



THE YASH BIRLA GROUP

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BIRLA POWER
S O L U T I O N S L T D

The Yash Birla Group Company

27th Annual Report 2012-2013



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ATTENDANCE SLIP AND PROXY FORM

BOARD OF DIRECTORS

Mr. Yashovardhan Birla
Mr. Manish Malani

Mr. RamPrakash Mishra
Mr. Jignesh Mehta
Mr. P.V.R. Murthy
Mr. Rajesh Shah
Mr. Upkar Singh Kohli
Mr. M.S. Arora
Mr. Y.P. Trivedi

Chairman (Upto 27.12.2012)
Non Independent Director
(Appointed w.e.f. 07.11.2012)
Independent Director (Appointed w.e.f. 14.08.2013)
Independent Director (Appointed w.e.f. 14.08.2013)
Managing Director (Upto 14.08.2013)
Independent Director (Upto 08.07.2013)
Independent Director (Upto 06.05.2013)
Independent Director (Upto 27.09.2012)
Independent Director (Upto 18.10.2012)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Nadimpally Nagesh (Upto 31.10.2012)
Ms. Laxmi Didwania (Appointed w.e.f. 13.02.2013)

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.
Phone: 022-2284 2502/2287 0067
Email: tvamum@gmail.com

REGISTRARS

Adroit Corporate Services Pvt. Ltd.
19/20, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Mumbai – 400 059.
Phone:- 022-28594060/6060,42270400
Website: adroitcorporate.com
Email id: info@adroitcorporate.com

REGISTERED OFFICE

5th Floor, 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 SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of BIRLA POWER SOLUTIONS LIMITED will be held on Saturday, 28th September, 2013 at 2.30 p.m. at Gopi Birla Memorial School, 68 Walkeshwar Road, Mumbai-400 006 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 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 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 Aiyar & 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

3. **To appoint Mr. Manish Malani as a Director**

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. Manish Malani 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.”

4. **To appoint Mr. RamPrakash Mishra as a Director**

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. RamPrakash Mishra 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.”

5. **To appoint Mr. Jignesh Mehta as a Director**

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. Jignesh Mehta 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
Birla Power Solutions Limited

Place : Mumbai
Dated : 14.08.2013

Laxmi Didwania
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. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send the certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the meeting.
3. As required under clause 49 IV (G) of the Listing Agreement, the relevant details in respect to the directors seeking appointment/reappointment at the ensuing Annual General Meeting are provided in the Corporate Governance Report.
4. The Register of Members and the Share Transfer books of the Company will remain closed from 26th September, 2013 to 28th September 2013 (both days inclusive)
5. Members/Proxies are requested to bring their copies of Annual Report to the Meeting and attendance slip duly filled in for attending the meeting.
6. 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.
7. All documents referred in the Notice 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.
8. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEP Fund). Dividend warrants for the Year 2004-2005 which was unclaimed has been transferred to the Investor Education and Protection Fund (IEPF) by the Company. Members who have not encashed their dividend warrants, for the financial year ended 31st March, 2007 and subsequent years may approach the Company for obtaining demand 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 respective shareholders for the same.
9. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical & Electronic) at the following address:

Adroit Corporate Services Pvt. Ltd.
(Unit: Birla Power Solutions Limited)
19/20, Jaferbhoy Industrial Estate, 1st Floor,
Makwana Raod, Andheri (E), Mumbai – 400 059,
Phone: 022-28594060/6060, 42270400
Website: adroitcorporate.com
Email id: info@adroitcorporate.com



ANNEXURE TO THE NOTICE

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

Item No. 3

To appoint Mr. Manish Malani as a Director

Mr. Manish Malani was appointed by the Board on 07.11.2012 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. Manish Malani would hold office upto the date of the ensuing Annual General Meeting.

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

The Company has received the requisite Form DD-A from Mr. Manish Malani, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

None of the Directors is, except Mr. Manish Malani in any way, concerned or interested in the said resolutions.

The Board recommends the resolution as mentioned in Item no. 3 of the notice.

Item No.4

To appoint Mr. Ramprakash Mishra as a Director

Mr. Ramprakash Mishra was appointed by the Board on 14.08.2013 as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act') read with Article 136 of Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Ramprakash Mishra would hold office upto the date of the ensuing Annual General Meeting.

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

The Company has received the requisite Form DD-A from Mr. Ramprakash Mishra, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

None of the Directors is, except Mr. Ramprakash Mishra in any way, concerned or interested in the said resolutions.

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

Item No. 5

To appoint Mr. Jignesh Mehta as a Director

Mr. Jignesh Mehta was appointed by the Board on 14.08.2013 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. Jignesh Mehta would hold office upto the date of the ensuing Annual General Meeting.

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

The Company has received the requisite Form DD-A from Mr. Jignesh Mehta, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

None of the Directors is, except Mr. Jignesh Mehta in any way, concerned or interested in the said resolutions.

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

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Twenty Seventh Annual Report together with the audited statement of accounts of the Company for the financial year ended on 31st March, 2013.

FINANCIAL RESULTS

(Rs. in lacs)

	Standalone		Consolidated	
	For the year ended 31.03.2013	For the year ended 31.03.2012	For the year ended 31.03.2013	For the year ended 31.03.2012
Sales & Other Income	39461.75	41961.81	70438.45	65,550.58
Profit before interest and depreciation	5125.09	5254.16	5084.58	5,048.65
Interest (Net)	2957.80	2,826.99	3658.37	2,829.73
Profit before depreciation	2167.29	2427.17	1426.23	2,218.92
Depreciation	353.65	364.25	353.65	364.25
Profit after depreciation but before Tax	988.31	861.19	1428.47	1,854.67
Provision for taxation	45.18	168.83	45.18	168.83
Adjustment of provision for earlier years	-	0.51	-	0.51
Tax adjustment for the earlier years	501.43	162.81	501.43	162.81
Profit after tax	441.70	529.55	881.80	1,522.52

STANDALONE RESULTS

During the financial year under review, the total revenue for the financial year ended 31st March, 2013 was Rs. 39461.75 lacs as against Rs. 41961.81 lacs during the previous financial year ended 31st March, 2012 showing a decrease of 6.34 %. Similarly, profit after tax for the same periods were Rs 441.70 lacs and Rs.529.55 lacs respectively showing a decrease of 20%. This is because of increase in cost of overheads, interest and tax adjustment of earlier years.

CONSOLIDATED RESULTS

The consolidated Financial statements comprising the accounts, of your Company and its subsidiaries are appended in the Annual report. On a consolidated basis, the total turnover for the year financial year 2012-13 was Rs. 70438.45 lacs as against Rs 65550.58 Lacs during the financial year 2011-12 showing an increase of 7% and the profit after tax for the same periods were Rs. 881.80 Lacs and Rs. 1522.52 lacs respectively showing a decrease of 72.66%.

FUTURE OUTLOOK

The Company has been dealing in portable power & power backup products and now has been to diversify its activities, by introducing power portable products in four different segments viz., Power & Power back up, Construction Industry, Agricultural Industry and Marine Industry. The Company also plans to introduce fuel efficient diesel operated products to the

markets.

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 2012-13.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the current year, the Company has transferred Dividend (for the Year 2004-2005) amounting Rs.2,48,788/- to Investor Education and Protection Fund (IEPF), which was due and payable and remained unclaimed and unpaid for a period of seven years, as provided in Section 205C(2), of the Companies Act, 1956.

DIRECTORS

During the period under review, Mr. Manish Malani was appointed as an Additional Director by the Board of Directors of the Company on 07.11.2012, Mr. RamPrakash Mishra was appointed as an Additional Director by the Board of Directors of the Company on 14.08.2013 and Mr. Jignesh Mehta was appointed as an Additional Director by the Board of Directors of the Company on 14.08.2013. Their office expires at the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, a member has proposed his candidature



for appointment as a Director. Your Directors recommend their reappointment. Mr. Mahinder Singh Arora resigned from the Board w.e.f. 27.09.2012, Mr. Y.P. Trivedi resigned from the Board w.e.f. 18.10.2012, Mr. Yashovardhan Birla resigned from the Board w.e.f. 27.12.2012, Mr. Upkar Singh Kohli resigned from the Board w.e.f. 06.05.2013, Mr. Rajesh Shah resigned from the Board w.e.f. 08.07.2013, Mr. P.V.R. Murthy resigned from the Board w.e.f. 14.08.2013. The Board placed on record its appreciation of the valuable services rendered by them.

SUBSIDIARY COMPANIES

During the year under review, the Company has disinvested shares of its subsidiary viz., Vijay Puranjay Minerals Private Limited and accordingly, the relation between Holding Company and Subsidiary has ceased. At present, the Company has two subsidiaries viz., Birla Urja Limited and Birla Power Solutions Limited FZE.

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956

In terms of General Circular No. 2/2011 dated February 8, 2011, of the Ministry of Corporate Affairs, Government of India, the Company has availed the exemption from compliance with Section 212 of the Companies Act, 1956. Accordingly, the consolidated financial statements of the Company and its subsidiaries for the year ended 31st March, 2013 together with reports of Auditor thereon and the statement pursuant to Section 212 of the Companies Act, 1956 form part of the Annual Report.

Information required to be provided in respect of subsidiary companies has been disclosed separately in the Annual Report. The Financial Statements of the Subsidiary Companies are available for inspection by the shareholders at the Registered Office of the Company.

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

In view of severe liquidity faced by the Company, the overdue fixed deposits & Interest thereon as on 31st March, 2013 was Rs. 5992.28 Lacs. Directors are endeavour to repay overdue deposits and interest thereon during the year under review.

AUDITORS

M/s Thakur Vaidynath Aiyar & Co. 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.

EXPLANATION TO AUDITOR'S REPORT AS REQUIRED UNDER SECTION 217(3) OF COMPANIES ACT, 1956.

Clause No. in Annexure to the Auditors' Report	Auditor's Qualification	Directors' Reply
6	<i>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 these have not been complied with. The non compliance relates to non repayment of the deposits on the due date, non payment of interest which has become due for payment, non maintenance of liquid assets to the extent required by Rule 3A of the Companies(Acceptance of Deposits)Rules, 1975, acceptance of fresh deposits even after the Company defaulted in repayment of earlier deposits, non intimation to the Company Law Board regarding default in compliance with the provisions of Section 58AA of the Companies Act, 1956 as well as non compliance with the orders passed by the Company Law Board in regard to refund of certain deposits and interest thereon.</i>	<ul style="list-style-type: none"> • Due to Pollution Control norms we had to discontinue the production of the existing products. Now the Company is emphasizing on the production of products which complies with the Pollution Control norms. • Due to the pending agreement between the Labour and Management the production was low. Now the agreement has been done with the labours for a period of five years, resulting into peaceful industrial relations and the issues are sorted out resulting into regular production. • Some Fixed Deposit Holders approached Company Law Board for repayment and the Company agreed to make the payments. Some payments have been settled and some will be done on due dates

INDUSTRIAL RELATIONS

The Company enjoyed harmonious relations with workmen and employees through out the period under review. Agreement has been signed by the Company and Labour Union on 1st January, 2013 for the period of five years valid till 31st December, 2018.

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 EARNINGS AND OUTGO

(1) Activities Relating to Export

The Company is pursuing various possibilities to export its products to African Countries, and Middleeast. However the company is facing stiff competition from cheap products of China. However the company is trying to penetrate these markets with some innovative products.

(2) Initiatives taken to increase exports

The company is exploring the possibility of selling its products through its subsidiary company situated in Dubai.

(3) Development of New Export Markets for Products and Services

The company is developing new markets in Africa and Middle East.

(4) Export Plans

The company will continue its efforts to exports wherever possible.

Foreign exchange Earnings and Outgo:

Particulars	2012-2013 (Rs. in Lacs)	2011-2012 (Rs. in Lacs)
Total Foreign exchange earnings	NIL	NIL
Total Foreign Exchange outgo	9.22	61.23

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, 2013 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period ended on 31st March, 2013 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, 2013 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

Manish Malani
Director

Ramprakash Mishra
Director

Place: Mumbai
Date: 14th August, 2013



ANNEXURE TO THE 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, 2012.

Name	Qualification	Age	Designation	Experience (Yrs)	Date of commencement of employment	Remuneration (Rs. in Lacs)	Last employment held/name of the employment
Mr. P.V.R. Murthy	C.A. & M.B.A	63	Managing Director	37	12.11.2010	100.01	Group Finance Director Yash Birla Group

FORM – B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION FROM 1.04.2012 TO 31.03.2013

R & D Team has been continuously working on following projects.

1. New generator development with diesel and petrol with different specification from 2.5 KVA to 7.5 KVA of following models:-

Sr. No.	Product	Fuel	Model
a	Gen Set	Petrol	BP3200S
b	Gen Set	Diesel	EG2500D
c	Gen Set	Diesel	EG3500DS
d	Gen Set	Diesel	EG5000DS
e	Pump Set	Diesel	3WS3030D

2. New Pump set development with diesel.
3. New development of Canopy for different generator.
4. New development of Alternators for different generators to give higher efficiency.
5. Endurance test, Type Approval for Noise & emission of diesel and petrol generators.
6. Endurance test of Diesel pump set.
7. New developments of many parts for diesel/petrol generator and pump set.
8. BIS [Bureau of Indian Standard] certification for pump set engine.
9. Improving in 5KVA generator by adding AMF [Automatic Main Failure Panel] along with ESU [Engine safety Unit] which is automatic as well as manual operated, also adding the push button switch in place to key start to avoid the possible circuit failure, which the results catching fire.
10. Value engineering for different generators.
 - a. Introduce new material of Canopy that is FRP [Fiber Reinforced Plastic] which is having property of Electrical and thermal insulation, Corrosion resistance to a wide range of acids, bases, chlorides, solvents, and oxidizers.
 - b. Introduce the Pre-Engaged type self-starter motor and Plastic Ring Gear which will improve the cranking with silent feature that is the need of customer.
 - c. Introducing the Plastic Fuel Tank which is light in weight, maintenance free due to no corrosion and better durability in compare to existing sheet metal parts and also help in weight reduction.

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

- Approval of the Diesel generators and pump sets will recover the market of our existing models which will obsolete due to emission norms of CPCB [Central Pollution Control Board] in 2014.
- The improved design of 5KVA generator will enhance the reliability factor and enhance sales in the high volume.
- After BIS certification of pump set engine there will be wide increase of sales in various sectors.
- After implementation of value engineering there will be increase the profitability

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation & innovation : The company has expanded its range of products by introducing multifuel engines & Generators using in-house R&D. (increasing range in diesel & petrol)
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development. : The new Product have helped the company in increasing its share in the domestic pump sets/Gensets segment.
The special application Portable Generator has helped the company to get continuous business from 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 31.8.1984 & new Technical Assistance Agreement dated 02.09.1994 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 of the Directors of the Company is as under:-

Name	No. of Memberships in Board of other Public Co.'s as on 31 st March, 2013	No. of other committee positions	
		Chairman	Member
Mr. Yashovardhan Birla Chairman Non Executive (Upto 27.12.2012)	14	1	0
Mr. Manish Malani Non Executive, Non Independent Director (Appointed w.e.f 07.11.2012)	3	Nil	Nil
Mr. RamPrakash Mishra Non Executive, Independent Director (Appointed on 14.08.2013)	3	1	1
Mr. Jignesh Mehta Non Executive, Independent Director (Appointed on 14.08.2013)	2	Nil	Nil
Mr. P.V.R. Murthy Managing Director (Upto 14.08.2013)	10	0	5
Mr. Rajesh V Shah Non Executive, Independent Director (Upto 08.07.2013)	3	2	0
Mr. Upkar Singh Kohli Non Executive, Independent Director (Upto 06.05.2013)	8	1	2
Mr. Y.P. Trivedi Non Executive, Independent Director (Upto 18.10.2012)	7	0	0
Mr. Mahinder Singh Arora Non Executive Non Independent Director (Upto 27.09.2012)	4	0	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 non executive and independent Directors which is imperative for a vital organization. Of the Three Directors, Two are Non Executive, Independent Directors and one is a Non Executive, Non Independent Director.

