		8,456.81 (7,783.36)
Unallocated Common Liabilities				12,831.37 (10,625.41)	12,831.37 (10,625.41)
Total Liabilities	7,949.77 (7,760.90)	503.79 (19.17)	3.25 (3.29)	12,831.37 (10,625.41)	21,288.18 (18,408.77)
Capital Expenditure	3,197.98 (544.02)	- (-)	- (-)	- (-)	3,197.98 (544.02)
Unallocated Capital Expenditure	-	-	-	-	-
Total Capital Expenditure	3,197.98 (544.02)	- (-)	- (-)	- (-)	3,197.98 (544.02)
Depreciation and Amortization	345.44 (312.47)	- (-)	34.19 (34.19)	- (-)	379.63 (346.66)
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) Power Generating Equipment / Spares: Trading of Power Generating Equipment and Spares, 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 year figures.
12. Related Party Information:

Related Party Disclosure as required by Accounting Standard 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, 2011		Balance as at 31 st March, 2010	
			₹ in Lacs		₹ in Lacs	
			Receivable	Payable	Receivable	Payable
1.	Key Management Personnel					
		Directors				
		Shri Yash Birla (Chairman)	-	-	-	-
		Shri P.V.R.Murthy (Managing Director)	-	-	-	-
		Shri Kalyan Bhattacharya (Whole Time Director)	-	-	-	0.23
		Shri Y.P.Trivedi	-	-	-	-
		Shri Rajesh V Shah	-	-	-	-
		Shri Upkar Singh Kohli	-	-	-	-
		Company Secretary and Compliance Officer				
		Shri N Nagesh	0.13	-	0.22	-
		Subsidiary Companies				
		Birla Power Solutions Ltd. – FZE (Wholly owned)	4269.57	-	-	-
		Birla Urja Limited	1.38	-	-	-
2.	Enterprises owned or significantly influenced by Key Management personnel or their relatives					
		Birla International (P) Limited	1320.53	14.32	15.00	3.06
		Shearson Investment & Trading Co. (P) Limited	689.24	15.35	36.83	-
		Birla Viking Travels (P) Limited	-	0.04	-	-
		Daggar Forst Tools Limited	202.44	-	-	148.33
		Zenith Birla (India) Limited	-	1946.18	-	1559.09
		Godavari Corporation Pvt Limited	1058.94	-	-	138.43
		Birla Capital & Finance Limited	-	-	-	-
		Birla Electricals Limited	57.39	-	157.38	-

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Sr. No	Particulars	Name of the Parties	Balance as at 31 st March, 2011		Balance as at 31 st March, 2010	
			₹ in Lacs)		₹ in Lacs)	
			Receivable	Payable	Receivable	Payable
		Birla TransAsia Carpets Limited	471.67	-	721.76	-
		Birla Global Corporate Limited	17.81	-	-	16.43
		Birla Accucast Limited (Birla Perucchini Limited)	180.00	30.22	180.00	14.90
		Birla Infrastructure Private Limited	2.18	157.01	-	221.00
		Nirved Traders Private Limited	2953.30	-	1629.98	-
		Vedant Consultancy Private Limited	17.76	-	17.76	-
		Birla Bombay Private Limited	-	-	-	-
		Birla Surya Limited	-	-	176.92	-
		Birla Cotsyn (India) Limited	2350.28	-	198.77	-
		Melstar Technologies Limited	-	-	-	-
		Birla Urja Limited	1.38	-	15.24	-
		Birla Energy Infra Limited	34.62	-	-	-
		Birla Shloka Edutech Limited	-	454.35	-	1.02
		Birla Power Solutions Ltd. - FZE	4269.57	-	-	-

a) Transaction with Related Parties

Sr. No	Particulars	Key Management Personnel		Enterprise owned or significantly influenced by Key Management personnel or their relatives	
		₹ in Lacs)		₹ in Lacs)	
		2010-2011	2009-2010	2010-2011	2009-2010
1.	Purchase Of Goods				
	a) Birla International Private Limited	-	-	-	0.06
	b) Birla Accucast Limited	-	-	46.97	62.38
	c) Birla Transasia Carpets Limited	-	-	0.08	-
2.	Advance Given				
	a) Birla International Private Limited	-	-	1207.68	0.86
	b) Zenith Birla India Limited	-	-	-	0.05
	c) Birla Cotysn (India) Limited	-	-	-	152.17
	d) Birla Infrastructures Limited	-	-	-	15.24
	e) Birla Energy Infra Ltd.	-	-	34.62	144.53
	f) Birla Power Solutions Ltd. - FZE	-	-	4269.57	-
3	Advance Given Refunded				
	a) Birla Electricals Ltd.	-	-	100.00	-
	b) Birla Transasia Carpets Ltd.	-	-	250.00	-
	c) Birla Urja Limited	-	-	10.85	-

Sr. No	Particulars	Key Management Personnel		Enterprise owned or significantly influenced by Key Management personnel or their relatives	
		(` in Lacs)		(` in Lacs)	
		2010-2011	2009-2010	2010-2011	2009-2010
4.	Advance Taken				
	a) Birla Shloka Edutech Limited	-	-	1281.75	13.00
	b) Birla Global Corporate Limited	-	-	-	2.45
5.	Advance Taken Refunded				
	a) Birla Electricals Limited	-	-	-	0.72
	b) Daggar Forst Tools Limited	-	-	-	6.25
	c) Birla Shloka Edutech Ltd.			836.00	
6.	Interest on Loan Taken (Expenditure)				
	a) Zenith Birla (India) Limited	-	-	192.49	169.94
	b) Godavri Corporation Pvt. Ltd.	-	-	-	12.08
	c) Daggar Forst Tools Limited	-	-	4.23	15.14
	d) Birla Infrastructure Limited	-	-	20.40	21.00
	e) Birla International Pvt. Ltd.			18.70	
7.	Interest on Loan Given (Income)				
	a) Shearson Investment & Trading Co. Pvt Ltd.	-	-	12.06	-
	b) Nirved Traders Pvt. Ltd.	-	-	157.94	
	c) Godavari Corporation Pvt. Ltd.	-	-	57.37	-
	d) Birla Cotsyn (India) Ltd.	-	-	204.60	-
8.	Loan Taken				
	a) Zenith Birla India Limited	-	-	971.13	550.00
	b) Shearson Investment & Trading Co. Pvt. Ltd.	-	-	-	129.00
9.	Loan Taken Refunded				
	a) Daggar Forst Tools Ltd.	-	-	144.14	1810.00
	b) Zenith Birla India Limited	-	-	772.66	650.00
	c) Birla Infrastructure Ltd.	-	-	80.00	-
	d) Godavari Corporation Ltd.			129.00	
10.	Loan Given				
	a) Shearson Investment & Trading Co.	-	-	760.00	1844.80
	b) Nirved Traders Pvt. Ltd.	-	-	5067.05	1858.78
	c) Godavari Corporation Pvt. Limited	-	-	1011.00	-
	d) Birla Cotsyn (India) Ltd.			2190.78	
11.	Loan Given Refunded				
	a) Shearson Investment & Trading Co. Pvt. Ltd.	-	-	100.06	39.01
	b) Birla Transasia Carpets Limited	-	-	-	58.84