During the period under review, there was no pecuniary relationship or business transaction by the Company with any non-executive Director as well as Independent Directors (other than the sitting fees 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, 2013, the Board met 07 times on 15/05/2012, 14/08/2012, 26/09/2012, 07/11/2012, 28/12/2012, 09/01/2013 and 13/02/2013.

Details of Board meetings and Annual General Meeting attendance are as under:-

Sr. No.	Name	No. of Board Meetings held	No. of Board Meetings Attended	Last AGM Attendance (Yes/No)
1	Mr. Yashovardhan Birla (Upto 27.12.2012)	7	2	No
2	Mr. P.V.R. Murthy (Upto 14.08.2013)	7	7	Yes
3	Mr. Rajesh V Shah (Upto 08.07.2013)	7	7	Yes
4	Mr. Upkar Singh Kohli (Upto 06.05.2013)	7	5	Yes
5	Mr. Manish Malani (Appointed w.e.f. 7.11.2012)	7	4	No
6	Mr. Y.P. Trivedi (Upto 18.10.2012)	7	0	No
7	Mr. Mahinder Singh Arora (Upto 27.09.2012)	7	2	No

Details of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Manish Malani
Date of Birth	20.08.1969
Date of Appointment	07/11/2012
Qualification	Commerce Graduate with Management & General Law
Expertise in specific functional areas	Operation in manufacturing Company & International Colloboration Sale and Marketing.
List of outside Directorships in other Companies.	1. Zenith Dyeintermediaries Limited 2. Birla Urja Limited 3. Birla Infrsolutions Limited 4. Birla Bombay Private Limited 5. Birla DP Carpets Private Limited 6. Birla Carpets & Grass Private Limited 7. Birla Hospitals and Medical Research Centre Pvt. Ltd. 8. MediAceso Healthcare Private Limited 9. Birla Terrajoule Private Limited
Chairman / Member of the Committees of other Companies.	NIL
No. of shares held in the company	NIL



Name of Director	Mr. RamPrakash Mishra
Date of Birth	05/05/1955
Date of Appointment	14/08/2013
Qualification	Company Secretary, LL.M and BSC
Expertise in specific functional areas	Mr. R. P. Mishra is a qualified Company Secretary with B.SC., LL.M. He has almost 34 years of experience in the pharmaceutical and bulk drugs industry, and quickly shifted to commercial enterprise to look after insurance, import and exports, central excise & customs, and legal depts. He was a Director in Janakalyan Sahakari Bank Ltd, since 1993 and elected Vice- Chairman in the year 2000 and became a Chairman in the year 2001.
List of outside Directorships in other Companies.	1. Sahyog Super Gas Private Limited 2. Birla Surya Limited 3. Birla Research and Lifesciences Limited 4. Birla Pacific Medspa Limited
Chairman / Member of the Committees of other Companies.	1. Birla Pacific Medspa Limited Shareholders/Investors Grievance Committee - Chairman Audit Committee – Member
No. of shares held in the company	NIL

Name of Director	Mr. Jignesh Mehta
Date of Birth	11/01/1967
Date of Appointment	14/08/2013
Qualification	B.Com
Expertise in specific functional areas	Management consultancy
List of outside Directorships in other Companies.	1. Birla Research and Lifesciences Limited 2. Zenith Birla (India) Limited
Chairman / Member of the Committees of other Companies.	NIL
No. of shares held in the company	NIL

Note: Only two Committees namely, Audit Committee and Shareholders/Investors Grievance Committee have been considered.

I. **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.

The Audit Committee was re-constituted during the year and presently consists of three members, out of which two are Independent, Non Executive Directors and One is Non Independent, Non Executive Director. All the members of the Audit Committee have adequate accounting and financial knowledge.

During the financial year ended on 31st March, 2013, the Committee met 04 times on 15/05/2012, 14/08/2012, 07/11/2012 and 13/02/2013.

The attendance of members of Audit Committee during the accounting period are as under:

Name	Total Meetings held during the Year	Meetings Attended
*Mr. Manish Malani	04	02
**Mr. Rajesh V. Shah	04	04
***Mr. Upkar Singh Kohli	04	04
^ Mr. Y.P. Trivedi	04	0
#Mr. P.V.R. Murthy	04	03

*Mr. Manish Malani has been inducted as a member of the Committee w.e.f. 07.11.2012

**Mr. Rajesh Shah ceased to be member of the Committee w.e.f. 08.07.2013

^ Mr. Y.P. Trivedi ceased to be the Chairman & Member of the Committee w.e.f. 18.10.2012

#Mr. P.V.R. Murthy ceased to be member of the Committee w.e.f. 07.11.2012

The Audit Committee re-constituted on 14.08.2013 as under:-

Sr. No	Name	Title	Status
1	*Mr. RamPrakash Mishra Non Executive, Independent Director	Chairman	Independent Non Executive
2	#Mr. Jignesh Mehta Non Executive, Independent Director	Member	Independent Non Executive
3	^ Mr. Manish Malani Non Executive, Non Independent Director	Member	Non Independent Non Executive

*Mr. RamPrakash Mishra has been inducted as Chairman of the Committee w.e.f. 14.08.2013

#Mr. Jignesh Mehta has been inducted as a member of the Committee w.e.f. 14.08.2013

^ Mr. Manish Malani has been inducted as a member of the Committee w.e.f. 07.11.2012

The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The Statutory Auditors and Internal Auditors attend the meetings on invitation from the Company. The Company Secretary acts as the Secretary of the Audit Committee.

4. SHAREHOLDERS/ INVESTORS RELATIONS & GRIEVANCE COMMITTEE

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.

During the financial year ended on 31st March, 2013, the Committee met 04 times on 06/04/2012, 14/08/2012, 07/11/2012 and 12/02/2013.



The Composition of the Committee for the year ended 31.03.2013 is as under:-

Sr. No.	Name	Title	Status	No. of Meetings Attended
1	^ Mr. Yashovardhan Birla	Chairman	Non Independent Non Executive	2
2	\$ Mr. Y.P. Trivedi	Member	Independent Non Executive	0
3	Mr. P.V.R. Murthy	Member	Managing Director	4
4	*Mr. Manish Malani	Member	Non Independent Non Executive	1
5	#Mr. Rajesh Shah	Member	Independent Non Executive	1

*Mr. Manish Malani has been inducted as a member of the Committee w.e.f. 07.11.2012

#Mr. Rajesh Shah has been inducted as a member of the Committee w.e.f. 28.12.2012

^ Mr. Yashovardhan Birla ceased to be member of the Committee w.e.f. 27.12.2012

\$ Mr. Y.P. Trivedi ceased to be member of the Committee w.e.f. 18.10.2012

The Shareholders/Investors Grievance Committee was reconstituted on 14.08.2013 as under:-

Sr. No	Name	Title	Status
1	Mr. Manish Malani	Chairman	Non Executive, Non Independent Director
2	*Mr. RamPrakash Mishra	Member	Non Executive, Independent Director
3	#Mr. Jignesh Mehta	Member	Non Executive, Independent Director

* Mr. RamPrakash Mishra has been inducted as a member of the Committee w.e.f. 14.08.2013

Mr. Jignesh Mehta has been inducted as a member of the Committee w.e.f. 14.08.2013

The Company Secretary acts as the Secretary to the Shareholders/Investors Relations & Grievances Committee and Compliance Officer of the Company.

Status of Complaints:

No. of shareholders complaints during the period 01st April, 2012 to 31st March, 2013.

- > Complaints pending at the beginning of the year : Nil
- > Complaints received during the period : 55
- > Disposal of complaints : 55
- > Complaints lying unresolved at the end of period : Nil

5. 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. within 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.

The Present composition of the Committee is as under:-

Sr. No	Name	Title	Status
1	^ Mr. Jignesh Mehta	Chairman	Non Executive, Independent Director
2	*Mr. RamPrakash Mishra	Member	Non Executive, Independent Director
3	#Mr. Manish Malani	Member	Non Executive, Non Independent Director

^ Mr. Jignesh Mehta has been inducted as Chairman of the Committee w.e.f. 14.08.2013

*Mr. RamPrakash Mishra has been inducted as a member of the Committee w.e.f. 14.08.2013

#Mr. Manish Malani has been inducted as a member of the Committee w.e.f. 07.11.2012

During the financial year 2012-13, no meeting of the Committee was held.

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 are paid to executive Directors. At present there is no stock option scheme of the Company for Whole Time Director/Non Executive Directors.

During the period under review the following sitting fees was paid / payable to Non executive Directors:-

Sr. No.	Name of Director	Board Meeting	Audit Committee Meeting
1	Mr. Yashovardhan Birla	20,000	NIL
2	Mr. Y.P. Trivedi	NIL	NIL
3	Mr. M. S. Arora	20,000	NIL
4	Mr. Rajesh V. Shah	70,000	40,000
5	Mr. Upkar Singh Kohli	50,000	40,000
6	Mr. Manish Malani	40,000	10,000

No sitting fees is payable to members for attending Remuneration Committee meeting and Shareholders/Invesrors Relations & Grievance Committee meetings.

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

Managing Director :

Name	Salary & Allowances paid/payable (Rs. In Lakhs)	Perquisites	Commission
Mr. P.V.R. Murthy	*90.00	10.01	Nil

* Not paid

There is no separate provision for payment of severance fees.

6. GENERAL BODY MEETINGS

Details of last three AGMs held:-

Year	Date	Venue	Time
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.
2010-2011	19.09.2011	Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	3.00 p.m.
2011-2012	26.09.2012	Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	3.30 p.m.

**Details of special resolutions passed in the previous three AGMs****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.

25th AGM held on 19th September, 2011

No special resolution was passed.

26th AGM held on 26th September, 2012

No special resolution was passed.

Resolutions passed by Postal Ballot

No resolution was passed by postal ballot during the year 2012-13

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

In terms of clause 49(V) of the Listing Agreement, the Managing Director (in the capacity of Chief Financial Officer) of the Company has made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed, noted and taken on record by the Board.

- V) CEO/CFO CERTIFICATES

Mr. P.V.R. Murthy, Managing Director had furnished the requisite certificate in accordance with Clause 49 (V) of the Listing Agreement.

- 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 (MDAR) forms part of the Annual Report.

9. SUBSIDAIY COMPANY

During the Financial Year 2012-13, the Company had three Subsidiaries, viz., Birla Urja Limited, Birla Power Solutions Limited FZE & Vijay Puranjay Minerals Private Limited. During the year under review, the Company has disinvested the shares held in its subsidairy (Vijay Puranjay Minerals Private Limited) and accordingly, the relation between Holding and Subsidiary has ceased. However, the Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceed 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding year.

At present the Company has two subsidiary as under:

- a. Birla Urja Limited
- b. Birla Power Solutions Limited FZE

Subsidiary Monitoring Framework

All the subsidiary companies of the company are managed with their Board having its rights and obligations to manage such companies in the best interest of their stakeholders. The Company review and monitors the performance of such Companies by the following means:-

- a) The Audit Committee of the Company reviews financial statements quarterly.
- b) All minutes of the meetings of subsidiary companies are placed before the Company's Board regularly.
- c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

9. GENERAL INFORMATION FOR SHAREHOLDERS

1. Details of Annual General Meeting

Date & Time	: Saturday, 28th September, 2013 at 2.30 p.m.
Venue	: Gopi Birla Memorial School, 68 Walkeshwar Road, Mumbai – 400 006
Financial Year (Period)	: 1st April 2012 – 31st March, 2013
Date of Book Closure	: 26th September, 2013 to 28th September, 2013 (both days inclusive)

2 Financial Calendar for the year 2013-14 (Proposed)

Accounting Year	: 1st April, 2013 to 31st March, 2014
First Quarter Results	: 14th August, 2013 (actual)
Second Quarter Results	: On or before 15th November, 2013
Third Quarter Results	: On or before 15th February, 2014
Fourth Quarter Results	: On or before 15th May, 2014
Audited Results	: On or before 31st May, 2014

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 2012-13 has been paid to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited

Stock Code

517001 Bombay Stock Exchange Limited

BIRLAPOWER National Stock Exchange of India Limited

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

**STOCK MARKET DATA**

Stock price performance Birla Power Solutions Limited (BPSL) vs. BSE Sensex during the Financial Year ended on 31.03.2013

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

	BSE High	BPSL High
Apr-12	17,664.10	0.55
May-12	17,432.33	0.55
Jun-12	17,448.48	0.43
Jul-12	17,631.19	0.47
Aug-12	17,972.54	0.41
Sep-12	18,869.94	0.40
Oct-12	19,137.29	0.46
Nov-12	19,372.70	0.42
Dec-12	19,612.18	0.40
Jan-13	20,203.66	0.40
Feb-13	19,966.69	0.33
Mar-13	19,754.66	0.27

BSE Low Vs BPSL Low

	BSE Low	BPSL Low
Apr-12	17010.16	0.48
May-12	15809.71	0.40
Jun-12	15748.98	0.37
Jul-12	16598.48	0.38
Aug-12	17026.97	0.28
Sep-12	17250.80	0.34
Oct-12	18393.42	0.37
Nov-12	18255.69	0.30
Dec-12	19149.03	0.32
Jan-13	19508.93	0.32
Feb-13	18793.97	0.24
Mar-13	18568.43	0.23

Stock price performance Birla Power Solutions Limited (BPSL) vs. NSE Nifty during the Financial Year ended on 31.03.2013

	NSE High	BPSL High
Apr-12	5378.75	0.55
May-12	5279.60	0.55
Jun-12	5286.25	0.45
Jul-12	5348.55	0.50
Aug-12	5448.60	0.45
Sep-12	5735.15	0.40
Oct-12	5815.35	0.45
Nov-12	5885.25	0.45
Dec-12	5965.15	0.45
Jan-13	6111.80	0.40
Feb-13	6052.95	0.35
Mar-13	5971.20	0.30

NSE Low Vs BPSL Low

	NSE Low	BPSL Low
Apr-12	5154.30	0.45
May-12	4788.95	0.40
Jun-12	4770.35	0.35
Jul-12	5032.40	0.35
Aug-12	5164.65	0.25
Sep-12	5215.70	0.30
Oct-12	4888.20	0.35
Nov-12	5548.35	0.25
Dec-12	5823.15	0.30
Jan-13	5935.20	0.30
Feb-13	5671.90	0.20
Mar-13	5604.85	0.20

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 within 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
 Phone:- 022-28594060/6060, 42270400
 Website: adroitcorporate.com
 Email id: info@adroitcorporate.com

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;
 email id : complianceofficer@birlapower.com

Birla Power Solutions Limited Distribution Schedule as on March 31, 2013

No of Shares	No. of shareholders	No. of shares held	Shareholding %
1 - 500	37585	8028026	18.23
501 - 1000	29360	21581494	14.24
1001 - 2000	49456	66959700	23.99
2001 - 3000	23562	58711583	11.43
3001 - 4000	9725	34584301	4.72
4001 - 5000	9394	44284358	4.56
5001 - 10000	22360	162519003	10.85
10001 & Above	24707	1738528440	11.98
Total	206149	2135196905	100.00

**Birla Power Solutions Limited Shareholding Pattern as on 31st March , 2013**

BIRLA POWER SOLUTIONS LIMITED					
Statement Showing Shareholding Pattern as on 31st March, 2013					
Category of Shareholder	Number of Shareholders	Total number of shares	Percentage	Shares Pledged or otherwise encumbered	
				Number of shares	As a percentage
Shareholding of Promoter and Promoter Group	6	22961184	1.08	19655000	85.60
Public shareholding					
Institutions					
Mutual Funds/ UTI	3	10800	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
Foreign Institutional Investors	1	33540051	1.57	0.00	0.00
Non-institutions					
Bodies Corporate	1088	176796397	8.28	0.00	0.00
Individuals	203633	1295066704	61.01	0.00	0.00
Clearing Member	69	1644963	0.08	0.00	0.00
NRI	1325	57980516	2.72	0.00	0.00
NRI Corp. Bodies	6	12400	0.00	0.00	0.00
Foreign Corp. Bodies(Including FDI)	1	23065590	1.08	0.00	0.00
Trusts	7	6964	0.00	0.00	0.00
Shares held by Custodians and against which Depository Receipts have been issued	1	509905270	23.88	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	206149	2135196905	100.00	19655000	0.92

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, 2013, 2127441003 nos. of shares representing 99.64% of the total share capital of the Company have been dematerialized.

Outstanding GDRs

As on 31.03.2013, the Company 1,01,98,105 GDRs represented by underlying 50,99,05,270 Equity shares. The GDRs are listed on Luxembourg Stock Exchange.

Location of Plants

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

9. NON-MANDATORY REQUIREMENTS

A) 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.

B) TRAINING OF BOARD MEMBERS

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

C) 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.

D) 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.

E) AUDIT QUALIFICATIONS

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

10. MANDATORY REQUIREMENT:

The Company has complied with all the Mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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. In addition to this the Company is engaged in trading of imported gensets and electrical items.

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

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 and increased efficiency of man power.

The Company has identified various products operated by easy available cheaper fuel options like diesel which has high demand in the market in various sectors.

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.

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. Since, pushing the price of petrol & diesel higher but diesel would be still cheaper in the market and easily available. Hence, the company has identified diesel base power products to be launched in the market and there is no direct competition from any branded products in the country in this range.

Wind energy industry is in initial years of its 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, 2013 is given below;

PRIMARY SEGMENT (Product Wise)

Particulars	Power & Allied products	Electrical Appliances	Others	Total
Sales (Gross)	2263.73	37859.71	31.55	40154.99

- 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

The Company has been dealing in portable power & power backup products and now has been to diversify its activities, by introducing power portable products in four different segments viz., Power & power back up, Construction Industry, Agricultural Industry and Marine Industry. The Company also plans to introduce fuel efficient diesel operated products to the markets.

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, 2013 was Rs. 40154.99 Lacs as against Rs. 41370.06 Lacs during the last financial period ended on 31st March, 2012.

2. Profit

During the financial year ended as on 31st March, 2013 the Company has earned a net profit of Rs. 441.70 Lacs as against Rs. 529.55 Lacs earned during the last financial year ended on 31st March, 2012.

3. Fixed Assets

For the financial year ended on 31st March, 2013 the Company had 10,231.08 lacs of gross block of assets

4. Sundry Debtors

Sundry Debtors amounting to Rs.25,207.31 Lacs as at 31st March, 2013 as compared to Rs. 22,237.12 Lacs as at 31st March, 2012.

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.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
BIRLA POWER SOLUTIONS LIMITED

We have examined the compliance of conditions of Corporate Governance by Birla Power Solutions Limited for the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as mentioned in the above-mentioned Listing Agreement.

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

For and on behalf of
For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No. 000038N

Place: Mumbai
Date: 28.05.2013

C.V.PARAMESWAR
Partner
M.No.11541



INDEPENDENT AUDITOR'S REPORT

To the Members of BIRLA POWER SOLUTIONS LIMITED Report on the Financial Statements

We have audited the accompanying financial statements of **BIRLA POWER SOLUTIONS LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **THAKUR VAIDYANATH AIYAR & Co.**
CHARTERED ACCOUNTANTS
Firm Reg. No. 000038N

Place: Mumbai
Date: 28th May, 2013

C V Parameswar
Partner
Membership No. 11541

ANNEXURE TO INDEPENDENT AUDITORS REPORT

(REFERRED TO IN PARAGRAPH I UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT" OF OUR REPORT OF EVEN DATE)

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 program 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 (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. As informed to us no material discrepancies were noticed on physical verification.
3. (a) The Company has granted loans to four Companies covered in the register maintained under Section 301 of the Act. The maximum amount outstanding at any time during the year was Rs.1329.26 lacs and the year end balance is Rs 1244.31 lacs.
- (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 taken unsecured loans from two Companies covered in the register maintained under Section 301 of the Act. The maximum amount outstanding at any time during the year was Rs.1037.89 lacs and the year end balance is Rs 1022.45 lacs.
- (f) In our opinion the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the Company is regular in repaying the principal amount wherever stipulated and is also regular in payment of interest.
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 Rs five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
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 these have not been complied with. *The non compliance relates to non repayment of the deposits on the due date, non payment of interest which has become due for payment, non maintenance of liquid assets to the extent required by Rule 3A of the Companies(Acceptance of Deposits)Rules, 1975, acceptance of fresh deposits even after the Company defaulted in repayment of earlier deposits, non intimation to the Company Law Board regarding default in compliance with the provisions of Section 58AA of the Companies Act, 1956 as well as non compliance with the orders passed by the Company Law Board in regard to refund of certain deposits and interest thereon.*
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, Sales Tax and Service tax, the Company is generally regular in depositing the undisputed statutory dues including provident fund, Investors Education and Protection Fund, wealth tax, excise duty, custom duty, cess and other material statutory dues as applicable, with the appropriate authorities. The extent of the arrears of Income Tax, Sales Tax and Service



Tax, outstanding as at March 31, 2013, for a period of more than six months from the date they became payable are as follows:

S r. No	Name of the Statute	Nature of dues	Amount (Rs lacs.)	Period to which the amount relates
1	Sales Tax Acts	Sales Tax	45.42	Upto 30th September 2012
2	Income Tax Act, 1961	Dividend Distribution Tax (including interest)	321.38	2010-11
3	Service Tax	Service provider/ Service receiver	20.78	2011-12

- (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, 2013, which have not been deposited on account of disputes, are as follows:

Sr. No.	Name of Statute	Nature of Dues	Amount (₹ in Lacs)	Forum where dispute is pending.
1	Delhi Sales Tax Act	Sales Tax	3.77	Jt. Commissioner / Dy. Commissioner
2	Uttar Pradesh Sales Tax Act	Sales Tax	63.63	Tribunal
3	Kerala Sales Tax Act	Sales Tax	79.98	Tribunal / Dy. Commissioner /
4	Tamilnadu Sales Tax Act	Sales Tax	18.57	Tribunal
5	Bihar Sales Tax Act	Sales Tax	7.69	Jt. Commissioner Appeals
6	West Bengal Sales Tax Act	Sales Tax	9.42	Directorate of commercial taxes / Revisionary Board
7	Orissa Sales Tax Act	Sales Tax	1.29	Jt. Commissioner / Commissioner
8	Gujarat Sales Tax Act	Sales Tax	2.25	Dy. Commissioner
9	Uttarakhand Sales Tax Act	Sales Tax	48.60	Commissioner
		Total	235.20	

10. The Company has no accumulated losses as at March 31, 2013 and it has not incurred 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 holders 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 Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For **THAKUR VAIDYANATH AIYAR & CO.**
CHARTERED ACCOUNTANTS
 Firm Reg. No. 000038N

Place: Mumbai
 Date: 28th May, 2013

C V Parameswar
 Partner
 Membership No. 11541

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
I. EQUITY AND LIABILITIES			
1. Shareholders's Funds			
Share Capital	1	21,352.11	21,352.11
Reserves and Surplus	2	35,346.64	32,546.23
Money received against Share Warrants		-	1,120.98
		56,698.75	55,019.32
2. Non-Current Liabilities			
Long-Term Borrowings	3	5,043.29	6,136.34
Deferred Tax Liabilities (Net)	4	(249.43)	46.21
Other Long-Term Liabilities	5	108.94	101.39
Long-Term Provisions	6	398.28	316.50
		5,301.08	6,600.44
3. Current Liabilities			
Short Term Borrowings	7	11,101.82	6,970.76
Trade Payables	8	2,670.93	2,380.04
Other Current Liabilities	9	5,187.57	4,863.58
Short-Term Provisions	10	2,606.33	1,091.98
		21,566.65	15,306.36
TOTAL		83,566.48	76,926.12
II. ASSETS			
1. Non-Current Assets			
Fixed Assets	11		
(i) Tangible Assets		5,579.09	5,893.25
(ii) Intangible Assets		12.51	43.14
(iii) Capital work-in-progress		135.14	129.50
Non-Current Investments	12	10,602.25	10,802.25
Long-Term Loans and Advances	13	29,432.99	25,376.26
Other Non Current Assets	14	236.99	252.23
		45,998.97	42,496.63
2. Current Assets			
Inventories	15	3,568.90	4,306.92
Trade Receivables	16	25,207.31	22,237.12
Cash and Cash Equivalents	17	533.83	685.18
Short-Term Loans and Advances	18	6,851.88	5,095.21
Other Current Assets	19	1,405.59	2,105.06
		37,567.51	34,429.49
TOTAL		83,566.48	76,926.12
Significant Accounting Policies and Notes on Financial Statements	I to 28		

As per our attached report of even date
FOR THAKUR,VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Reg. No.: 000038N

C.V. Parameswar
Partner
M. No: 11541

Mumbai,
Dated : 28th May,2013

For and on behalf of the Board of Directors

P V R Murthy
(Managing Director)

Manish Malani
(Director)

Laxmi Didwania
(Company Secretary)

Mumbai,
Dated : 28th May,2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	Note No.	For the Year ended 31 March, 2013 ₹ in lacs	For the Year ended 31 March, 2012 ₹ in lacs
I. INCOME			
Revenue From Operations (Gross)	21	40,166.85	41,400.05
Less : Excise Duty		109.92	130.78
		40,056.93	41,269.27
II. Other Income	22	(593.05)	807.59
III. Total Revenue (I + II)		39,463.88	42,076.86
IV. EXPENSES			
Cost of Materials Consumed	23	32,864.44	35,352.73
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	371.01	111.37
Employee Benefits Expense	25	1,102.41	1,194.66
Finance Costs	26	2,957.81	2,826.99
Depreciation and Amortization Expense		353.65	364.25
Other Expenses	27	826.25	1,365.67
Total Expenses		38,475.57	41,215.67
V. Profit before tax (III -IV)		988.31	861.19
VI. Tax Expenses			
Current Tax		340.32	236.36
Deferred Tax		(295.65)	(67.90)
Wealth Tax		0.51	0.37
Tax in respect of earlier years		501.43	162.81
TOTAL		546.61	331.64
VII. PROFIT FOR THE YEAR (V -VI)		441.70	529.55
Earning per Equity Share of face value of Re. 1 each Basic and Diluted (in Re.)		0.02	0.02
Significant Accounting Policies and Notes on Financial Statements	I to 28		

**As per our attached report of even date
FOR THAKUR,VAIDYANATH AIYAR & CO.**

Chartered Accountants
Firm Reg. No.: 000038N

C.V. Parameswar
Partner
M. No: 11541

Mumbai,
Dated : 28th May,2013

For and on behalf of the Board of Directors

P V R Murthy
(Managing Director)

Manish Malani
(Director)

Laxmi Didwania
(Company Secretary)

Mumbai,
Dated : 28th May,2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		(₹ in Lacs)	
		Year ended March 31, 2013	Year ended March 31, 2012
(A) Cash Flow From Operating Activities			
Net Profit before tax		988.31	861.20
Adjustments for :			
- Depreciation	353.65		365.05
- Interest Expenses	4,810.78		4,278.99
- Interest Income	(1,852.99)		(1,452.00)
- Profit on sale of Fixed Assets	(0.52)		(1.68)
- Excess Liability Written Back	(24.11)		(67.23)
- Loss on sale of Fixed Assets	4.64		0.55
- Unrealised Gain on Foreign Exchange Rate	(0.65)		(86.06)
- Unrealised Exchange Rate Gain on Loan	(2.72)		2,365.18
- Provision for Doubtful Debts	83.81		-
- Miscellaneous Expenditure Written off	-	3,371.89	9.40
Operating Profit before Working Capital Changes		4,360.20	6,273.40
Adjustments for :			
- Trade & Other Receivables	(5,747.58)		(17,347.13)
- Inventories	738.01		157.49
- Trade & Other Payables	877.12	(4,132.45)	(608.05)
Cash Generated from Operations		227.75	(11,524.29)
- Tax Payments (Net)		25.17	(211.20)
Net Cash Flow from Operating Activities	(A)	252.92	(11,735.49)
(B) Cash Flow from Investing Activities			
- Purchase of Fixed Assets/ Capital Advance Adjustment	(661.11)		(647.00)
- Sale of Fixed Assets	1.69		3.51
- Repayments of Loan from Bodies Corporate	(1,581.18)		3,225.93
- Purchase of Investment	200.00		(3,449.32)
- Interest Received	1,789.37		1,238.65
Net Cash Flow from Investing Activities	(B)	(251.23)	371.78
(C) Cash Flow from Financing Activities			
- Borrowings (Net of repayments)	3,038.01		1,468.79
- Loss on Exchange Difference	0.65		86.06
- Interest Paid	(4,310.63)		(4,571.88)
- Issue of Share Capital	-		-
- Share Premium	-		-
- Money Received against Share Warrants/Adjusted in Reserve Account	1,120.98		1,120.98
- Share issue expenses	-		-
- Dividend Paid (including Corporate Dividend Tax)	(2.05)		(2.40)
Net Cash Flow from Financing Activities	(C)	(153.04)	(1,898.45)
Net Increase/(Decrease) in Cash & Cash Equivalents	(A+B+C)	(151.35)	(13,262.16)
Cash & Cash Equivalent at the beginning of the period		685.18	13,947.34
Cash & Cash Equivalent at the end of the period		<u>533.83</u>	<u>685.18</u>
		<u>(151.35)</u>	<u>(13,262.16)</u>

Notes to the Cash Flow Statement for the year ended March 31, 2013

- 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 attached report of even date

FOR THAKUR,VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Reg. No.: 000038N

C.V. Parameswar

Partner

M. No: 11541

Mumbai,

Dated : 28th May,2013

For and on behalf of the Board of Directors

P V R Murthy
(Managing Director)

Manish Malani
(Director)

Laxmi Didwania
(Company Secretary)