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Sr. No	Particulars	Key Management Personnel		Enterprise owned or significantly influenced by Key Management personnel or their relatives	
		(₹ in Lacs)		(₹ in Lacs)	
		2010-2011	2009-2010	2010-2011	2009-2010
	c) Birla Capital & Finance Co. Limited	-	-	-	6.81
	d) Vedant Counsaltancy Pvt. Limited	-	-	-	120.00
	e) Nirved Traders Private Limited	-	-	3901.67	375.39
12.	Rent Paid				
	a) Nirved Traders Private Limited	-	-	-	21.17
	b) Birla International Private Limited	-	-	1.38	0.72
	c) Zenith Birla India Limited	-	-	1.79	1.20
13	Investments				
	a) Birla Urja Ltd.	-	-	943.00	-
	b) Birla Energy Infra Ltd.	-	-	2.20	-
	c) Birla Power Solutions Ltd. – FZE	-	-	4.25	-
	d) Birla Surya Ltd.	-	-	5323.08	-
14.	Services Received				
	a) Birla International Private Limited – Sales Freight and Loading	-	-	0.90	1.65
	b) Birla Global Corporate Limited- Corporate Office Exp.	-	-	146.47	144.00
	c) Birla Viking Travels Private Limited – Travelling Ticket Booking	-	-	12.90	14.54
	d) Zenith Birla India Ltd.	-	-	0.31	-
15.	Sale Of Trading Goods				
	a) Zenith Birla India Limited	-	-	373.49	-
16.	Directors Remuneration				
	Mr. Kalyan Bhattacharya	52.54	27.80	-	-
	Mr. P V R Murthy	38.89	-	-	-
17.	Directors Sitting Fees	3.31	3.29	-	-
18.	Company Secretary Remuneration				
	Mr. N Nagesh	15.07	15.00	-	-

13. Premises and Vehicle taken on operating lease:

(₹ in Lacs)

Particulars	2010-2011	2009-2010
Rent and Lease Rent recognized in the Profit and Loss account	100.10	115.82

The total future minimum lease rental payable at the date of financial statement is as under:

(₹ in Lacs)

Particulars	As at 31 st March, 2011	As at 31 st March, 2010
Not later than one year	71.21	94.72
Between two to five years	203.54	170.17

14. 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:

(₹ in Lacs)

	As at 31 st March, 2010	Charge/(Credit) during the year	As at 31 st March, 2011
Deferred Tax Liability on account of:			
Depreciation	438.89	(150.05)	288.84
Shares Issue Expenses	20.77	22.83	43.60
Sub Total	459.66	(127.22)	332.44
Deferred Tax Assets on account of:			
Expenses U/s 43B of Income Tax Act allowable on Payment basis	266.58	(61.88)	204.70
Provision for Doubtful Debts	12.03	1.60	13.63
Sub Total	278.61	(60.28)	218.33
Net Deferred Tax Liability/ (Assets)	181.05	(66.94)	114.11

15. Micro, Small and Medium Enterprise Dues:

Sundry Creditors includes ₹ 42.58 Lacs (Previous Year ₹ 94.88 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.

(₹ in Lacs)

Sr. No	Particulars	31 st March, 2011	31 st March, 2010
1.	The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. Principal Interest	34.77 7.81	86.61 8.27
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	7.81	8.27
4.	The amount of interest accrued and remaining unpaid at the end of accounting year: and	7.81	8.27
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, 2011.

BIRLA POWER SOLUTIONS LTD.

16. 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, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010
D.G.Set up to 1000 KVA	Nos.	50,000	50,000	20,000	20,000
Portable Generator Sets	Nos.	1,07,000	1,07,000	1,07,000	1,07,000
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	Turnover		Closing Stock	
	Quantity	Value (In Lacs)		Quantity	Quantity	Value (In Lacs)	Quantity
Generators	4060 (4659)	1128.30 (1074.77)	5963 (15114)	6163 (15769)	2586.20 (6206.49)	3790 [§] (4060)	851.45 (1128.30)
Multi Purpose Engine	422 (385)	39.63 (37.27)	210 (407)	264 (396)	25.24 (67.86)	362 [§] (422)	32.07 (39.63)
Inverter (E P)/ Battery	6622 (8561)	192.93 (243.84)	4020 (6039)	4139 (7705)	124.56 (273.34)	6768 [§] (6622)	211.68 (192.93)
Pump Set & Sprayers	1030 (933)	122.76 (116.43)	8476 (11532)	8504 (11329)	1059.29 (1458.55)	1062 [§] (1030)	118.55 (122.76)
Components for Sale Servicing for generator sets, multi purpose engine & miscellaneous items	*	93.75 (141.79)	*	*	98.64 (95.65)	*	117.64 (93.75)
Wind Energy (KVA)			1103612 (1011204)	1096978 [®] (998268)	27.79 (38.89)		
Goods Traded In:							
Power Generating Equipment / Spares	*	196.51 (299.19)	*	*	25307.34 (15767.46)	*	374.07 (196.51)
Total		1773.88 (1913.29)			29229.06 (23908.24)		1695.75 (1773.88)

* 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 6634 KVA (Previous Year includes 12,936 KVA) as transmission loss.

C. Purchase of Goods Traded in by the Company

Particulars	Units	2010-2011		2009-2010	
		Quantity	Value (₹ in Lacs)	Quantity	Value (₹ in Lacs)
Inverters (E P)	Nos.	Nil	Nil	Nil	Nil
Components for Sales, Servicing of Generator sets, Multi purpose engine & Miscellaneous items	Nos.	*	17.57	*	26.72
Power Generating Equipment / Spares	Nos.	*	20745.31	*	12969.18
Total		Nil	20762.88	Nil	12995.90

* 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	2010-2011		2009-2010	
		Quantity	Value (₹ in Lacs)	Quantity	Value (₹ in Lacs)
Engines	Nos.	29	20.64	670	249.81
Alternators	Nos.	1119	141.78	736	83.34
Acoustic Hood/Canopies	Nos.	1832	96.66	9714	1039.78
A M F Panels		Nil	Nil	Nil	Nil
Pumps		9489	189.56	11492	226.85
Others \$			1993.46		3799.00
Total			2442.10		5398.78

\$ 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	2010-2011		2009-2010	
	Imported	Indigenous	Imported	Indigenous
Raw materials and Components				
- ₹ in Lacs	60.10	2382.00	84.68	5314.10
- Percentage	2.46	97.54	1.57	98.43
Stores and Spare Parts				
- ₹ in Lacs	4.12	116.40	3.27	180.74
- Percentage	3.42	96.58	1.78	98.22

F. CIF value of Imports

Particulars	2010-2011 (₹ in Lacs)	2009-2010 (₹ 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)	89.00	57.81

BIRLA POWER SOLUTIONS LTD.

G. Expenditure in foreign currency

Particulars	2010-2011 (₹ in Lacs)	2009-2010 (₹ in Lacs)
Travelling Expenses	3.76	Nil

H. FOB value of Exports

Particulars	2010-2011 (₹ in Lacs)	2009-2010 (₹ in Lacs)
Exports	7.08	Nil

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

Particulars	2010-2011	2009-2010
Number of Non- Resident shareholders	145	1
Number of Equity Shares held by them	23,33,946	1,120,000
Gross amount of Dividend (₹ in lacs)	1.75	Nil
Dividend in respect of 1 st April, 2009 to 31st March, 2010 (₹ in Lacs)	1.75	Nil
Pertaining to Year	2009-2010	2008-2009

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	2010-2011		2009-2010	
	Foreign Currency	Indian Rupees (₹ in Lacs)	Foreign Currency	Indian Rupees (₹ in Lacs)
Creditors	-	-	EURO 180	0.11
Deposit in Foreign Bank	USD 28431135.80	12617.74	USD 18573839.03	8384.23

17. Prior period adjustments (Net) include the following: (₹ in Lacs)

Sr. No.	Description	2010-2011	2009-2010
1	Advertisement Expenses	-	9.08
2	Interest (Net)	-	1.13
3	Rent, Rates & Taxes	2.69	-
4	Brokerage Charges	-	5.06
5	Purchases	1.75	4.01
6	Sales Freight	(7.25)	-
7	Service Tax	-	7.95
8	Miscellaneous	1.24	18.70
	Total	(1.57)	45.93

18. The Company has issued and allotted 1,062,192,350 Equity Shares of the face value of Re 1 per Share at a premium of ₹ 1.35 per Share under the GDR Offer aggregating ₹ 24961.52 lacs on 9th.July, 2010. The proceeds are intended to be utilized for General Corporate Purpose and long term Working Capital requirements. Pending utilization, the amounts are held in deposit account with a bank.