Mumbai,

Dated : 28th May,2013

**NOTES TO THE FINANCIAL STATEMENTS**

	As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
I. SHARE CAPITAL		
AUTHORISED:		
3,000,000,000 Equity Share of Re. 1/- each (3,000,000,000)	<u>30,000.00</u>	<u>30,000.00</u>
ISSUED		
2,135,224,905 Equity Share of Re. 1/- each (2,135,224,905)	<u>21,352.25</u>	<u>21,352.25</u>
SUBSCRIBED & FULLY PAID UP		
2,135,196,905 Equity Share of Re. 1/- each (2,135,196,905)	<u>21,351.97</u>	<u>21,351.97</u>
Add: Forfeited shares amounts originally paid-up.	<u>0.14</u>	<u>0.14</u>
TOTAL	<u>21,352.11</u>	<u>21,352.11</u>
I.1 Reconciliation of the number of shares outstanding is set out below:	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	<u>2,135,196,905</u>	<u>2,135,196,905</u>
Shares outstanding at the end of the year	<u>2,135,196,905</u>	<u>2,135,196,905</u>
I.2 The details of Shareholders holding more than 5% share	No. of Share %	No. of Share %
Bank of New York Mellon	5099052 23.88	573,680,820 26.87
I.3 355,865,955 Equity Shares out of the Issued, Subscribed and Paid up Share Capital were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and Reserves.		
I.4 On 09.06.2011 the company issued and allotted 213,519,690 Convertible Share Warrants to the Promoter Group Companies. These warrants are convertible into 1 Equity Share of Re. 1/- each, at a price (calculated in accordance with SEBI regulations) of Rs. 2.10 per share. 25% of the issue price amounting to Rs. 112,097,837.26 due on allotment has been received. The Balance 75% was due at the time of conversion on or before 08.12.2012. As the option is not exercised the Company has forefitted the amount during the year.		
2. RESERVES AND SURPLUS		
Capital Reserves	25.00	25.00
Securities Premium Reserve		
Balance as per last account	<u>24,635.91</u>	<u>25876.37</u>
Add : Securities Premium credited on share issue	<u>-</u>	<u>-</u>
	<u>24,635.91</u>	<u>25876.37</u>
Less: GDR Issue Expenses (Refer Note No. 28(XI D))	<u>-</u>	<u>1240.45</u>
	<u>24,635.91</u>	<u>24,635.92</u>
Revaluation Reserve	<u>699.42</u>	<u>699.42</u>
Foreign Currency Translation Reserve (relating to foreign subsidiary)	<u>3,602.92</u>	<u>2,365.18</u>
Share Options Outstanding Account	<u>1,120.98</u>	<u>-</u>
General Reserve:		
Balance as per last account	<u>3,217.43</u>	<u>3,217.43</u>
Surplus in Statement of Profit & Loss		
Balance as per last account	<u>1,603.28</u>	<u>1,073.73</u>
Add: Net Profit for the Current Year	<u>441.70</u>	<u>529.55</u>
Closing Balance	<u>2,044.98</u>	<u>1,603.28</u>
TOTAL	<u>35,346.64</u>	<u>32,546.23</u>

	As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
3 LONG TERM BORROWINGS		
Secured		
Other Loans (Refer Note No I & 2)	-	16.76
Sub Total	-	16.76
1 - Secured by hypothecation of Motor Vehicles purchased thereunder.		
2 - These loans are repayable in monthly installments by February, 2014 at rates of interest between 8.24 % and 12.25 %.		
Unsecured		
Deposits (Refer Note No 28 (XVIII))	1,571.49	3839.58
Loans and Advances from related parties (Refer Note No. 28(III))	1,371.80	180.00
Other Loans and Advances (Refer Note No I)	2,100.00	2100.00
Sub Total	5,043.29	6,119.58
TOTAL	5,043.29	6,136.34
1 - Loan availed by way of charge on property owned by a third party and also guaranteed by the third party .The loan is repayable on or before March 2015 at 21 % interest payable quarterly.		
4. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
On account of Depreciation	283.61	235.93
Deferred Tax Assets		
On account of Disallowance under the Income Tax Act, 1961	533.04	189.72
TOTAL	(249.43)	46.21
5. OTHER LONG TERM LIABILITIES		
Others (including Advance and Security Deposit from Dealers)	108.94	101.39
TOTAL	108.94	101.39
6. LONG TERM PROVISIONS		
Provision for Employee Benefits :		
Gratuity	255.11	190.66
Leave Encashment	143.17	125.84
TOTAL	398.28	316.50
7. SHORT TERM BORROWINGS		
Secured		
Loan Repayable on Demand		
Working Capital Loans (loans repayable on demand)		
From Banks (Refer to Note I below)	5,211.20	3988.74
Factoring Facility (Refer Note 2 below)	-	198.96
Other Loan (Refer Note 3 below)	16.76	26.55
1 Working Capital loan from bank 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 carrying interest rate of 13.75 %.		
2 Secured by way of first charge on company's book debts in respect of specific customers.		
3 (a) Secured by hypothecation of Motor Vehicles purchased thereunder		
(b) These loans are repayable in monthly installments by February, 2014 at rates of interest between 8.24 % and 12.25 %.		
Unsecured		
Deposits (Refer Note No 28 (XVIII))	4,420.79	1952.43
Loans and Advances from related parties. (Refer Note No. 28 (III))	1,453.07	804.08
TOTAL	11,101.82	6,970.76



	As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
8. TRADE PAYABLES		
Due to Micro, Small and Medium Enterprises {Refer Note 28(VIII)}	4.80	36.87
Others (Includes Rs. 35,003,871/- to a Related Party)	2,666.13	2343.17
TOTAL	2,670.93	2,380.04
9. OTHER CURRENT LIABILITIES		
Interest accrued but not due on borrowings	228.25	220.98
Interest accrued and due on borrowings	545.85	52.97
Income received in advance	93.26	109.59
Unclaimed Dividends	45.46	47.50
Amounts due against warrants pending encashment.	14.41	14.40
Other payables(Refer Note No. 28 (XI B))	4,260.34	4418.14
TOTAL	5,187.57	4,863.58
There is no amount due and outstanding as on 31.03.2013 to be credited to Investor Education and Protection Fund		
10. SHORT TERM PROVISIONS		
Provision for Employee Benefits :		
Gratuity	7.42	21.81
Leave Encashment	7.50	17.12
Salary & Reimbursements :	37.40	41.05
Provision for Wealth Tax	0.51	0.37
Others :		
Provision for Expenses	1,257.68	583.11
Provision for Taxation (Net of Advance Tax)	1,295.82	428.52
TOTAL	2,606.33	1,091.98

NOTE NO. 11

										₹
FIXED ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01 April 2012	Additions/ Adjustment	Deductions/ Adjustment	Balance as at 31st March, 2013	Balance as at 01 April 2012	Adjustment / Deductions	For the year Adjustment / Deductions	Upto 31st March, 2013	Balance as at 31st March, 2013	Balance as at 31 March 2012
FIXED ASSETS										
TANGIBLE ASSETS										
Freehold Land	759.15	-	-	759.15	-	-	-	-	759.15	759.15
Leasehold Land	17.46	-	-	17.46	15.10	-	0.58	15.68	1.78	2.36
Building	1,312.86	-	-	1,312.86	409.35	-	33.81	443.16	869.70	903.50
Plant and Machinery	7,309.21	2.40	53.20	7,258.41	3,257.43	48.82	248.55	3,457.16	3,801.25	4,051.79
Furniture, Fixtures and Equipments	258.75	12.11	-	270.86	184.37	-	13.37	197.74	73.12	74.39
Office Equipments	113.91	0.15	1.31	112.75	90.24	0.86	7.13	96.51	16.24	23.67
Vehicles	212.96	-	16.33	196.63	134.55	15.35	19.58	138.78	57.85	78.39
	9,984.30	14.66	70.84	9,928.12	4,091.04	65.03	323.02	4,349.03	5,579.09	5,893.25
INTANGIBLE ASSETS										
Software	302.96	-	-	302.96	259.82	-	30.63	290.45	12.51	43.14
	302.96	-	-	302.96	259.82	-	30.63	290.45	12.51	43.14
CAPITAL WORK IN PROGRESS										
	-	-	-	-	-	-	-	-	135.14	129.50
	-	-	-	-	-	-	-	-	135.14	129.50
TOTAL	10,287.26	14.66	70.84	10,231.08	4,350.86	65.03	353.65	4,639.48	5,726.74	6,065.89
Previous year	10,250.20	70.91	33.85	10,287.26	4,017.22	31.24	364.89	4,350.87	6,065.89	6,326.13

Includes Depreciation of Rs. 63,545/- pertaining to LED Project included under Capital work in Progress.

	As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
12. NON CURRENT INVESTMENTS		
TRADE INVESTMENTS		
IN EQUITY SHARES - UNQUOTED, FULLY PAID UP (AT COST)		
In Equity Shares of Wholly Owned Subsidiary Companies		
94,50,000 Birla Urja Ltd	945.00	945.00
(94,50,000) (Nominal value of Shares Rs. 10/- each)		
1 Birla Power Solutions Ltd - FZE	4.25	4.25
(1) (Nominal value of Shares UAE Dirham 35000/- each)		
- Vijay Puranjay Minerals Pvt Ltd	-	425.00
(10,000) (Nominal value of Shares Rs. 10/- each)		
In Equity Shares of Associate Companies.		
52,000 Birla Energy Infra Limited	5.20	5.20
(52,000) (Nominal value of Share Rs. 10/- each)		
87,470,000 Birla Surya Limited	8,747.00	8522.00
(85,220,000) (Nominal value of Share Rs. 10/- each)		
500 B T Global Investors Ltd.	0.32	0.32
(500) (Nominal value of Share Euro. 1/- each)		
In Equity Shares of Other Companies		
3,60,000 Enn Vee Holdings Private Ltd	900.00	900.00
(3,60,000) (Nominal value of Share Rs. 10/- each)		
2,000 The Shamrao Vithal Co-op Bank Ltd.	0.48	0.48
(2,000) (Nominal value of Share Rs. 25/- each)		
TOTAL	10,602.25	10,802.25
Aggregate amount of Unquoted Investments	10,602.25	10,802.25
13 LONG TERM LOANS AND ADVANCES		
(Unsecured and Considered good)		
Capital Advances	4,013.47	3372.67
Security Deposits	79.21	193.15
Loans and Advance to Related Parties {Refer Note No 28 (III)}	21,541.87	20080.08
Inter Corporate Deposits	3,480.41	1530.71
Tooling Advance	188.19	190.95
Other Loans and Advances	129.84	8.70
TOTAL	29,432.99	25,376.26
14 OTHER NON-CURRENT ASSETS		
Others :		
Other Advances	236.99	252.23
Comprises Deposits made under protest with various Sales Tax Deptts., & Commissioner of Industries, Delhi against pending appeals.		
TOTAL	236.99	252.23



	As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
15 INVENTORIES		
(At lower of cost or net Realisable Value)		
Raw Materials	1,395.70	1736.62
Semi-Finished Goods	635.27	752.97
Finished Goods	1,046.97	1290.28
Stock-in-Trade	347.47	368.90
Scrap etc.	2.55	8.40
Stores and Spare Parts	140.94	149.75
TOTAL	3,568.90	4,306.92
16 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they become due for payment :		
Unsecured Considered good	10,861.80	7679.37
Considered doubtful	41.03	41.03
Less: Provision for doubtful debts	41.03	41.03
Others Unsecured Considered good	14,345.51	14557.75
TOTAL	25,207.31	22,237.12
17 CASH AND CASH EQUIVALANTS		
Balances with Banks	55.40	191.20
Cash on hand	0.20	1.83
Unclaimed Dividend	54.10	56.15
Margin Money (for Public Fixed Deposits, LC's and Central Excise)	424.13	436.00
TOTAL	533.83	685.18
18 SHORT TERM LOANS AND ADVANCES		
(Unsecured Considered good)		
Balance with Port Trust, Customs and Excise	3.89	7.09
Earnest Money Deposit	39.73	39.97
Loans to Employees	21.76	35.73
Advances to Suppliers and Contractors (Includes Rs. 1,08,440,769/- to a Related Party)	1,912.80	3663.79
Advance for procurement (Includes Rs. 8,35,94,073/- to a Related Party)	4,873.70	1348.63
TOTAL	6,851.88	5,095.21
19 Other Current Assets		
Interest Receivable	1,279.09	1215.47
Prepaid Expenses	123.49	870.54
Advance for Expenses/Travelling	3.01	10.34
Insurance Claim Receivable	-	8.71
TOTAL	1,405.59	2,105.06
20 Contingent Liabilities and Commitments (to the extent not provided for)		
Disputed Sales Tax Liability	235.26	823.79
Claim against the company not acknowledged as debts	83.45	12.31
TOTAL	318.71	836.10

	For the Year ended 31 March, 2013 ₹ in lacs	For the Year ended 31 March, 2012 ₹ in lacs
21 REVENUE FROM OPERATIONS		
Sale of Products :	40,154.99	33798.54
Traded Goods	-	7400.52
Sale of Services	-	171.01
Other Operating Revenues :		
Sales of Scrap	11.86	29.98
Sub Total	40,166.85	41,400.05
Less : Excise Duty	109.92	130.78
TOTAL	40,056.93	41,269.27
22 OTHER INCOME		
Dividend Income	0.06	0.06
Surplus on Sale of Fixed Assets	0.52	1.67
Excess provision written back (Net)	24.11	67.23
Exchange Fluctuation Gain (Net)	0.65	86.06
Other Non-Operating Income	1.61	652.57
Income not realised written back	(620.00)	-
TOTAL	(593.05)	807.59
23 COST OF MATERIALS CONSUMED		
A. Raw Materials & Components :		
Engines	10.16	125.02
Alternators	21.08	40.32
Accoustic Hood/Canopies	63.31	93.02
Pumps	108.78	193.34
Others	891.54	1423.38
Sub Total	1,094.87	1,875.08
B. Packing Materials	37.94	70.57
Sub Total	37.94	70.57
C. Purchase of Traded Goods :		
Electrical Items & M S Steel	31,731.63	26005.18
Copper	-	7401.90
Sub Total	31,731.63	33,407.08
TOTAL	32,864.44	35,352.73



	For the Year ended 31 March, 2013 ₹ in lacs	For the Year ended 31 March, 2012 ₹ in lacs
24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK-IN-TRADE		
Inventory at the end of the year:		
Finished Goods / Stock-in-Trade	1,394.43	1659.18
Semi-Finished Goods	635.28	752.96
Scrap etc.	2.55	8.40
Sub Total	2,032.26	2,420.54
Less:		
Inventory at the beginning of the year:		
Finished Goods / Stock-in-Trade	1,659.18	1696.35
Semi-Finished Goods	752.96	846.21
Scrap etc.	8.40	9.56
Sub Total	2,420.54	2,552.12
	(388.28)	(131.58)
Variation in excise duty on closing and opening stock of Finished Goods	17.27	20.21
TOTAL	371.01	111.37
25 EMPLOYEE BENEFIT EXPENSE		
Salaries and Wages	945.79	1016.41
Contribution to Provident and Other Funds	65.20	71.16
Staff Welfare Expenses	91.42	107.09
TOTAL	1,102.41	1,194.66
26 FINANCE COST		
Interest Expenses (Net)	1,646.81	1647.13
Other borrowing costs	1,311.00	1179.86
TOTAL	2,957.81	2,826.99
27 OTHER EXPENSES		
Manufacturing Expenses		
Consumption of Stores and Spares	45.86	83.22
Power, Fuel and Water	46.65	52.90
Repairs to:		
(a) Buildings	3.29	6.32
(b) Machinery	3.01	6.45
Sub Total	98.80	148.89
Selling and Distribution Expenses		
Freight, Forwarding and Handling Expenses etc.	68.36	110.30
Commission and other Marketing Expenses	211.82	707.08
Sub Total	280.18	817.38
Establishment Expenses		
Rent	37.51	45.35
Insurance	34.09	12.73
Rates and Taxes	16.13	31.40
Miscellaneous Expenditure	245.71	287.53
Statutory Auditors: (including service tax)		
Audit Fees	14.61	12.83
Other Services,	4.91	3.90
For Reimbursement of Expenses	0.30	0.23
Repairs	5.55	4.88
Loss on Fixed Assets sold/discarded	4.65	0.55
Bad debts,irrecoverable advances written off	83.81	—
Sub Total	447.27	399.40
TOTAL	826.25	1,365.67

28. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

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 / materialize.

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 Rs.5000/- each are fully depreciated in the year of purchase.
- vi) Pursuant to the revision in the rates prescribed in Schedule XIV to the Companies Act, 1956 vide notification No. GSR 756 (E) dated 16.12.93 issued by the Ministry of Law, Justice and Company Affairs, depreciation has been calculated at new rates only on additions to assets made after the said date.

**H) Investments**

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

I) Inventories

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. Cost formulae used are '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 and Non Current Assets and Current and Non 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 Statement of Profit and Loss.

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 Statement of Profit and Loss 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 Statement of Profit and Loss 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.

S) Current & Non Current

All assets & liabilities are presented as current or non current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current/non current classification of assets/liabilities.

T) Capital Work in Progress

Expenditure during construction period including development cost incurred on the project under implementation are treated as pre operative expenses pending allocation to the assets and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production.

II. NOTES TO THE FINANCIAL STATEMENTS

Contingent Liabilities

- I The outflow of resources in respect of pending matters with respect to Sales Tax & Excise Duty would depend on the ultimate outcome of the dispute lying before various Authorities amounting to ₹ 318.71 Lacs (Previous Year ₹ 696.14 Lacs). The Company has taken legal & other steps necessary to protect its position in respect of these claims.

II Employee Benefits

(a) Defined Benefit Plans

	(₹ in Lacs)	
Gratuity	2012-2013	2011-2012
Liability to be recognized in Balance Sheet as on 31st March, 2013		
Present value of Funded Obligations	(403.53)	(365.06)
Fair Value of Plan Assets	141.00	152.59
Net Assets/ (Liability)	(262.53)	(212.47)
Change in Plan Assets (Reconciliation of Opening and Closing Balances)		
Fair value of Plan Assets as at 1 st April, 2012	152.59	129.57



Expected Return on Plan Assets	11.63	12.51
Actuarial Gain / (Losses)	(0.01)	(1.01)
Contributions	-	26.51
Benefits Paid	(23.21)	(14.99)
Fair Value of Plan Assets as at 31 st March, 2013	141.00	152.59
Reconciliation of Opening and Closing Balances of Obligation		
Change in defined Benefit Obligation		
Obligation as at 1 st April, 2012	365.06	339.86
Current Service Cost	18.33	18.62
Interest Cost	29.57	27.19
Actuarial Losses / (Gain)	13.78	(5.61)
Benefits Paid	(23.21)	(15.00)
Obligation as at 31 st March, 2013	403.53	365.06
Expenditure to be recognized during the Year		
Current Service Cost	18.33	18.62
Interest Cost	29.57	27.19
Expected Return on Plan Assets	(11.63)	(12.52)
Net Actuarial Losses / (Gains) Recognized during the year	13.79	(4.59)
Total Expenditure included in "Employment Costs"	50.06	28.70
Assumptions		
Discount Rate (per annum)	8.10%	8.00%
Expected Rate of return on assets (per annum)	8.25%	9.25%
Salary Escalation Rate	5.50%	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 ₹ 65.20 Lacs (Previous Year ₹ 71.16 Lacs) is recognized as an expense and included in Note 25 "Contribution to Provident and other Funds" in the Statement of Profit and Loss.

III Related Party Information :**(a) List of related parties disclosure as required by Accounting Standard 18 (AS -18)**

Names of related parties		Description of relationship
Birla Urja Ltd		Wholly Owned Subsidiaries
Birla Power Solutions Ltd – FZE		
Vijay Puranjay Minerals Pvt Ltd.		
Birla Terra.Joule Pvt Ltd.		Associates
Birla Surya Ltd.		
B T Global Investors Ltd		
Birla Energy Infra Ltd		
Shri Yashovardhan Birla (Chairman)	Upto 27.12.2012	Key Management Personnel (KMP)
Shri P V R Murthy		
Shri Manish Malani	w.e.f. 07.11.2012	

Birla Cotsyn (India) Ltd.	Enterprise owned or significantly influenced by key management personnel or their relatives
Birla Terra.Joule Pvt Ltd.	
Birla Kerala Vaidyashala Pvt Ltd.	
Ashok Birla Apollo Hospital Pvt Ltd	
Birla Wellness & Healthcare Pvt Ltd	
Birla Aircon Infrastructure Pvt Ltd.	
Birla Bombay Private Ltd	
Birla DP Carpets Private Ltd	
Birla Carpets & Grass Private Ltd	
Birla Hospitals & Medical Research Centre P Ltd	
Birla Precision Technologies Ltd.	
Zenith Birla (India) Ltd.	
Melstar Information Technologies Ltd.	
Birla Shloka Edutech Ltd.	
Birla Machining & Tooling Ltd.	
Birla Pacific Medspa Ltd	
Birla Infrastructure Ltd.	
Birla Capital & Financial Services Ltd.	
Birla Viking Travels Ltd.	
Birla Brothers Pvt Ltd.	
Birla Bombay Pvt Ltd.	
Birla Edutech Ltd.	
Asian Distributors Pvt Ltd	
Birla Art Lifestyle Pvt Ltd	
Shearson Investment & Trading Co. Ltd.	
Lakshmi Properties Ltd	

Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2012:					
Particulars	Subsidiaries	Associates	KMP	Entities in which KMP / relatives of KMP have significant influence	₹ in lacs Total
Other Income					
Birla Energy Infra Ltd		-			-
		(441.20)			(441.20)
Sale of goods					
Zenith Birla (India) Ltd.				915.31	915.31
				(1563.26)	(1563.26)
Interest paid / payable					
Zenith Birla (India) Ltd.				30.29	30.29
				(57.86)	(57.86)



Shearson Investment & Trading Co. Ltd.				87.92	87.92
				(49.61)	(49.61)
Melstar Information Technologies Ltd.				15.68	15.68
				(-)	(-)
Birla Pacific Medspa Ltd				260.58	260.58
				(-)	(-)
Interest received / receivable					
Birla Cotsyn (India) Ltd.				10.15	10.15
				(198.46)	(198.46)
Zenith Birla (India) Ltd.				(-)	(-)
				(46.50)	(46.50)
Birla Power Solutions Ltd – FZE	699.65				699.65
	(-)				(-)
Investments					
Birla Surya Ltd.		225.00			225.00
		(3022.00)			(3022.00)
B T Global Investors Ltd		-			-
		(0.32)			(0.32)
Birla Terra.Joule Pvt Ltd.		24.00			24.00
		(-)			(-)
Sale of Investments					
Lakshmi Properties Ltd				148.75	148.75
				(-)	(-)
Birla Infrastructure Ltd.				148.75	148.75
				(-)	(-)
Birla Energy Infra Limited				24.00	24.00
				(-)	(-)
Services Received					
Zenith Birla (India) Ltd.				9.42	9.42
				(13.37)	(13.37)
Birla Viking Travels Ltd.				1.33	1.33
				(-)	(-)
Director's Remuneration					
Mr. P V R Murthy			100.01		100.01
			(100.01)		(100.01)
Advance Given					
Birla Power Solutions Ltd – FZE	1937.39				1937.39
	(14756.87)				(14756.87)
Birla Urja Ltd	410.58				410.58
	(482.85)				(482.85)
Birla Surya Ltd.		1167.26			1167.26
		(-)			(-)
Shearson Investment & Trading Co. Ltd.				0.44	0.44
				(-)	(-)
Birla Energy Infra Ltd		0.31			0.31
		(-)			(-)
Birla Infrastructure Ltd.				122.01	122.01
				(-)	(-)
Vijay Puranjay Minerals Pvt Ltd.	3.42				3.42
	(-)				(-)
Birla Research & Life Science Ltd				150.00	150.00
				(-)	(-)
Advance Given Refunded					
Birla Surya Ltd.		1894.16			1894.16

		(50.15)		(50.15)
Birla Urja Ltd	42.33			42.33
	(-)			(-)
Birla Research & Life Science Ltd.			10.06	10.06
			(-)	(-)
Advance Taken				
Birla Cotsyn (India) Ltd.			-	-
			(6.50)	(6.50)
Birla Shloka Edutech Ltd.			8.24	8.24
			(-)	(-)
Birla Wellness Limited			108.36	108.36
			(-)	(-)
Birla Aircon Infrastructure Pvt Ltd.			311.40	311.40
			(-)	(-)
Birla Pacific Medspa Ltd			58.52	58.52
			(-)	(-)
Birla Global Corporate Ltd.			374.00	374.00
			(-)	(-)
Advance Taken Refunded				
Birla Aircon Infrastructure Pvt Ltd.			19.05	19.05
			(-)	(-)
Birla Shloka Edutech Ltd.			8.24	8.24
			(-)	(-)
Birla Global Corporate Ltd.			25.20	25.20
			(-)	(-)
Loan Taken				
Zenith Birla (India) Ltd.			649.96	649.96
			(951.00)	(951.00)
Melstar Information Technology Ltd.			150.00	150.00
			(-)	(-)
Birla Pacific Medspa Ltd			1771.48	1771.48
			(-)	(-)
Loan Taken Refunded				
Zenith Birla (India) Ltd.			802.61	802.61
			(3063.99)	(3063.99)
Shearson Investment & Trading Co. Ltd.			68.04	68.04
			(-)	(-)
Loan Given				
Shearson Investment & Trading Co. Ltd.			-	-
			(400.00)	(400.00)
Birla Cotsyn (India) Ltd.			212.67	212.67
			(577.24)	(577.24)
Loan Given Refunded				
Shearson Investment & Trading Co. Ltd.			-	-
			(1700.00)	(1700.00)
Birla Cotsyn (India) Ltd.			545.50	545.50
			(2333.50)	(2333.50)
Write off / write back made during the year				
Birla Energy Infra Ltd		441.20		441.20
		(-)		(-)
Balances outstanding at the end of the year				
Loans and advances				



Receivable					
Birla Power Solutions Ltd – FZE	20958.33				20958.33
	(19020.94)				(19020.94)
Birla Urja Ltd	835.94				835.94
	(467.69)				(467.69)
Vijay Puranjay Minerals Pvt Ltd.	160.35				160.35
	(156.93)				(156.93)
Birla Cotsyn (India) Ltd.				101.69	101.69
				(434.52)	(434.52)
Lakshmi Properties Ltd.				148.75	148.75
				(-)	(-)
Birla Infrastructure Ltd.				861.20	861.20
				(-)	(-)
Birla Energy Infra Ltd.		24.00			24.00
		(-)			(-)
Birla Kerala Vaidyashala Pvt. Ltd.				25.00	25.00
				(25.00)	(25.00)
Birla Wellness Pvt. Ltd.				346.52	346.52
				(431.47)	(431.47)
Shearson Investment & Trading Co. Ltd.				0.44	0.44
				(-)	(-)
Payable					
Zenith Birla (India) Ltd.				220.66	220.66
				(373.32)	(373.32)
Shearson Investment & Trading Co. Ltd.				682.72	682.72
				(610.76)	(610.76)
Melstar Information Technology Ltd.				150.00	150.00
				(-)	(-)
Birla Pacific Medspa Ltd				1771.48	1771.48
				(-)	(-)
Birla Aircon Infrastructure Pvt. Ltd.				340.16	340.16
				(47.82)	(47.82)
Birla Viking Travels Ltd.				9.87	9.87
				(4.33)	(4.33)
Note: Figures in bracket relate to the previous year					

- IV. The Company has recoverable aggregating ₹489.48 Lacs (Previous Year ₹472.22 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.

- V. Trade receivables include ₹. 410.09 Lacs (Previous years ₹843.00Lacs) for which the company has entered into agreements of assignment for transfer of debts outstanding and receivable by the company, to the purchaser of the debts.
- VI. The Company during March, 2006 had a public issue of Equity Shares, which was oversubscribed. As per SEBI rules, refund orders were issued to the subscribers in respect of the excess amounts. An amount of ₹.14.41 (Previous Year ₹ 14.41 Lacs) is pending for encashment as at 31st March, 2013

VII. Premises taken on operating lease:

(₹ in Lacs)

Particulars	2012 - 2013	2011-2012
Rent and Lease Rent recognized in the Statement of Profit and Loss	37.51	44.28

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

(₹ in Lacs)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Not later than one year	27.52	22.04
Between two to five years	29.51	42.18

VIII. Micro, Small and Medium Enterprise Dues:

Sundry Creditors includes ₹ 4.80 Lacs (Previous Year ₹ 42.04 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, 2013	31 st March, 2012
1	The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. Principal Interest	4.80 1.32	36.87 5.17
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	1.32	5.17
4	The amount of interest accrued and remaining unpaid at the end of accounting year: and	6.49	5.17
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, 2013.

IX. A. Imported and indigenous raw materials consumption:

Particulars	2012-2013		2011-2012	
	Imported (₹ in lacs)	Indigenous (₹ in lacs)	Imported (₹ in lacs)	Indigenous (₹ in lacs)
Raw materials and Components				
- Rs in Lacs	21.80	1212.09	43.95	2093.18
- Percentage	1.77	98.23	2.06	97.94
Stores and Spare Parts				
- Rs in Lacs	0.22	45.64	0.34	82.88
- Percentage	0.48	99.52	0.41	99.59

**B. CIF value of Imports**

Particulars	2012-2013 (₹ in Lacs)	2011-2012 (₹ 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)	7.31	60.05

C. Expenditure in foreign currency

Particulars	2012-2013 (₹ in Lacs)	2011-2012 (₹ in Lacs)
Travelling Expenses	1.91	1.18

D. FOB value of Exports

Particulars	2012-2013 (₹ in Lacs)	2011-2012 (₹ in Lacs)
Exports	Nil	Nil

E.

Particulars	2012-2013	2011-2012
Dividend remitted to Non- Resident Shareholders in foreign currency	NIL	NIL

F. 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:

(₹ in Lacs)

Particulars	2012-2013		2011-2012	
	Foreign Currency \$	Indian Rupees (₹ in Lacs)	Foreign Currency \$	Indian Rupees (₹ in Lacs)
Payables	-	-	-	-
Receivables	18272.40	9.93	18272.40	9.32
Loans / Advances	37287994.77	20958.33	37287994.77	19020.94

X. The disclosure required by Accounting Standard (AS-29) "Provisions, Contingent Liabilities, Contingent Assets" prescribed by Companies (Accounting Standards) Amendment Rules, 2006 are as follows :

(₹ in Lacs)

Class of Provision	Carrying amount as on 31 March 2012	Provisions made/ Increase/(Decrease) in Provision	Amount used during the year	Amounts reversed during the year	Carrying amount as on 31 March 2013
Warranty	9.87	1.29	1.29	Nil	9.87

(A) Nature of Obligation

Warranty is given to customers at the time of sale of engines and generating sets manufactured, Warranty cost includes expenses in connection with repairs, free replacement of parts / engines and after sales services during warranty period which is one year.

(B) Expected Timing of resulting Outflow

Majority of warranty cost will be incurred in the next financial year and balance will be incurred in the following years.