19. Earnings per Share

Particulars	2010-2011	2009-2010
Net Profit as per Profit and Loss Account (₹ in Lacs)	755.65	134.60
Weighted Average Number of Equity Shares (In Nos)	1519480000	475926231
Basic Earnings Per Share (In ₹)	0.04	0.03
Diluted Earnings Per Share (In ₹)	0.05	0.03
Nominal value per share in Rupees	1.00	1.00

20. 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 THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No. 000038N

C.V. Parameswar
Partner
Membership No. 11541

Place : Mumbai
Dated : 11th August, 2011

For and on behalf of the Board of Directors

M S Arora
Director

P V R Murthy
Managing Director

N Nagesh
Company Secretary

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

Place : Mumbai
Dated : 11th August, 2011

21 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.

	0	3	2	7	7	3
--	---	---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet Date Date Month Year

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

II. Capital Raised during the year (₹ in Thousands)

1	0	6	2	1	9	3
---	---	---	---	---	---	---

Public Issue

	3	5	5	8	6	6
--	---	---	---	---	---	---

Bonus Issue

--	--	--	--	--	--	--

Rights Issue

N	I	L
---	---	---

Private Placement

N	I	L
---	---	---

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

7	3	5	3	2	2	4
---	---	---	---	---	---	---

Total Liabilities

7	3	5	3	2	2	4
---	---	---	---	---	---	---

Total Assets

Sources of Funds

2	1	3	5	2	1	1
---	---	---	---	---	---	---

Paid-up Capital

	4	0	0	8	5	8
--	---	---	---	---	---	---

Secured Loans

3	0	8	9	1	9	5
---	---	---	---	---	---	---

Reserves & Surplus

	8	0	3	2	6	3
--	---	---	---	---	---	---

Unsecured Loans

Application of Funds

Net Fixed Assets (Including Capital Work in progress)

	9	1	5	9	0	6
--	---	---	---	---	---	---

Investments

4	6	6	3	7	5	4
---	---	---	---	---	---	---

Net Current Assets

	1	2	4	9	8	5
--	---	---	---	---	---	---

Miscellaneous Expenditure

Accumulated Losses

N	I	L
---	---	---

IV. Performance of Company (₹ in Thousands)

3	0	4	3	2	4	4
---	---	---	---	---	---	---

Turnover (Including Other Income)

2	9	4	2	2	7	1
---	---	---	---	---	---	---

Total Expenditure

	1	0	0	9	7	3
--	---	---	---	---	---	---

Profit before Tax

--	--	--	--	--	--	--

Profit After Tax

	0	.	0	5		
--	---	---	---	---	--	--

Earning per Share (In ₹)

--	--	--	--	--	--	--

Dividend Rate (%)

N	I	L				
---	---	---	--	--	--	--

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

Item code No.(ITC Code) :

8	0	2	1	1	.	0	0
---	---	---	---	---	---	---	---

Product Description : DIESEL GENERATOR SET

Item code No.(ITC Code) :

8	0	2	2	0	.	9	0
---	---	---	---	---	---	---	---

Product Description : PORTABLE GENERATOR SET

Item code No.(ITC Code) :

8	0	7	9	0	.	9	0
---	---	---	---	---	---	---	---

Product Description : MULTI PURPOSE ENGINE

For and on behalf of the Board of Directors

M. S. Arora
Director

P V R Murthy
Managing Director

N. Nagesh
Company Secretary

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

BIRLA POWER SOLUTIONS LTD.**STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANY ACT, 1956**

Name of the Subsidiary	Period of the Subsidiary Company	No. of Equity Shares	Percentage of Holding	The Net aggregate amount of Subsidiary's Profit/Losses so far as it concerns the members of the Holding Company not dealt with in the Holding Company's Accounts		The Net aggregate amount of the Profit/Losses of Subsidiary which has been dealt with in the account of the Holding Company	
				For the Current Period	For Previous Period since it became Subsidiary	For the Current Period	For Previous Periods since it became Subsidiary
Birla Power Solutions Ltd. FZE	8th. December 2010 to 31st March 2011.	1 Share of UAE Dirham 35000	100%	UAE Dhs. 19,49,944	NA	N.A.	N.A.
Birla Urja Ltd.	19th. March, 2010 to 31st March, 2011.	9430000 Shares of ₹ 10/- each	99.79%	₹ (114,700)	NA	N.A.	N.A.

By Order of the Board

Mumbai : 11th, August, 2011

Managing Director

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BIRLA POWER SOLUTIONS LIMITED

To,
The Board of Directors
Birla Power Solutions Limited

1. We have audited the attached consolidated balance sheet of Birla Power Solutions Limited (the "Company") and its subsidiaries, hereinafter referred to as the 'Group'(refer Note 1 on Schedule 21 to the attached consolidated financial statements) as at 31st March, 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated 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. We did not audit the financial statements of the two subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ 459.83 lacs and net assets of ₹ 459.13 lacs as at March 31, 2011, total revenue of ₹ 6482.89 lacs, net profit of ₹ 231.32 lacs, and net

cash flows amounting to ₹ 73.01 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors and our opinion, on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the reports of the other auditors.

4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2011;
 - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date: and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants
Firm Registration Number: 000038N

C.V. Parameswar
Partner
M.No.: 11541

Place: Mumbai
Date : 11-08-2011

CONSOLIDATED BALANCE SHEET AS AT 31.03.2011

	Schedule	As At March 31, 2011 (₹ In Lacs)
I. SOURCES OF FUNDS		
1. Shareholders' Funds		
(a) Share Capital	1	21,354.11
(b) Reserves and Surplus	2	31,123.27
		<u>52,477.38</u>
2. Loan Funds		
(a) Secured Loans	3	4,008.58
(b) Unsecured Loans	4	8,032.63
		<u>12,041.21</u>
3. Deferred Tax Liability (Net) (Refer Note 14 in Schedule 21)		114.11
		<u>64,632.70</u>
II. APPLICATION OF FUNDS		
1. Fixed Assets	5	
(a) Gross Block		10,253.36
(b) Less: Depreciation and Amortization		4,017.92
(c) Net Block		6,235.44
(d) Capital Work-in-Progress		3,382.75
		<u>9,618.19</u>
2. Investments	6	6,405.68
3. Current Assets, Loans and Advances		
(a) Inventories	7	4,464.40
(b) Sundry Debtors	8	23,470.75
(c) Cash and Bank Balances	9	14,020.36
(d) Other Current Assets	10	1,002.12
(e) Loans and Advances	11	15,562.73
		<u>58,520.36</u>
Less: Current Liabilities and Provisions	12	
(a) Liabilities		10,351.12
(b) Provisions		810.26
		<u>11,161.38</u>
Net Current Assets		<u>47,358.98</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)	13	1,249.85
		<u>64,632.70</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 THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Registration No. 000038N

M S Arora
Director

P V R Murthy
Managing Director

C.V. Parameswar

Partner

Membership No. 11541

N Nagesh
Company Secretary

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

Place : Mumbai

Dated : 11th August, 2011

Place : Mumbai

Dated : 11th August, 2011

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	Schedule	Year Ended March 31, 2011 (₹ In Lacs)
INCOME		
Sales	14	35,708.14
Less: Excise Duties		26.04
		<u>35,682.10</u>
Other Income	15	1,207.19
Increase/ (Decrease) in Stocks	16	(14.29)
		<u>36,875.00</u>
EXPENDITURE		
Raw Materials Consumed, Purchase of Finished Goods and Manufacturing Expenses	17	29,892.87
Employment Costs	18	1,268.02
Administrative, Selling and Other Expenses	19	1,748.41
Interest and Finance Charges	20	2,348.20
Depreciation and Amortisation		378.02
		<u>35,635.52</u>
Profit for the year before Tax		1,239.48
Provision for Taxation:		
- Current Tax		327.61
- Wealth Tax		0.31
- Deferred Tax Charge / (Credit)		(66.94)
Profit for the year after Tax		978.50
Prior Period Adjustments (Refer Note No. 17 in Schedule 21)		1.57
Tax adjustment relating to earlier years (net)		6.90
		<u>986.97</u>
Balance Brought forward from previous year		318.07
Profit available for Appropriation		1,305.04
Appropriations :		
Proposed Dividend		-
Corporate Dividend Tax		-
Balance Carried to Balance Sheet		1,305.04
Basic Earnings Per Share (In ₹)		0.05
Diluted Earnings Per Share (In ₹)		0.06
(Refer Note No. 19 in Schedule 21)		
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 THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Registration No. 000038N

M S Arora
Director

P V R Murthy
Managing Director

C.V. Parameswar

Partner

Membership No. 11541

N Nagesh
Company Secretary

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

Place : Mumbai

Dated : 11th August, 2011

Place : Mumbai

Dated : 11th August, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended March 31, 2011	
	(₹ in Lacs)	(₹ in Lacs)
(A) Cash Flow From Operating Activities		
Net Profit Before Tax		1,239.48
Adjustments for :		
- Depreciation	380.33	
- Interest Expenses	3,002.52	
- Interest Income	(654.91)	
- Profit on sale of Fixed Assets	(1.45)	
- Excess Liability Written Back	(5.25)	
- Loss on sale of Fixed Assets	25.26	
- Unrealised Loss on Foreign Exchange Rate difference	(125.97)	
- Issue of Bonus Shares (Out of Share Premium)	(3,558.66)	
- Bad Debts and debit balances Written off	-	
- Provision for Doubtful Debts	4.81	
- Prior Period Expenses	1.57	
- Miscellaneous Expenditure Written off	296.40	
Operating Profit before Working Capital Changes		<u>604.13</u>
Adjustments for :		
- Trade & Other Receivables	(8,027.12)	
- Inventories	79.43	
- Trade & Other Payables	3,041.33	
Cash Generated from Operations		<u>(4,906.36)</u>
- Tax Payments (Net)		(415.02)
Net Cash Flow from Operating Activities	(A)	<u>(4,717.25)</u>
(B) Cash Flow from Investing Activities		
- Purchase of Fixed Assets/Capital Advances Adjustments	(3,657.81)	
- Sale of Fixed Assets	10.30	
- Repayments of Loan from Bodies Corporate	(4,847.10)	
- Purchase of Investment	(6,225.27)	
- Interest Received	161.74	
Net Cash Flow from Investing Activities	(B)	<u>(14,558.14)</u>
(C) Cash Flow from Financing Activities		
- Borrowings (Net of payments)	1,520.39	
- Loss on Exchange Difference	(829.06)	
- Interest Paid	(2,739.18)	
- Issue of Share Capital	14,182.58	
- Share Premium	14,223.44	
- Share issue expenses	(1,096.15)	
- Dividend Paid (including Corporate Dividend Tax)	(1,307.07)	
Net Cash Flow from Financing Activities	(C)	<u>23,954.95</u>
Net Increase/(Decrease) in Cash & Cash Equivalent	(A+B+C)	<u>4,679.56</u>
Cash & Cash Equivalent at the beginning of the period		9,340.79
Cash & Cash Equivalent at the end of the period		<u>14,020.35</u>
		<u>4,679.56</u>

Note to the Cash Flow Statement for the year ended March 31, 2011

- 1) The Cash Flow Statement has been prepared under the "Indirect Method" set out in AS-3 "Cash Flow Statement" referred to in Companies Accounting Standard Rule, 2006.

As per our report of even date
For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No. 000038N

C.V. Parameswar
Partner
Membership No. 11541
Place : Mumbai
Dated : 11th August, 2011

For and on behalf of the Board of Directors

M S Arora
Director

P V R Murthy
Managing Director

N Nagesh
Company Secretary

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

Place : Mumbai
Dated : 11th August, 2011

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

As At
March 31, 2011
(₹ In Lacs)

SCHEDULE '1'

SHARE CAPITAL

Authorised :

300,00,00,000 Equity Shares of Re. 1/- Each		30,000.00
		30,000.00

Issued :

2,135,224,905 Equity Shares of Re. 1/- Each & 20,000 Equity Shares of ₹ 10/- Each.		21,354.25
		21,354.25

Subscribed & Paid Up :

2,135,196,905 Equity Shares of Re.1/- Each & 20,000 Equity Shares of ₹ 10/- Each.		21,353.97
Add : forfeited shares, amounts originally paid up.		0.14
		21,354.11
		21,354.11

Total :

Notes:

2,35,670, Equity shares of ₹10/- each were issued and allotted on 26th December, 1995 to Industrial Credit & Investment Corporation of India Ltd. 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 ₹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 ₹10/- each were issued and allotted on 26th December, 1995 to Industrial Finance Corporation of India Ltd. 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 ₹10/- 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 ₹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 ₹10/- each were issued and allotted on 26th December, 1995 to The New India Assurance Co. Ltd. as per the Rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction, vide order dated 20th November, 1995.

16,940 Equity shares of ₹10/- each were issued and allotted on 26th December, 1995 to The Oriental Insurance Co. Ltd. as per the Rehabilitation Scheme sanctioned by the Board for Industrial & Financial Reconstruction, vide order dated 20th November, 1995.

14,110 Equity shares of ₹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.

35,58,65,995 Equity Shares were allotted on 25th October, 2010 to the eligible Share holders of the Company as Bonus Shares in the ratio of One new fully paid up Equity Share for every Five Equity Shares of Re. 1/- each held in the Company as on the record date i.e. 21-10-2010.

1,06,21,92,350 Convertible Equity Share Warrants were converted on 09-07-2010 into Equity Shares, against the underlying 2,12,43,847 GDR's issued to Bank of New York, Melon.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

As At
March 31, 2011
(₹ In Lacs)

SCHEDULE '2'**RESERVES AND SURPLUS****Capital Investment Subsidy:**

Balance as per last account 25.00

Securities Premium Account:

Balance as per last account 16,166.62
Add: Received against GDR issue 9,709.75 25,876.37

Revaluation Reserve:

Balance as per last account 699.43

General Reserve :

Balance as per last account 3,217.43
Add : Transferred from Profit and Loss Account - 3,217.43

Profit and Loss Account

Total : 1,305.04

SCHEDULE '3'**SECURED LOANS**

Cash credit from Banks (See Note 1 below) 3,971.66

SBI Factors & Commercial Services (See Note 2 below) -

Loan from SREI Infrastructure Finance Ltd. (See Note 3 below) -

(Due with in one year ₹. Nil)

Other Loans (See Note 4 below) 36.92

(Due with in one year ₹ 15.08 Lacs)

Total : 4,008.58

Notes :

1. The Cash 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 Distirct Dehradun, Uttarakhand.
4. Other loans from Banks / Financial Institutions are secured by hypothecation of Motor Vehicles purchased there under.