XI A. Earnings Per Share (Basic and Diluted)

Particulars	2012-2013	2011-2012
Profit for the year after taxation (₹ in Lacs)	44,169,781.43	52,955,519.40
Total Number of equity shares at the end of the year	2,135,196,905	2,135,196,905
Weighted average numbers of equity shares for the purpose of computing Earning Per Share	2,135,196,905	2,135,196,905
Basic and Diluted Earning Per Share	0.02	0.02

- XI B. Other payable under Note 9 "Other Current Liabilities" includes statutory dues of ₹. 610.58 Lacs (Previous Year ₹ 558.11 Lacs) & other payable against Acceptances of ₹ 3451.91 Lacs (Previous Year ₹ 3737.80 Lacs).
- XI C. In accordance with Accounting Standard – 17 "Segment Reporting", segment information has been given in the consolidated financial statement of the Company and therefore, no separate disclosure on segment information is given in these financial statements.
- XI D. Expenses incurred amounting to Rs. Nil (Rs. 1240.45 lacs), as GDR Issue Expenses, on issuance of Global Depository Receipts in the year 2010-2011 have been adjusted against Securities Premium received against these GDR's.
- XII Balances with banks includes Rs. 9, 92,745.00 with a bank for which statement of account / confirmation of balance as on 31.03.2013 is awaited.
- XIII Party balances are subject to confirmation / reconciliation.
- XIV In the opinion of the management, the current assets, loans & advances and current liabilities are approximately of the value stated, if realized / paid in the ordinary course of business. The provision for all known liabilities are adequate and is not in excess of the amounts considered reasonably.
- XV On 09.06.2011 the Company issued and allotted 213,519,690 convertible share warrants to Promoter Group Companies at a price of Rs. 2.10 per share. 25% of the issue price amounting to Rs. 11,20,97,837.26 due on allotment was received at the time of allotment. The balance 75% was due at the time of conversion on or before 08.12.2012. As the warrant holders have not exercised the option of conversion, the Company has forfeited the amount received on allotment of the warrants.
- XVI Previous year figures have been regrouped and re-arranged wherever considered necessary.
- XVII The Company has incurred expenditure aggregating to Rs. 4148.62 lacs towards capital work in progress. There has been delayed in the implementation of the project and accordingly the advances made to the suppliers have not been entirely appropriated towards the supplies. No provision for impairment is considered necessary by the management at this stage.
- XVIII The Company has not be able to service the repayment of deposits to the deposit holders as well as interest on the deposit due for payment and comply with the order of the Company Law Board for refund of deposits, due to cash flow limitation and the extent of the outstanding as of 31.03.2013 is interest of Rs. 1,26,02,594/- and principal amount of Rs. 11,91,80,000/- on the Fixed Deposits matured and presented for repayments.
- However, the company is paying the amounts in staggered manner and hopes to clear the outstanding in due course of time.

As per our attached report of even date
FOR THAKUR,VAIDYANATH AIYAR & CO.

Chartered Accountants
 Firm Reg. No.: 000038N

C.V. Parameswar
 Partner
 M. No: 11541

Mumbai,
 Dated : 28th May,2013

For and on behalf of the Board of Directors

P V R Murthy
 (Managing Director)

Manish Malani
 (Director)

Laxmi Didwania
 (Company Secretary)

Mumbai,
 Dated : 28th May,2013

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**

	Name of the Subsidiary		Birla Urja Limited	Birla Power Solutions Ltd. -FZE
1	Financial year of the Subsidiary		31.03.2013	31.03.2013
2	Extent of interest in the Subsidiary Company - Fully paid Equity Share - % of total Equity Share	Nos. %	94,50,000 100%	1 100%
3	Net aggregate amount of the profit/(loss) of the Subsidiary Company so far as it concern to the member of Birla Power Solutions Ltd.: a dealt with in the accounts of the Company for the financial year of the Subsidiary for the previous financial year since it became subsidiary of the Company b not dealt with in the accounts of the Company for the financial year of the Subsidiary for the previous financial years since it became subsidiary of the Company	Rs./Lacs Rs./Lacs Rs./Lacs Rs./Lacs	Nil Nil (1.44) (9.57)	Nil Nil 441.51 1003.56
4	Additional information u/s 212 (5)		N.A.	N.A.

Subsidiary Companies' Particulars – As at March 31, 2013

Pursuant to General Circular no. 2011 dt. 08/02/2011 issued by Ministry of Corporate Affairs.

(₹ in Lacs)

Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Turnover	Profit/(Loss) before taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
Birla Urja Limited	945.00	12.15	1,900.71	967.86	Nil	(1.44)	Nil	(1.44)	Nil
Birla Power Solutions Ltd. - FZE	5.18	1,689.55	4,490.63 (Net)	2,801.08 (Net)	30,381.51 (Net)	441.51 (Net)	Nil	441.51	Nil

Details of investments,(other than in subsidiaries) are :

₹ in Lacs

Long Term

Non Trade – Unquoted

Birla Surya Limited 171.19

1711906 Equity Shares of Rs. 10/- each fully paid up

For and on behalf of the Board of Directors

Date: 28.05.2013

Place: Mumbai

P V R Murthy
Managing Director**Manish Malani**
Director

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of BIRLA POWER SOLUTIONS LIMITED Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of BIRLA POWER SOLUTIONS LIMITED ("the Company"), and its subsidiaries, (collectively referred to as "The Group") which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group preparation and presentation of the consolidated financial statements that give a true and fair view in order to design

audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2013;
- b) in the case of the consolidated Statement of Profit and Loss, 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.

Other Matters

We did not audit the financial statement of one of the subsidiaries included in the consolidated financial statements, which constitute total assets of Rs.25,454.14 lacs and net assets of Rs. 1,694.73 lacs as at March 31, 2013, total revenues of Rs. 30,381.50 lacs, net profit of Rs. 441.51 lacs and net cash flows amounting to Rs. 51.48 lacs for the year then ended.

We have relied on the unaudited financial statements of the above subsidiary whose unaudited financial statements have been furnished to us by the management and our opinion in so far as it relates to the amounts included in respect of this subsidiary is based solely on such accounts.

For **THAKUR VAIDYANATH AIYAR & CO.**

Chartered Accountants
Firm Reg. No. 000038N

C V Parameswar
Partner

Place: Mumbai
Date: 28th May, 2013

Membership No. 11541

**CONSOLIDATED BALANCE SHEET AS AT 31ST,MARCH, 2013**

Particulars	Note No.	As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
I. EQUITY AND LIABILITIES			
1. Shareholders's Funds			
Share Capital	1	21,352.11	21,352.109
Reserves and Surplus	2	37,024.04	34,206.53
Money received against Share Warrants		-	1,120.98
		58,376.15	56,679.62
2. Non-Current Liabilities			
Long-Term Borrowings	3	5,043.29	6,136.34
Deferred Tax Liabilities (Net)	4	(249.43)	46.21
Other Long-Term Liabilities	5	108.94	101.39
Long-Term Provisions	6	398.28	316.50
		5,301.08	6,600.44
3. Current Liabilities			
Short Term Borrowings	7	11,101.82	6,970.76
Trade Payables	8	5,485.67	6,175.10
Other Current Liabilities	9	5,298.99	4,864.93
Short-Term Provisions	10	2,613.17	1,095.69
		24,499.65	19,106.48
TOTAL		88,176.88	82,386.54
II. ASSETS			
1. Non-Current Assets			
Fixed Assets	11		
(i) Tangible Assets		5,585.10	5,896.77
(ii) Intangible Assets		12.51	891.14
(iii) Capital work-in-progress		928.66	972.68
Non-Current Investments	12	9,824.19	9,584.48
Long-Term Loans and Advances	13	8,546.27	6,226.34
Other Non Current Assets	14	236.99	252.22
		25,133.72	23,823.63
2. Current Assets			
Inventories	15	3,585.02	4,306.92
Trade Receivables	16	50,596.75	44,667.22
Cash and Cash Equivalents	17	603.63	694.19
Short-Term Loans and Advances	18	6,852.17	6,789.53
Other Current Assets	19	1,405.59	2,105.05
		63,043.16	58,562.91
TOTAL		88,176.88	82,386.54

**Significant Accounting Policies and
Notes on Financial Statements**

I to 28

As per our attached report of even date

For and on behalf of the Board of Directors

FOR THAKUR,VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Reg. No.: 000038N

P V R Murthy
(Managing Director)**Manish Malani**
(Director)**C.V. Parameswar**

Partner

M. No: 11541

Laxmi Didwania
(Company Secretary)

Mumbai,

Dated : 28th May,2013

Mumbai,

Dated : 28th May,2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	For the Year ended 31 March, 2013 ₹ in lacs	For the Year ended 31 March, 2012 ₹ in lacs
I. INCOME			
Revenue From Operations (Gross)	21	70,548.36	64,873.76
Less : Excise Duty		109.93	130.78
		70,438.43	64,742.98
II. Other Income	22	(593.05)	807.60
III. Total Revenue (I + II)		69,845.38	65,550.58
IV. EXPENSES			
Cost of Materials Consumed	23	62,180.29	57,849.74
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	371.01	111.37
Employee Benefits Expense	25	1,102.42	1,194.67
Finance Costs	26	3,658.29	2,829.73
Depreciation and Amortization Expense		353.65	364.25
Other Expenses	27	751.34	1,346.66
Total Expenses		68,417.00	63,696.42
V. Profit before tax (III -IV)		1,428.38	1,854.16
VI. Tax Expenses			
Current Tax		340.32	236.36
Deferred Tax		(295.65)	(67.90)
Wealth Tax		0.51	0.37
Tax in respect of earlier years		501.43	162.81
TOTAL		546.61	331.64
VII. PROFIT FOR THE YEAR (V -VI)		881.77	1,522.52
Earning per Equity Share of face value of Re. 1 each			
Basic and Diluted (in Re.)		0.04	0.07

**Significant Accounting Policies and
Notes on Financial Statements**

1 to 28

As per our attached report of even date
FOR THAKUR,VAIDYANATH AIYAR & CO.
 Chartered Accountants
 Firm Reg. No.: 000038N

For and on behalf of the Board of Directors

P V R Murthy
 (Managing Director)

Manish Malani
 (Director)

C.V. Parameswar
 Partner
 M. No: 11541

Laxmi Didwania
 (Company Secretary)

Mumbai,
 Dated : 28th May,2013

Mumbai,
 Dated : 28th May,2013

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(₹ in lacs)

	Year ended March 31, 2013	Year ended March 31, 2012
(A) Cash Flow From Operating Activities		
Net Profit before tax	986.87	1,854.16
Adjustments for :		
- Depreciation	355.10	366.20
- Interest Expenses	4,811.04	4,281.74
- Interest Income	(1,852.99)	(1,452.00)
- Profit on sale of Fixed Assets	(0.52)	(1.68)
- Excess Liability Written Back	(24.11)	(67.23)
- Loss on sale of Fixed Assets	4.64	0.55
- Unrealised Gain on Foreign Exchange Rate	(0.65)	(86.06)
- Issue of Bonus Shares (Out of Share Premium)	(2.72)	-
- Unrealised Exchange Rate Gain on Loan	83.81	2,365.18
- Miscellaneous Expenditure Written off	-	9.40
Operating Profit before Working Capital Changes	4,360.47	7,270.26
Adjustments for :		
- Trade & Other Receivables	(5,747.58)	(16,958.49)
- Inventories	754.13	157.49
- Trade & Other Payables	1,007.03	1,700.85
Cash Generated from Operations	374.05	(7,829.88)
- Tax Payments (Net)	25.17	(211.20)
Net Cash Flow from Operating Activities (A)	399.22	(8,041.08)
(B) Cash Flow from Investing Activities		
- Purchase of Fixed Assets/ Capital Advance Adjustment	(772.58)	(2,333.86)
- Sale of Fixed Assets	1.69	3.51
- Repayments of Loan from Bodies Corporate	(1,949.43)	3,225.93
- Purchase of Investment	185.29	(3,178.79)
- Interest Received	1,789.37	(1,102.73)
Net Cash Flow from Investing Activities (B)	(745.66)	(3,385.94)
(C) Cash Flow from Financing Activities		
- Borrowings (Net of repayments)	3,451.44	1,468.79
- Loss on Exchange Difference	0.65	86.06
- Interest Paid	(4,310.89)	(4,577.38)
- Issue of Share Capital	-	-
- Share Premium	-	-
- Money Received against Share Warrants/Adjusted in Reserve Account	1,120.98	1,120.98
- Share issue expenses	-	-
- Dividend Paid (including Corporate Dividend Tax)	(2.05)	2.40
Net Cash Flow from Financing Activities (C)	260.13	(1,899.15)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(86.31)	(13,326.17)
Cash & Cash Equivalent at the beginning of the period	689.94	14,020.36
Cash & Cash Equivalent at the end of the period	603.63	694.19
	(86.31)	(13,326.17)

Notes to the Cash Flow Statement for the year ended March 31, 2013

- 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 attached report of even date**For and on behalf of the Board of Directors****FOR THAKUR,VAIDYANATH AIYAR & CO.****Chartered Accountants****Firm Reg. No.: 000038N****P V R Murthy
(Managing Director)****Manish Malani
(Director)****C.V. Parameswar****Partner****M. No: 11541****Laxmi Didwania
(Company Secretary)****Mumbai,****Dated : 28th May,2013****Mumbai,****Dated : 28th May,2013**

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

	As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
I. SHARE CAPITAL		
AUTHORISED:		
3,000,000,000 Equity Share of Re. 1/- each (300,00,00,000)	30,000.00	30000.00
ISSUED		
2,135,224,905 Equity Share of Re. 1/- each (2,135,224,905)	21,352.25	21352.25
SUBSCRIBED & FULLY PAID UP		
2,135,196,905 Equity Share of Re. 1/- each (2,135,196,905)	21,351.97	21351.97
Add: Forfeited shares amounts originally paid-up.	0.14	0.14
TOTAL	21,352.11	21,352.11
I.1 Reconciliation of the number of shares outstanding is set out below:	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	2,135,196,905	2,135,196,905
Shares outstanding at the end of the year	2,135,196,905	2,135,196,905
I.2 The details of Shareholders holding more than 5% share	No. of Share %	No. of Share %
Bank of New York Mellon	509,905,270 23.88	573,680,820 26.87
I.3 355,865,955 Equity Shares out of the Issued, Subscribed and Paid up Share Capital were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and Reserves.		
I.4 On 09.06.2011 the company issued and allotted 213,519,690 Convertible Share Warrants to the Promoter Group Companies. These warrants are convertible into 1 Equity Share of Re. 1/- each, at a price (calculated in accordance with SEBI regulations) of Rs. 2.10 per share. 25% of the issue price amounting to Rs. 112,097,837.26 due on allotment has been received. The Balance 75% was due at the time of conversion on or before 08.12.2012. As the option is not exercised the Company has forefitted the amount during the year.		
2. RESERVES AND SURPLUS		
Capital Reserves	25.00	25.00
Securities Premium Reserve		
Balance as per last account	24,635.91	25876.37
Add: Securities Premium credited on Share issue	-	-
	24,635.91	25,876.37
Less: GDR Issue Expenses [Refer Note No. 28(XVI)]	-	1,240.45
	24,635.91	24,635.92
Revaluation Reserve	699.43	1123.43
Foreign Currency Translation Reserve	3,615.96	2377.19
Share Options Outstanding Account	1,120.98	-
General Reserve:		
Balance as per last account	3,217.43	3217.43
Surplus in Statement of Profit & Loss		
Balance as per last account	2,827.56	1305.05
Add: Net Profit for the Current Year	881.77	1522.52
Closing Balance	3,709.33	2827.56
TOTAL	37,024.04	34,206.53