SCHEDULE '4'**UNSECURED LOANS**

(I) Fixed Deposits 5,190.89

(ii) Loan From Companies (Due with in one year ₹ 714.48 Lacs) 2,438.84

Add : Interest Accured & Due 402.90

Total : 8,032.63

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE '5'

FIXED ASSETS

Particulars	GROSS BLOCK (AT COST/BOOK VALUE)				DEPRECIATION & AMORTIZATION			NET BLCOK	
	As at	Addition	Sales/	As at	Upto	For the	Sales/	Upto	As at
	31st April	during the	Adjustment	31st March	31st March	Year	Adjustment	31st March	31st March
	2010	Year	during the	2011	2010		during the	2011	2011
			Year				Year		
Freehold Land	709.85	49.30	0.00	759.15	0.00	0.00	0.00	0.00	759.15
Buildings	1,269.46	25.19	0.00	1,294.65	342.62	33.17	0.00	375.79	918.86
Leasehold Land	17.46	0.00	0.00	17.46	13.94	0.58	0.00	14.52	2.94
Plant & Machinery	7,285.72	545.82	525.44	7,306.10	3,262.57	249.72	498.52	3,013.77	4,292.33
Furniture Fixture & Office Equipments	357.95	13.43	0.43	370.95	227.17	27.09	0.34	253.92	117.03
Office Equipments (Intangible Assets)	302.96	0.00	0.00	302.96	166.78	54.76	0.00	221.54	81.42
Vehicles	171.19	53.23	22.33	202.09	138.60	15.01	15.23	138.38	63.71
Total	10,114.59	686.97	548.20	10,253.36	4,151.68	380.33	514.09	4,017.92	6,235.44
Capital Work In Progress									3,382.75
Grand Total	10,114.59	686.97	548.20	10,253.36	4,151.68	380.33	514.09	4,017.92	9,618.19

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

As At
March 31, 2011
(₹ In Lacs)

SCHEDULE '6'

INVESTMENTS - LONG TERM

Unquoted (At Cost)

Non - Trade

2000 Equity Shares of ₹ 25 each, fully paid up, in the Shamrao Vithal Co-Operative Bank Ltd.	0.48
52,000 Equity Shares of ₹ 10 each, fully paid up, in Birla Energy Infra Ltd.	5.20
5,50,00,000 Equity Shares of ₹10 each, fully paid up, in Birla Surya Ltd.	5,500.00
3,60,000 Equity Shares of ₹ 250 each, fully paid up, in Enn Vee Holdings Private Ltd.	900.00
	6,405.68

Share Application Money :

Birla Urja Limited	-
Birla Surya Limited	-
Total	6,405.68

SCHEDULE '7'

INVENTORIES

(At Lower of "Cost" or "Net Realisable Value")

Stores & Spare Parts	150.03
Raw Materials and Components	1,762.25
Semi-Finished Goods	846.21
Scrap	9.56
Finished Goods	1,696.35
Total	4,464.40

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

As At
March 31, 2011
(₹ In Lacs)

SCHEDULE '8'**SUNDRY DEBTORS (UNSECURED)**

(a)	Outstanding for more than six months :	
	Considered Good	7,509.80
	Receivable under an arrangement (Refer Note 6 in Schedule 21)	1,016.65
		8,526.45
	Considered Doubtful	41.03
	Less: Provision	41.03
		-
(b)	Other Debts Considered good	14,944.30
Total		23,470.75

SCHEDULE '9'**CASH AND BANK BALANCES**

Cash on Hand		6.53
Balances with Scheduled Banks		-
In Current Accounts		585.06
In Deposit Accounts*		813.76
Balance with a Non Scheduled Bank		
In Deposit Account with Euram Bank, Vienna, Austria (Being proceeds out of GDR issue) {Maximum balance during the year ₹ 248,79.57 Lacs.}		12,615.01
Total		14,020.36

*Includes ₹ 685.74 Lacs Deposits, receipts of which are pledged with Banks & Government Authorities.

SCHEDULE '10'**OTHER CURRENT ASSETS**

Interest Receivable (Refer Note No. 5 in Schedule 21)		1,002.12
Total		1,002.12

SCHEDULE '11'**LOANS AND ADVANCES****(Unsecured, Considered Good)**

Loans to Companies		6,539.79
Advances recoverable in cash or in kind or for value to be received (Refer Note No. 7 in Schedule - 21)		9,011.23
Balances with Excise & Custom Authorities		11.71
Total		15,562.73

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

As At
March 31, 2011
(₹ In Lacs)

SCHEDULE '12'**CURRENT LIABILITIES AND PROVISIONS****A: CURRENT LIABILITIES**

Sundry Creditors	42.59
Due to Micro, Small and Medium Enterprises (Refer Note No. 15 in Schedule-21)	9,867.20
Due to other Creditors	163.93
Interest accrued but not due on loans	226.19
Other Liabilities	51.21
Unclaimed Dividend	10,351.12
Sub total	10,351.12

Note : There is no amount due and outstanding to be credited to Investors Education & Protection Fund as at 31st March, 2011.

B: PROVISIONS

Provision for Taxation (Net of Advance Tax)	240.26
Provison for Wealth Tax	0.31
Provision for Gratuity	210.28
Provision for Unencashed Leave	137.77
Proposed Dividend	-
Corporate Dividend Tax	221.64
Sub total	810.26

Total	11,161.38
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SCHEDULE '13'**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Share Issue Expenses

Balance as per last account	450.10
Add : Incurred during the year	1,096.15
	1,546.25
Less : Amortized during the year	296.40
Total	1,249.85

Year ended
March 31, 2011
(₹ In Lacs)

SCHEDULE '14'**SALES**

Sales	35,933.32
Less: Claims, Rebates and Discounts	225.18
Net Sales	35,708.14

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Year ended
March 31, 2011
(₹ In Lacs)

SCHEDULE '15'**OTHER INCOME**

Sale of Scrap	33.47
Rent	0.42
Profit on sale of Assets	1.45
Excess Provisions and Liabilities written back	5.25
Gain on variation in foreign exchange rates (Net)	125.97
Income on Property	890.00
Miscellaneous Income	150.63
Total	1,207.19

SCHEDULE '16'**INCREASE/ (DECREASE) IN STOCKS**

Closing Stock:	
Finished Goods	1,696.35
Scrap	9.56
Work in Progress	846.21
	2,552.12
Less : Opening Stock :	
Finished Goods	1,773.88
Scrap	1.98
Work in Progress	809.89
	2,585.75
Increase/ (Decrease) in Finished Goods	(33.63)
Add/(Less) : Variation in excise duty on opening and closing stock of finished goods	19.34
Net increase/ (decrease) in Stock	(14.29)

SCHEDULE '17'**RAW MATERIALS CONSUMED, PURCHASES OF FINISHED GOODS, AND MANUFACTURING EXPENSES**

Raw Materials and Components Consumed		2,695.01
Purchase of Finished Goods		27,000.13
Stores and Spare Parts Consumed		120.52
Power and Fuel		69.95
Repair and Maintenance :-		
Plant and Machinery	5.44	
Buildings	1.82	7.26
Total		29,892.87

SCHEDULE '18'**EMPLOYMENT COSTS**

Salaries, Wages and Bonus	1,015.08
Contribution to Provident and Other Funds	140.07
Welfare Expenses	112.87
Total	1,268.02

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTSYear ended
March 31, 2011
(₹ In Lacs)**SCHEDULE '19'****ADMINISTRATIVE, SELLING AND OTHER EXPENSES**

Rent		67.83
Rates and Taxes		41.20
Insurance		14.10
Freight, forwarding and handling expenses		154.06
Commission on sales		22.04
After Sales service expenses		42.67
Travelling and Conveyance		103.82
Auditors Remuneration		16.54
Directors' Fees		3.31
Whole Time Director's Remuneration		91.43
Advertisement and Publicity		97.35
Loss on sale/discardment of assets		25.26
Bad debts/Debit balances written off		0.00
Provision for Doubtful Debts		4.81
Telephone, Telex and Fax expenses		21.72
Marketing and Business promotion expenses		53.94
Legal and Professional expenses		81.53
Repair to Other Assets		16.77
Brokerage and Commission		262.95
Printing and stationery		20.13
Miscellaneous expenses		294.06
Unrealised loss on variation in foreign exchange rates		0.00
Foreign exchange fluctuation. on imports - expenses		11.91
Miscellaneous Expenditure written off		300.98
Total		1,748.41

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

Interest on Fixed Loans		1,362.40
Interest to Banks & Others		532.93
Finance Charges		1,107.78
		<u>3,003.11</u>
Less : Interest Received		
Interest on Inter Corporate Deposits	594.86	
Interest on Fixed Deposits	60.05	654.91
Total		2,348.20

SCHEDULE-21**CONSOLIDATED NOTES FORMING PART OF THE ACCOUNTS****I. ACCOUNTING POLICIES****A) Basis of preparation of Financial Statements**

- (i) The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Parent Company, i.e. for the period ended 31st. March.
- (ii) The financial statements have been prepared on an accrual basis and under historical cost convention (except freehold land which has been revalued). The accounts of Parent Company and other Indian Subsidiaries have been prepared in accordance with the Accounting Standards prescribed by Companies Accounting Standard Rules 2006, and those of foreign subsidiary has been prepared in accordance with the local laws and the applicable Accounting Standards / Generally Accepted Accounting Principals.

B) Principles of Consolidation:

- (i) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance, intra group transactions and the unrealized profits.
- (ii) Financial Statement of Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- (iii) Financial statements of foreign subsidiary is translated into Indian Rupees as under:
 - (a) Assets and Liabilities at the rate prevailing at the end of the period.
 - (b) Revenue and Expenditure at the yearly average exchange rates prevailing during the period.

C) Revenue Recognition

- (i) Revenues / Incomes and Costs / Expenditure are generally accounted on accrual, as they are earned or incurred except in case of significant uncertainties..
- (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) Export Benefits are recognized 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.
- (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 ₹ 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

Investments are stated at cost of acquisition or at book value in case of diminution in value. Current investments are stated at lower of cost and fair value.

I) Inventories

Raw Materials, Work-in-Progress, Finished Goods (including purchased for trade), Packing Materials, Stores and Spares are valued 'at cost or net realizable value, whichever is lower'.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used is 'Weighted Average Cost'

The excise duty in respect of closing inventory of finished goods is included as part of finished goods. .

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 Contribution 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 become 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 of 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.

BIRLA POWER SOLUTIONS LTD.

II. NOTES TO THE CONSOLIDATED ACCOUNTS

1. (i) Subsidiaries

The consolidated Financial Statements presents the consolidated accounts of BIRLA POWER SOLUTIONS LTD. with the following Subsidiaries:

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Foreign Subsidiary:		
(Wholly Owned)		
Birla Power Solutions Ltd. FZE	United Arab Emirates	100%
Indian Subsidiary:		
Birla Urja Ltd.	India	99.79%

(ii) Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

2. Contingent liabilities not provided for :

(₹ in Lacs)

1	Nature of Liability	As at 31 st March, 2011
(i)	Disputed Sales Tax liabilities	1021.82
(ii)	Claims against the Company not acknowledged as debts	164.58
	Total:	1186.40

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.

(₹ in Lacs)

2	Nature of Liability	As at 31 st March, 2011
	Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	2.45

3. Remuneration to Auditors:

(₹ in Lacs)

(i)	Audit fees	2010-2011
(ii)	Certification etc.	15.64
(iii)	Out of Pocket Expenses	3.36
	Total:	19.01

4. Remuneration paid/payable to Whole-time Director and President/ Managing Director:

(₹ in Lacs)

	2010-2011
Salary	47.01
Allowances	23.51
Contribution to Provident Funds	-
Perquisites	20.91
Total:	91.43

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 other recoverables aggregating ₹ 471.67 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.
6. (a) The Company had entered into an agreement with Blue Bird India Limited, to recover its debts amounting to ₹ 4318.68 Lacs, under an arrangement, during the accounting year 2007-08. The Company has recovered ₹ 4095.19 Lacs up to the period 31-03-11. The balance outstanding amount of ₹ 223.49 Lacs is expected to be recovered by end of the Current Financial Year 2011-12.
- (b) The Company had entered into an agreement with Dee Square Technologies Pvt. Ltd., to recover its debts amounting to ₹ 1158.52 Lacs, under an arrangement during the Accounting Year 2009-10. The Company has recovered ₹ 365.36 lacs during the Year 2010-11. The Balance outstanding amounts of ₹ 793.16 lacs are expected to be recovered by March, 2013, as per the Agreement.
7. The Company had entered into an agreement with Mona Futuristic Telecom Private Limited, to recover its advances amounting to ₹ 3205.22 Lacs, under an arrangement during the Accounting Year 2009-10. The Company has recovered the entire amount during the Year 2010-11.
8. The Company has, during the year, given Loans amounting to ₹ 760.00 lacs to M/s Shearson Investment & Trading Company Pvt. Ltd. and ₹ 1011.00 lacs to M/s Godavari Corporation Pvt. Ltd. in which Directors are interested. The Company had not sought permission from the Central Government as required under section 295 (1) of the Companies Act, 1956 for these transactions. Accordingly, the Company has filed suomoto compounding application with the Registrar of Companies, Mumbai.
9. 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 ₹ 14.41 Lacs is pending for encashment as at 31st March, 2011.

10. Employee Benefits

(a) Defined Benefit Plans

	(₹ in Lacs)
Gratuity	2010-2011
Liability to be recognized in Balance Sheet as on 31st March, 2011	
Present value of Funded Obligations	(339.85)
Fair Value of Plan Assets	129.57
Net Assets/ (Liability)	(210.28)
Change in Plan Assets (Reconciliation of Opening and Closing Balances)	
Fair value of Plan Assets as at 1 st April, 2010	126.66
Expected Return on Plan Assets	11.33
Actuarial Gain / (Losses)	(0.06)
Contributions	-
Benefits Paid	(8.36)
Fair Value of Plan Assets as at 31 st March, 2011	129.57
Reconciliation of Opening and Closing Balances of Obligation	
Change in defined Benefit Obligation	
Obligation as at 1 st April, 2010	273.28
Current Service Cost	18.86
Interest Cost	21.86
Actuarial Losses / (Gain)	34.22
Benefits Paid	(8.36)
Obligation as at 31 st March, 2011	339.86

Gratuity	2010-2011
Expenditure to be recognized during the Year	
Current Service Cost	18.86
Interest Cost	21.86
Expected Return on Plan Assets	(11.33)
Net Actuarial Losses / (Gains) Recognized during the year	34.28
Total Expenditure included in "Employment Costs"	63.67
Assumptions	
Discount Rate (per annum)	8.00%
Expected Rate of return on assets (per annum)	9.25%
Salary Escalation Rate	5.00%
Major Category of Plan Asset as percentage of total plan	
LIC Group Gratuity Scheme	100%

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 ₹ 140.07 Lacs is recognized as an expense and included in Schedule 18 "Contribution to Provident and other Funds" to the Profit and Loss Account.