		As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
3 LONG TERM BORROWINGS			
Secured			
Other Loans (Refer Note No 1 & 2)		-	16.76
Sub Total		-	16.76
1 Secured by hypothecation of Motor Vehicles purchased thereunder.			
2 These loans are repayable in monthly installments by February, 2014 at rates of interest between 8.24 % and 12.25 %.			
Unsecured			
Deposits [Refer Note No 28 (XXII)]		1,571.49	3839.58
Loans and Advances from related parties [Refer Note No. 28(IV)]		1,371.80	180.00
Other Loans and Advances (Refer Note No 1)		2,100.00	2100.00
Sub Total		5,043.29	6,119.58
TOTAL		5,043.29	6,136.34
1 Loan availed by way of charge on property owned by a third party and also guaranteed by the third party .The loan is repayable on or before March 2015 at 21 % interest payable quarterly.			
4. DEFERRED TAX LIABILITY (NET)			
Deferred Tax Liability			
On account of Depreciation		283.61	235.93
Deferred Tax Assets			
On account of Disallowance under the Income Tax Act, 1961		533.04	189.72
TOTAL		(249.43)	46.21
5. OTHER LONG TERM LIABILITIES			
Others (including Advance and Security Deposit from Dealers)		108.94	101.39
TOTAL		108.94	101.39
6. LONG TERM PROVISIONS			
Provision for Employee Benefits :			
Gratuity		255.11	190.66
Leave Encashment		143.17	125.84
TOTAL		398.28	316.50
7. SHORT TERM BORROWINGS			
Secured			
Loan Repayable on Demand			
Working Capital Loans (loans repayable on demand)			
From Banks (Refer to Note 1 below)		5,211.20	3988.74
Factoring Facility (Refer Note 2 below)			198.96
Other Loan (Refer Note 3 below)		16.76	26.55
1 Working Capital loan from bank 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 carrying interest rate of 13.75 %.			
2 Secured by way of first charge on company's book debts in respect of specific customers.			
3 (a) Secured by hypothecation of Motor Vehicles purchased thereunder			
(b) These loans are repayable in monthly installments by February, 2014 at rates of interest between 8.24 % and 12.25 %.			
Unsecured			
Deposits [Refer Note No 28 (XXII)]		4,420.79	1952.43
Loans and Advances from related parties. [Refer Note No. 28 (IV)]		1,453.07	804.08
TOTAL		11,101.82	6,970.76

	As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
8. TRADE PAYABLES		
Due to Micro, Small and Medium Enterprises {Refer Note 28(XI)}	4.80	36.87
Others (Includes Rs. 35,003,871/- to a Related Party)	5,480.87	6138.23
TOTAL	5,485.67	6,175.10
9. OTHER CURRENT LIABILITIES		
Interest accrued but not due on borrowings	228.25	220.98
Interest accrued and due on borrowings	545.85	52.97
Income received in advance	93.26	109.59
Unclaimed Dividends	45.45	47.50
Amounts due against warrants pending encashment.	14.41	14.41
Other payables [Refer Note No. 28 (XV)]	4,371.77	4419.48
TOTAL	5,298.99	4,864.93
There is no amount due and outstanding as on 31.03.2013 to be credited to Investor Education and Protection Fund		
10. SHORT TERM PROVISIONS		
Provision for Employee Benefits :		
Gratuity	7.42	21.81
Leave Encashment	7.50	17.12
Salary & Reimbursements :	37.40	41.05
Provision for Wealth Tax	0.51	0.37
Others :		
Provision for Expenses	1,264.52	586.81
Provision for Taxation (Net of Advance Tax)	1,295.82	428.53
TOTAL	2,613.17	1,095.69

NOTE NO. II

Fixed Assets	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	As at 01	Additions/	Deductions/	Balance	Balance as at	Adjustment	For the year	Upto 31	Balance	Balance as
	April 2012	Adjustment	Adjustment	as at 31 March,2013	01 April 2012	/ Deductions	Adjustment / Deductions	March,2013	as at 31 March,2013	at 31 March 2012
II. FIXED ASSETS										
TANGIBLE ASSETS										
Freehold Land	759.15	-	-	759.15	-	-	-	-	759.15	759.15
Leasehold Land	17.46	-	-	17.46	15.10	-	0.58	15.68	1.78	2.36
Building	1,312.86	-	-	1,312.86	409.35	-	33.81	443.16	869.70	903.50
Plant and Machinery	7,309.21	2.40	53.20	7,258.41	3,257.43	48.82	248.55	3,457.16	3,801.25	4,051.79
Furniture, Fixtures and Equipments	259.74	14.61	-	274.35	184.50	-	13.37	197.87	76.48	75.23
Vehicles	212.97	-	16.33	196.64	134.55	15.35	19.58	138.78	57.86	78.41
Office Equipments	118.43	0.15	1.31	117.27	92.12	0.86	7.13	98.39	18.88	26.33
	9,989.82	17.16	70.84	9,936.14	4,093.05	65.03	323.02	4,351.04	5,585.10	5,896.77
INTANGIBLE ASSETS										
Goodwill	424.00		424.00	-					-	424.00
Mining Rights	424.00		424.00	-					-	424.00
Software	302.96	-	-	302.96	259.82	-	30.63	290.45	12.51	43.14
	1,150.96	-	848.00	302.96	259.82	-	30.63	290.45	12.51	891.14
CAPITAL WORK IN PROGRESS										
	-	-	-	-	-	-	-	-	928.66	972.68
	-	-	-	-	-	-	-	-	928.66	972.68
TOTAL	11,140.78	17.16	918.84	10,239.10	4,352.87	65.03	353.65	4,641.49	6,526.27	7,760.59
Previous year	10,253.36	921.26	33.85	11,140.77	4,017.92	31.25	366.19	4,352.86	7,760.59	6,785.25

Includes Depreciation of Rs. 0.64 lacs (Rs. 0.64 lacs) pertaining to LED Project and Rs. 1.45 lacs (Rs. 1.31 lacs) relating to Birla Urja Limited included under Capital work in Progress.



		As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
12. NON CURRENT INVESTMENTS			
TRADE INVESTMENTS			
IN EQUITY SHARES - UNQUOTED, FULLY PAID UP (AT COST)			
In Equity Shares of Associate Companies.			
52,000 Birla Energy Infra Limited		5.20	5.20
(52,000) (Nominal value of Share Rs. 10/- each)			
88,243,047 Birla Surya Limited		8,918.19	8678.48
(83,845,906) (Nominal value of Share Rs. 10/- each)			
500 B T Global Investors Ltd.		0.32	0.32
(500) (Nominal value of Share Euro. 1/- each)			
In Equity Shares of Other Companies			
3,60,000 Enn Vee Holdings Private Ltd		900.00	900.00
(3,60,000) (Nominal value of Share Rs. 10/- each)			
2,000 The Shamrao Vithal Co-op Bank Ltd.		0.48	0.48
(2,000) (Nominal value of Share Rs. 25/- each)			
TOTAL		9,824.19	9,584.48
Aggregate amount of Unquoted Investments		9,824.19	9,584.48
13 LONG TERM LOANS AND ADVANCES			
(Unsecured and Considered good)			
Capital Advances		4,463.47	3822.67
Security Deposits		79.21	193.15
Loans and Advance to Related Parties {Refer Note No 28 (IV)}		159.89	434.52
Inter Corporate Deposits		3,480.41	1530.71
Tooling Advance		188.19	190.95
Other Loans and Advances		175.10	54.34
TOTAL		8,546.27	6,226.34
14 OTHER NON-CURRENT ASSETS			
Others :			
Other Advances		236.99	252.22
Comprises Deposits made under protest with various Sales Tax Deptts., & Commissioner of Industries, Delhi against pending appeals.			
TOTAL		236.99	252.22
15 INVENTORIES			
(At lower of cost or net Realisable Value)			
Raw Materials		1,395.70	1736.62
Semi-Finished Goods		635.27	752.97
Finished Goods		1,046.97	1290.28
Stock-in-Trade		363.59	368.90
Scrap etc.		2.55	8.40
Stores and Spare Parts		140.94	149.75
TOTAL		3,585.02	4,306.92

	As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
16 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they become due for payment :		
Unsecured Considered good	10,861.80	7679.37
Considered doubtful	41.03	41.03
Less: Provision for doubtful debts	41.03	41.03
Others Unsecured Considered good	39,734.95	36987.85
TOTAL	50,596.75	44,667.22
17 CASH AND CASH EQUIVALANTS		
Balances with Banks	122.10	199.58
Cash on hand	3.30	2.46
Unclaimed Dividend	54.10	56.15
Margin Money (for Public Fixed Deposits, LC's and Central Excise)	424.13	436.00
TOTAL	603.63	694.19
18 SHORT TERM LOANS AND ADVANCES		
(Unsecured Considered good)		
Balance with Port Trust, Customs and Excise	3.89	7.09
Earnest Money Deposit	39.73	39.98
Loans to Employees	22.06	35.73
Advances to Suppliers and Contractors (Includes Rs. 1,08,440,769/- to a Related Party)	1,912.79	5358.10
Advance for procurement (Includes Rs. 8,35,94,073/- to a Related Party)	4,873.70	1348.63
TOTAL	6,852.17	6,789.53
19 Other Current Assets		
Interest Receivable	1,279.09	1215.47
Prepaid Expenses	123.49	870.55
Advance for Expenses/Travelling	3.01	10.32
Insurance Claim Receivable	-	8.71
TOTAL	1,405.59	2,105.05
20 Contingent Liabilities and Commitments (to the extent not provided for)		
Disputed Sales Tax Liability	235.26	823.79
Claim against the company not acknowledged as debts	83.45	12.31
TOTAL	318.71	836.10
21 REVENUE FROM OPERATIONS		
Sale of Products :	70,536.50	57272.25
Traded Goods	-	7400.52
Sale of Services	-	171.01
Other Operating Revenues :		
Sales of Scrap	11.86	29.98
Sub Total	70,548.36	64,873.76
Less : Excise Duty	109.93	130.78
TOTAL	70,438.43	64,742.98



		As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
22 OTHER INCOME			
Dividend Income		0.06	0.06
Surplus on Sale of Fixed Assets		0.52	1.68
Excess provision written back (Net)		24.11	67.23
Exchange Fluctuation Gain (Net)		0.65	86.06
Other Non-Operating Income		1.61	652.57
Income not realised written back		(620.00)	-
	TOTAL	(593.05)	807.60
23 COST OF MATERIALS CONSUMED			
A. Raw Materials & Components :			
Engines		10.16	125.02
Alternators		21.08	40.32
Accoustic Hood/Canopies		63.31	93.02
Pumps		108.78	193.34
Others		891.54	1423.38
	Sub Total	1,094.87	1,875.08
B. Packing Materials		37.94	70.57
	Sub Total	37.94	70.57
C. Purchase of Traded Goods :			
Electrical Items & M S Steel		61,047.48	48502.19
Copper			7401.90
	Sub Total	61,047.48	55,904.09
	TOTAL	62,180.29	57,849.74
24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK-IN-TRADE			
Inventory at the end of the year:			
Finished Goods / Stock-in-Trade		1,394.43	1659.18
Semi-Finished Goods		635.28	752.96
Scrap etc.		2.55	8.40
	Sub Total	2,032.26	2,420.54
Less:			
Inventory at the beginning of the year:			
Finished Goods / Stock-in-Trade		1,659.18	1696.35
Semi-Finished Goods		752.96	846.21
Scrap etc.		8.40	9.56
	Sub Total	2,420.54	2,552.12
		(388.28)	(131.58)
Variation in excise duty on closing and opening stock of Finished Goods		17.27	20.21
	TOTAL	371.01	111.37

		As at 31 March, 2013 ₹ in lacs	As at 31 March, 2012 ₹ in lacs
25 EMPLOYEE BENEFIT EXPENSE			
Salaries and Wages		945.79	1016.41
Contribution to Provident and Other Funds		65.20	71.16
Staff Welfare Expenses		91.43	107.10
TOTAL		1,102.42	1,194.67
26 FINANCE COST			
Interest Expenses (Net)		2,346.46	1647.13
Other borrowing costs		1,311.83	1182.60
TOTAL		3,658.29	2,829.73
27 OTHER EXPENSES			
Manufacturing Expenses			
Consumption of Stores and Spares		45.85	83.22
Power, Fuel and Water		46.65	52.90
Repairs to:			
(a) Buildings		3.29	6.32
(b) Machinery		3.01	6.45
Sub Total		98.80	148.89
Selling and Distribution Expenses			
Freight, Forwarding and Handling Expenses etc.		68.36	110.30
Commission and other Marketing Expenses		211.82	707.08
Sub Total		280.18	817.38
Establishment Expenses			
Rent		37.51	45.35
Insurance		34.09	12.73
Rates and Taxes		16.13	31.40
Miscellaneous Expenditure		170.05	264.78
Payment to Auditors ¹			
Statutory Auditors: (including service tax)			
Audit Fees		15.36	16.57
Other Services,		4.91	3.90
For Reimbursement of Expenses		0.30	0.23
Repairs		5.55	4.88
Loss on Fixed Assets sold/discarded		4.65	0.55
Bad debts, irrecoverable advances written off		83.81	-
Sub Total		372.36	380.39
TOTAL		751.34	1,346.66



28. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

I. SIGNIFICANT ACCOUNTING POLICIES

A) Basis of preparation of Financial Statements

- i) The financial statements of the subsidiaries used in the consolidation are drawn up to 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.
- (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 Rs.5000/- each are fully depreciated in the year of purchase.
- vi) Pursuant to the revision in the rates prescribed in Schedule XIV to the Companies Act, 1956 vide notification No. GSR 756 (E) dated 16.12.93 issued by the Ministry of Law, Justice and Company Affairs, depreciation has been calculated at new rates only on additions to assets made after the said date.

H) Investments

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

I) Inventories

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 and Non Current Assets and Current and Non 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 Statement of Profit and Loss.

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 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 statement of Profit and Loss 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 Statement of Profit and Loss 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.

S) Current & Non Current

All assets & liabilities are presented as current or non current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current/non current classification of assets/liabilities.

II NOTES TO THE FINANCIAL STATEMENTS**I. The consolidated Financial Statements present 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: (Wholly Owned) Birla Urja Ltd	India	100%

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.

- II. The outflow of resources in respect of pending matters with respect to Sales Tax & Excise Duty would depend on the ultimate outcome of the dispute lying before various Authorities amounting to Rs. 318.71 Lacs (Previous Year Rs. 696.14 Lacs). The Company has taken legal & other steps necessary to protect its position in respect of these claims.

III Employee Benefits

(a) Defined Benefit Plans

	(Rs in Lacs)	
Gratuity	2012-2013	2011-2012
Liability to be recognized in Balance Sheet as on 31st March, 2013		
Present value of Funded Obligations	(403.53)	(365.06)
Fair Value of Plan Assets	141.00	152.59
Net Assets/ (Liability)	(262.53)	(212.47)
Change in Plan Assets (Reconciliation of Opening and Closing Balances)		
Fair value of Plan Assets as at 1 st April, 2012	152.59	129.57
Expected Return on Plan Assets	11.63	12.51
Actuarial Gain / (Losses)	(0.01)	(1.01)
Contributions	-	26.51
Benefits Paid	(23.21)	(14.99)
Fair Value of Plan Assets as at 31 st March, 2013	141.00	152.59
Reconciliation of Opening and Closing Balances of Obligation		
Change in defined Benefit Obligation		
Obligation as at 1 st April, 2012	365.06	339.86
Current Service Cost	18.33	18.62
Interest Cost	29.57	27.19
Actuarial Losses / (Gain)	13.78	(5.61)
Benefits Paid	(23.21)	(15.00)
Obligation as at 31 st March, 2013	403.53	365.06
Expenditure to be recognized during the Year		
Current Service Cost	18.33	18.62
Interest Cost	29.57	27.19
Expected Return on Plan Assets	(11.63)	(12.52)
Net Actuarial Losses / (Gains) Recognized during the year	13.79	(4.59)
Total Expenditure included in "Employment Costs"	50.06	28.70
Assumptions		
Discount Rate (per annum)	8.10%	8.00%
Expected Rate of return on assets (per annum)	8.25%	9.25%
Salary Escalation Rate	5.50%	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 Rs.65.20 Lacs (Previous Year Rs.71.16 Lacs) is recognized as an expense and included in Note 25 "Contribution to Provident and other Funds" with Statement of Profit and Loss.

**IV Related Party Information :****(a) List of related parties disclosure as required by Accounting Standard 18 (AS -18)**

Names of related parties		Description of relationship
Birla Urja Ltd		Wholly Owned Subsidiaries
Birla Power Solutions Ltd – FZE		
Vijay Puranjay Minerals Pvt Ltd.		
Birla Terra.Joule Pvt Ltd.		Associates
Birla Surya Ltd.		
B T Global Investors Ltd		
Birla Energy Infra Ltd		
Shri Yashovardhan Birla (Chairman)	Upto 27.12.2012	Key Management Personnel (KMP)
Shri P V R Murthy		
Shri Manish Malani	w.e.f. 07.11.2012	
Birla Cotsyn (India) Ltd.		Enterprise owned or significantly influenced by key management personnel or their relatives
Birla Terra.Joule Pvt Ltd.		
Birla Kerala Vaidyashala Pvt Ltd.		
Ashok Birla Apollo Hospital Pvt Ltd		
Birla Wellness & Healthcare Pvt Ltd		
Birla Aircon Infrastructure Pvt Ltd.		
Birla Bombay Private Ltd		
Birla DP Carpets Private Ltd		
Birla Carpets & Grass Private Ltd		
Birla Hospitals & Medical Research Centre P Ltd		
Birla Precision Technologies Ltd.		
Zenith Birla (India) Ltd.		
Melstar Information Technologies Ltd.		
Birla Shloka Edutech Ltd.		
Birla Machining & Tooling Ltd.		
Birla Pacific Medspa Ltd		
Birla Infrastructure Ltd.		
Birla Capital & Financial Services Ltd.		
Birla Viking Travels Ltd.		
Birla Brothers Pvt Ltd.		
Birla Bombay Pvt Ltd.		
Birla Edutech Ltd.		
Asian Distributors Pvt Ltd		
Birla Art Lifestyle Pvt Ltd		
Shearson Investment & Trading Co. Ltd.		
Lakshmi Properties Ltd		

Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2012:					₹ in lacs
Particulars	Subsidiaries	Associates	KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Other Income					
Birla Energy Infra Ltd		-			-
		(441.20)			(441.20)
Sale of goods					
Zenith Birla (India) Ltd.				915.31	915.31
				(1563.26)	(1563.26)
Interest paid / payable					
Zenith Birla (India) Ltd.				30.29	30.29
				(57.86)	(57.86)
Shearson Investment & Trading Co. Ltd.				87.92	87.92
				(49.61)	(49.61)
Melstar Information Technologies Ltd.				15.68	15.68
				(-)	(-)
Birla Pacific Medspa Ltd				260.58	260.58
				(-)	(-)
Interest received / receivable					
Birla Cotsyn (India) Ltd.				10.15	10.15
				(198.46)	(198.46)
Zenith Birla (India) Ltd.				(-)	(-)
				(46.50)	(46.50)
Investments					
Birla Surya Ltd.		225.00			225.00
		(3022.00)			(3022.00)
B T Global Investors Ltd		-			-
		(0.32)			(0.32)
Birla Terra.Joule Pvt Ltd.		24.00			24.00
		(-)			(-)
Sale of Investments					
Lakshmi Properties Ltd				148.75	148.75
				(-)	(-)
Birla Infrastructure Ltd.				148.75	148.75
				(-)	(-)
Birla Energy Infra Limited				24.00	24.00
				(-)	(-)
Services Received					
Zenith Birla (India) Ltd.				9.42	9.42
				(13.37)	(13.37)
Birla Viking Travels Ltd.				1.33	1.33
				(-)	(-)



Director's Remuneration					
Mr. P V R Murthy			100.01		100.01
			(100.01)		(100.01)
Advance Given					
Birla Surya Ltd.		1514.55			1514.55
		(-)			(-)
Shearson Investment & Trading Co. Ltd.				0.44	0.44
				(-)	(-)
Birla Energy Infra Ltd		0.31			0.31
		(-)			(-)
Birla Infrastructure Ltd.				122.01	122.01
				(-)	(-)
Vijay Puranjay Minerals Pvt Ltd.	3.42				3.42
	(-)				(-)
Birla Research & Life Science Ltd				150.00	150.00
				(-)	(-)
Advance Given Refunded					
Birla Surya Ltd.		1894.16			1894.16
		(50.15)			(50.15)
Birla Research & Life Science Ltd.				10.06	10.06
				(-)	(-)
Advance Taken					
Birla Cotsyn (India) Ltd.				-	-
				(6.50)	(6.50)
Birla Shloka Edutech Ltd.				8.24	8.24
				(-)	(-)
Birla Wellness Limited				108.36	108.36
				(-)	(-)
Birla Aircon Infrastructure Pvt Ltd.				311.40	311.40
				(-)	(-)
Birla Pacific Medspa Ltd				58.52	58.52
				(-)	(-)
Birla Global Corporate Ltd.				374.00	374.00
				(-)	(-)
Advance Taken Refunded					
Birla Aircon Infrastructure Pvt Ltd.				19.05	19.05
				(-)	(-)
Birla Shloka Edutech Ltd.				8.24	8.24
				(-)	(-)
Birla Global Corporate Ltd.				25.20	25.20
				(-)	(-)
Loan Taken					
Zenith Birla (India) Ltd.				649.96	649.96
				(951.00)	(951.00)
Melstar Information Technology Ltd.				150.00	150.00
				(-)	(-)

Birla Pacific Medspa Ltd				1771.48	1771.48
				(-)	(-)
Loan Taken Refunded					
Zenith Birla (India) Ltd.				802.61	802.61
				(3063.99)	(3063.99)
Shearson Investment & Trading Co. Ltd.				68.04	68.04
				(-)	(-)
Loan Given					
Shearson Investment & Trading Co. Ltd.				-	-
				(400.00)	(400.00)
Birla Cotsyn (India) Ltd.				212.67	212.67
				(577.24)	(577.24)
Loan Given Refunded					
Shearson Investment & Trading Co. Ltd.				-	-
				(1700.00)	(1700.00)
Birla Cotsyn (India) Ltd.				545.50	545.50
				(2333.50)	(2333.50)
Write off / write back made during the year					
Birla Energy Infra Ltd		441.20			441.20
		(-)			(-)
Balances outstanding at the end of the year					
Loans and advances					
Receivable					
Vijay Puranjay Minerals Pvt Ltd.	160.35				160.35
	(156.93)				(156.93)
Birla Cotsyn (India) Ltd.				101.69	101.69
				(434.52)	(434.52)
Lakshmi Properties Ltd.				148.75	148.75
				(-)	(-)
Birla Infrastructure Ltd.				861.20	861.20
				(-)	(-)
Birla Energy Infra Ltd.		24.00			24.00
		(-)			(-)
Birla Kerala Vaidyashala Pvt. Ltd.				25.00	25.00
				(25.00)	(25.00)
Birla Wellness Pvt. Ltd.				346.52	346.52
				(431.47)	(431.47)
Shearson Investment & Trading Co. Ltd.				0.44	0.44
				(-)	(-)
Birla Surya Limited		412.29			412.29
		(65.00)			(65.00)
Payable					
Zenith Birla (India) Ltd.				220.66	220.66
				(373.32)	(373.32)



Shearson Investment & Trading Co. Ltd.				682.72	682.72
				(610.76)	(610.76)
Melstar Information Technology Ltd.				150.00	150.00
				(-)	(-)
Birla Pacific Medspa Ltd				1771.48	1771.48
				(-)	(-)
Birla Aircon Infrastructure Pvt. Ltd.				340.16	340.16
				(47.82)	(47.82)
Birla Viking Travels Ltd.				9.87	9.87
				(4.33)	(4.33)

Note: Figures in bracket relate to the previous year

- V The Company has other recoverable aggregating Rs.489.48 Lacs (Previous Year Rs. 472.22 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.
- VI Trade receivables include Rs.410.09 Lacs (Previous years Rs. 843.00 Lacs) for which the company has entered into agreements of assignment for transfer of debts outstanding and receivable by the company, to the purchaser of the debts.
- VII The Company during March, 2006 had a public issue of Equity Shares, which was oversubscribed. As per SEBI rules, refund orders were issued to the subscribers in respect of the excess amounts. An amount of Rs.14.41 Lacs (Previous Year Rs 14.41 Lacs) is pending for encashment as at 31st March, 2013.

VIII. Segment Information:

Information about Business Segment – Primary

₹ in lacs

Particulars	Power and Allied	Electrical Appliances	Others	Unallocated	Total
Segment Revenue					
External Sales	2,263.74 (10,838.07)	37,859.71 (30,499.29)	30,424.92 (23,506.41)	-	70,548.36 (64,843.77)
Inter Segment Sales	-	-	-	-	-
Total Segment Revenue	2,263.74 (10,838.07)	37,859.71 (30,499.29)	30,424.92 (23,506.41)	-	70,548.36 (64,843.77)
Less: Inter Segment Revenue	-	-	-	-	-
Net Revenue from operations	2,263.74 (10,838.07)	37,859.71 (30,499.29)	30,424.92 (23,506.41)	-	70,548.36 (64,843.77)
Segment Results					
Profit before Interest and Tax	1,410.65 (162.75)	5,334.64 (3,417.43)	1,160.55 (1,026.79)	-	5,083.54 (4,606.97)
Interest				3,658.28 (2,829.73)	3,658.28 (2,829.73)
Other Unallocated Income (net of unallowable expenditure)				(3.12) (86.48)	(3.12) (86.48)
Profit before Tax but after Prior Period adjustments					1,428.38 (1,241.05)
Other Information					
Segment Assets	65667.48 (50,386.47)	13,553.30 (22,315.54)	7,906.39 (25,961.32)		85,327.17 (78,278.21)

Unallocated Common Assets				4,204.01 (4,108.33)	4,204.01 (4,108.33)
Total Assets	65,667.48 (30,001.35)	13,553.30 (22,315.54)	7906.39 (25,961.32)	4201.01 (4,108.33)	91,328.18 (82,386.54)
Segment Liabilities	8,595.77 (7,666.90)	80.59 (109.37)	4245.48 (3,803.36)		12,921.84 (11,579.63)
Unallocated Common Liabilities				20,030.19 (14,125.30)	20,030.19 (14,125.30)
Total Liabilities	8595.77 (7,666.90)	80.59 (109.37)	4245.48 (3,803.36)	20,030.19 (14,125.30)	32,952.03 (25,704.93)
Capital Expenditure	4,013.48 (3,502.17)	-	135.14 (1,235.56)	-	4,148.62 (4,737.73)
Unallocated Capital Expenditure	-	-	-	-	-
Total Capital Expenditure	4,013.48 (3,502.17)	-	135.14 (1,235.56)	-	4,148.62 (4,737.73)
Depreciation and Amortization	347.30 (357.90)	-	6.35 (6.35)	-	353.65 (364.25)
Non Cash Expenses Other than Depreciation	-	-	-	-	-
Unallocated Non Cash Expenses	-	-	-	-	-
Total Non Cash Expenses	-	-	-	-	-

NOTES:

I. The Primary Segment identifiable is as follows:

- Power and Allied Products: Manufacturing HKVA and Portable Generators, Engines, Pumps, Power Tillers, Inverters and Trading of Allied Products.
- Electrical Appliances: Trading of Electrical appliances & Miscellaneous Components.
- Others: Wind Mill energy Generation.
- 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.

IX. Premises taken on operating lease:

₹ in lacs

Particulars	2012-2013	2011-2012
Rent and Lease Rent recognized in the Profit and Loss account	37.51	44.28

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

₹ in lacs

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Not later than one year	27.52	22.04
Between two to five years	29.51	42.18

X. During the year the Company has disposed off its entire holdings in one of its wholly owned subsidiary M/s Vijay Puranjay Minerals Pvt. Ltd. The effect of disposal of this subsidiary on the financial position and results in the consolidated financial statements as at and for the year ended 31st March, 2013 are as under:



₹ in lacs

	Disposal
EQUITY AND LIABILITIES	
Share Capital	1.00
Reserves and surplus	422.97
Deferred tax liability	Nil
Other non-current liabilities	156.93
Current liabilities	0.39
ASSETS	
Fixed assets	581.18
Investments	Nil
Loans and advances	Nil
Deferred tax asset	Nil
Other non-current assets	Nil
Inventories	Nil
Trade receivables	Nil
Cash and bank balances	0.11
Other current assets	Nil
REVENUE	
Revenue from operations	Nil
Other income	Nil
EXPENSES	
Manufacturing and other expenses	1.03
Depreciation and amortization expenses	Nil
Finance costs	Nil
PROFIT / (LOSS) BEFORE TAX	(1.03)

XI. Micro, Small and Medium Enterprise Dues:

Sundry Creditors includes Rs.4.80 Lacs (Previous Year Rs 42.04 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, 2013	31 st March, 2012
1	The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. Principal Interest	4.80 1.32	36.87 5.17
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	1.32	5.17
4	The amount of interest accrued and remaining unpaid at the end of accounting year: and	6.49	5.17
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, 2013.

XII. 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	2012-2013		2011-2012	
	Foreign Currency \$	Indian Rupees (₹ in Lacs)	Foreign Currency \$	Indian Rupees (₹ in Lacs)
Payables	-	-	-	-
Receivables	18,272.40	9.93	18,272.40	9.32

XIII. The disclosure required by Accounting Standard (AS-29) "Provisions, Contingent Liabilities, Contingent Assets" prescribed by Companies (Accounting Standards) Amendment Rules, 2006 are as follows :

₹ in lacs

Class of Provision	Carrying amount as on 31 March 2012	Provisions made/ Increase/(Decrease) in Provision	Amount used during the year	Amounts reversed during the year	Carrying amount as on 31 March 2013
Warranty	9.87	1.29	1.29	Nil	9.87

(A) Nature of Obligation

Warranty is given to customers at the time of sale of engines and generating sets manufactured, Warranty cost includes expenses in connection with repairs, free replacement of parts / engines and after sales services during warranty period which is one year.

(B) Expected Timing of resulting Outflow

Majority of warranty cost will be incurred in the next financial year and balance will be incurred in the following years.

XIV. Earnings Per Share (Basic and Diluted)

Particulars	2012-2013	2011-2012
Profit for the year after taxation (₹ in lacs)	88,177,371.18	152,251,611.25
Total Number of equity shares at the end of the year	2,135,196,905	2,135,196,905
Weighted average numbers of equity shares for the purpose of computing Earning Per Share	2,135,196,905	2,135,196,905
Basic and Diluted Earning Per Share	0.04	0.07

XV. Other payable under Note 9 "Other Current Liabilities" includes statutory dues of Rs.614.67 Lacs. (Previous Year Rs. 558.11 Lacs) & other payable against Acceptances Rs.3451.91 Lacs (Previous Year Rs.3737.80 Lacs).

XVI. Expenses incurred amounting to Rs. Nil (Rs. 1240.45 lacs), as GDR Issue Expenses, on issuance of