11. Segment Information:

Information about Business Segment – Primary

(₹ in Lacs)

Particulars	Power and Allied	Power Generating Equipment / Spares	Others	Unallocated	Total
Segment Revenue					
External Sales	3,890.12	25,307.34	6,510.69	-	35,708.15
Inter Segment Sales	-	-	-	-	-
Total Segment Revenue	3,890.12	25,307.34	6,510.69	-	35,708.15
Less: Inter Segment Revenue	-	-	-	-	-
Net Revenue from operations	3,890.12	25,307.34	6,510.69	-	35,708.15
Segment Results					
Profit before Interest and Tax	(160.55)	2,354.04	220.47	-	2,413.96
Interest				2,348.20	2,348.20
Other Unallocated Income (net of unallocable expenditure)				(1175.29)	(1175.29)
Profit before Tax but after Prior Period adjustments					1241.05
Other Information					
Segment Assets	31,078.72	15,352.77	7,580.22		54,011.71
Unallocated Common Assets				21,782.37	21,782.37
Total Assets	31,078.72	15,352.77	7,580.22	21,782.37	75,794.08
Segment Liabilities	7,949.77	503.79	2031.77		10,485.33
Unallocated Common Liabilities				12,831.37	12,831.37
Total Liabilities	7,949.77	503.79	2031.77	12,831.37	23,316.70
Capital Expenditure	3,197.98	-	459.83	-	3,657.81
Unallocated Capital Expenditure	-	-	-	-	-
Total Capital Expenditure	3,197.98	-	459.83	-	3,657.81
Depreciation and Amortization	345.44	-	34.19	-	379.63
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) Power Generating Equipment / Spares: Trading of Power Generating Equipment and Spares, 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 year figures.

12. Related Party Information:

Related Party Disclosure as required by Accounting Standard 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, 2011	
			(₹ in Lacs)	
			Receivable	Payable
1.	Key Management Personnel			
	Directors			
		Shri Yash Birla (Chairman)	-	-
		Shri P.V.R.Murthy (Managing Director)		
		Shri Kalyan Bhattacharya (Whole Time Director)	-	-
		Shri Y.P.Trivedi	-	-
		Shri Rajesh V Shah	-	-
		Shri Upkar Singh Kohli	-	-
		Shri Mohan Dattari	-	-
	Company Secretary and Compliance Officer			
		Shri N Nagesh	0.13	-
	Subsidiary Companies			
		Birla Power Solutions Ltd. – FZE (Wholly owned)	4269.57	-
		Birla Urja Limited	1.38	-
2.	Enterprises owned or significantly influenced by Key Management personnel or their relatives			
		Birla International (P) Limited	1320.53	14.32
		Shearson Investment & Trading Co. (P) Limited	689.24	15.35
		Birla Viking Travels (P) Limited	-	0.04
		Daggar Forst Tools Limited	202.44	-
		Zenith Birla (India) Limited	-	1946.18
		Godavari Corporation Pvt Limited	1058.94	-
		Birla Capital & Finance Limited	-	-
		Birla Electricals Limited	57.39	-
		Birla TransAsia Carpets Limited	471.67	-
		Birla Global Corporate Limited	17.81	-

BIRLA POWER SOLUTIONS LTD.

Sr.No	Particulars	Name of the Parties	Balance as at 31 st March, 2011	
			(₹ in Lacs)	
			Receivable	Payable
		Birla Accucast Limited (Birla Perucchini Limited)	180.00	30.22
		Birla Infrastructure Private Limited	2.18	157.01
		Nirved Traders Private Limited	2953.30	-
		Vedant Consultancy Private Limited	17.76	-
		Birla Bombay Private Limited	-	-
		Birla Surya Limited	-	-
		Birla Cotsyn (India) Limited	2350.28	-
		Melstar Technologies Limited	-	-
		Birla Urja Limited	1.38	-
		Birla Energy Infra Limited	34.62	-
		Birla Shloka Edutech Limited	-	454.35
		Birla Power Solutions Ltd. - FZE	4269.57	-

b) Transaction with Related Parties

Sr. No	Particulars	Key Management Personnel	Enterprise owned or significantly influenced by Key Management personnel or their relatives
		(₹ in Lacs)	(₹ in Lacs)
		2010-2011	2010-2011
1.	Purchase Of Goods		
	a) Birla International Private Limited	-	-
	b) Birla Accucast Limited	-	46.97
	c) Birla Transasia Carpets Limited	-	0.08
2.	Advance Given		
	a) Birla International Private Limited	-	1207.68
	b) Zenith Birla India Limited	-	1000.00
	c) Birla Cotysn (India) Limited	-	-
	d) Birla Infrastructures Limited	-	80.19
	e) Birla Energy Infra Ltd.	-	34.62
	f) Birla Power Solutions Ltd. - FZE	-	4269.57
3	Advance Given Refunded		
	a) Birla Electricals Ltd.		100.00
	b) Birla Transasia Carpets Ltd.		250.00
	c) Birla Urja Limited		10.85
4.	Advance Taken		
	a) Birla Shloka Edutech Limited	-	1281.75
	b) Birla Global Corporate Limited	-	-

Sr. No	Particulars	Key Management Personnel	Enterprise owned or significantly influenced by Key Management personnel or their relatives
		(₹ in Lacs) 2010-2011	(₹ in Lacs) 2010-2011
5.	Advance Taken Refunded		
	a) Birla Electricals Limited	-	-
	b) Daggar Forst Tools Limited	-	-
	c) Birla Shloka Edutech Ltd.		836.00
6.	Interest on Loan Taken		
	a) Zenith Birla (India) Limited	-	192.49
	b) Godavri Corporation Pvt. Ltd.	-	-
	c) Daggar Forst Tools Limited	-	4.23
	d) Birla Infrastructure Limited	-	20.40
	e) Birla International Pvt. Ltd.		18.70
7.	Interest on Loan Given		
	a) Shearson Investment & Trading Co. Pvt. Ltd.	-	12.06
	b) Nirved Traders Pvt. Ltd.	-	157.94
	c) Godavari Corporation Pvt. Ltd.	-	57.37
	d) Birla Cotsyn (India) Ltd.	-	204.60
8.	Loan Taken		
	a) Zenith Birla India Limited	-	971.13
	b) Shearson Investment & Trading Co. Pvt. Ltd.	-	-
	f) Birla International Pvt. Ltd.	-	-
9.	Loan Taken Refunded		
	a) Daggar Forst Tools Ltd.	-	144.14
	b) Zenith Birla India Limited	-	772.66
	c) Birla Infrastructure Ltd.	-	80.00
	d) Godavari Corporation Ltd.		129.00
10.	Loan Given		
	a) Shearson Investment & Trading Co.	-	760.00
	b) Nirved Traders Pvt. Ltd.	-	5067.05
	c) Godavari Corporation Pvt. Limited	-	1011.00
	d) Birla Cotsyn (India) Ltd.		2190.78
11.	Loan Given Refunded		
	a) Shearson Investment & Trading Co. Pvt. Ltd.	-	100.06
	b) Birla Transasia Carpets Limited	-	-
	c) Birla Capital & Finance Co. Limited	-	-
	d) Vedant Counsaltancy Pvt. Limited	-	-
	e) Nirved Traders Private Limited	-	3901.67

BIRLA POWER SOLUTIONS LTD.

Sr. No	Particulars	Key Management Personnel	Enterprise owned or significantly influenced by Key Management personnel or their relatives
		(₹ in Lacs) 2010-2011	(₹ in Lacs) 2010-2011
12.	Rent Paid		
	a) Nirved Traders Private Limited	-	-
	b) Birla International Private Limited	-	1.38
	c) Zenith Birla India Limited	-	1.79
13	Investments		
	a) Birla Urja Ltd.		943.00
	b) Birla Energy Infra Ltd.		2.20
	c) Birla Power Solutions Ltd. – FZE		4.25
	d) Birla Surya Ltd.		5323.08
14.	Services Received		
	a) Birla International Private Limited – Sales Freight and Loading	-	0.90
	b) Birla Global Corporate Limited- Corporate Office Exp.	-	146.47
	c) Birla Viking Travels Private Limited – Travelling Ticket Booking	-	12.90
	d) Zenith Birla India Ltd.		0.31
15.	Sale Of Trading Goods		
	a) Zenith Birla India Limited	-	373.49
16.	Directors Remuneration		
	Mr. Kalyan Bhattacharya	52.54	-
	Mr. P V R Murthy	38.89	-
17.	Directors Sitting Fees	3.31	-
18.	Company Secretary Remuneration		
	Mr. N Nagesh	15.07	-

13. Premises and Vehicle taken on operating lease:

(₹ in Lacs)

Particulars	2010-2011
Rent and Lease Rent recognized in the Profit and Loss account	100.10

The total future minimum lease rental payable at the date of financial statement is as under:

(₹ in Lacs)

Particulars	As at 31 st March, 2011
Not later than one year	71.21
Between two to five years	203.54

14. 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:

(₹ in Lacs)

	As at 31 st March, 2010	Charge/(Credit) during the year	As at 31 st March, 2011
Deferred Tax Liability on account of:			
Depreciation	438.89	(150.05)	288.84
Shares Issue Expenses	20.77	22.83	43.60
Sub Total	459.66	(127.22)	332.44
Deferred Tax Assets on account of:			
Expenses U/s 43B of Income Tax Act allowable on Payment basis	266.58	(61.88)	204.70
Provision for Doubtful Debts	12.03	1.60	13.63
Sub Total	278.61	(60.28)	218.33
Net Deferred Tax Liability/ (Assets)	181.05	(66.94)	114.11

15. Micro, Small and Medium Enterprise Dues:

Sundry Creditors includes ₹ 42.58 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.

(₹ in Lacs)

Sr. No	Particulars	31 st March, 2011
1	The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. Principal Interest	34.77 7.81
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
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	7.81
4	The amount of interest accrued and remaining unpaid at the end of accounting year: and	7.81
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

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, 2011.

BIRLA POWER SOLUTIONS LTD.

16. 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, 2011	As at March 31, 2011
D.G.Set up to 1000 KVA	Nos.	50,000	20,000
Portable Generator Sets	Nos.	1,07,000	1,07,000
Multipurpose Engines	Nos.	75,000	75,000
Wind Energy	KWH	N.A.	11,03,800
Inverters	Nos.	150,000	60,000
UPS	Nos.	150,000	NIL
Auto Mains Panel	Nos.	10,000	NIL
Battery Chargers	Nos.	10,000	NIL
Voltage Stabilizers	Nos.	75,000	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	4060	1128.30	5963	6163	2586.20	3790 \$	851.45
Multi Purpose Engine	422	39.63	210	264	25.24	362 \$	32.07
Inverter (E P)/ Battery	6622	192.93	4020	4139	124.56	6768 \$	211.68
Pump Set & Sprayers	1030	12.76	8476	8504	1059.29	1062 \$	118.55
Components for Sale Servicing for generator sets, multi purpose engine & miscellaneous items	*	93.75	*	*	98.64	*	117.64
Wind Energy (KVA)			1103612	1096978@	27.79		
Goods Traded In:							
Power Generating Equipment / Spares	*	196.51	*	*	25307.34	*	374.07
Others				*	6482.89		
Total		1773.88			35711.95		1695.75

* 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 6634 KVA (Previous Year includes 12,936 KVA) as transmission loss.

C. Purchase of Goods Traded in by the Company

Particulars	Units	2010-2011	
		Quantity	Value (₹ in Lacs)
Inverters (E P)	Nos.	Nil	Nil
Components for Sales, Servicing of Generator sets, Multi purpose engine & Miscellaneous items	Nos.	*	17.57
Power Generating Equipment / Spares	Nos.	*	20745.31
Others		*	6237.25
Total		Nil	20762.88

* 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	2010-2011	
		Quantity	Value (₹ in Lacs)
Engines	Nos.	29	20.64
Alternators	Nos.	1119	141.78
Acoustic Hood/Canopies	Nos.	1832	96.66
A M F Panels		Nil	Nil
Pumps		9489	189.56
Others \$			1993.46
Total			2442.10

\$ 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	2010-2011	
	Imported	Indigenous
Raw materials and Components		
- ₹ in Lacs	60.10	2382.00
- Percentage	2.46	97.54
Stores and Spare Parts		
- ₹ in Lacs	4.12	116.40
- Percentage	3.42	96.58

F. CIF value of Imports

Particulars	2010-2011 (₹ 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)	89.00

G. Expenditure in foreign currency

Particulars	2010-2011 (₹ in Lacs)
Travelling Expenses	4.05

H. FOB value of Exports

Particulars	2010-2011 (₹ in Lacs)
Exports	7.08

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

Particulars	2010-2011
Number of Non- Resident shareholders	145
Number of Equity Shares held by them	23,33,946
Gross amount of Dividend (₹ in lacs)	1.75
Dividend in respect of 1 st April, 2009 to 31 st March, 2010 (₹ in Lacs)	1.75
Pertaining to Year	2009-2010

BIRLA POWER SOLUTIONS LTD.

- 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	2010-2011	
	Foreign Currency	Indian Rupees (₹ in Lacs)
Deposit in Foreign Bank	USD 28431135.80	12617.74

17. Prior period adjustments (Net) include the following:

(₹ in Lacs)

Sr. No.	Description	2010-2011
1	Rent, Rates & Taxes	2.69
2	Purchases	1.75
3	Sales Freight	(7.25)
4	Miscellaneous	1.24
	Total	(1.57)

18. The Company has issued and allotted 1,062,192,350 Equity Shares of the face value of Re 1 per Share at a premium of ₹ 1.35 per Share under the GDR Offer aggregating ₹ 24961.52 lacs on 9th July, 2010. The proceeds are intended to be utilized for General Corporate Purpose and long term Working Capital requirements. Pending utilization, the amounts are held in deposit account with a bank.

19. Earnings per Share

Particulars	2010-2011
Net Profit as per Profit and Loss Account (₹ in Lacs)	986.97
Weighted Average Number of Equity Shares (In Nos)	1519480000
Basic Earnings Per Share (In ₹)	0.05
Diluted Earnings Per Share (In ₹)	0.06
Nominal value per share in Rupees	1.00

20. This being the first year of Consolidated Accounts, no previous year figures are given.

As per our report of even date

For and on behalf of the Board of Directors

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No. 000038N

M S Arora
Director

P V R Murthy
Managing Director

C.V. Parameswar
Partner
Membership No. 11541

N Nagesh
Company Secretary

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

Place : Mumbai
Dated : 11th August, 2011

Place : Mumbai
Dated : 11th August, 2011

BIRLA POWER SOLUTIONS LIMITED

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

TWENTY FIFTH 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 fifth Annual General Meeting of the Company held on Monday, 19th September, 2011 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 25TH Annual General Meeting of the Company to be held on Monday, 19th September, 2011

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 _____ 2011

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.



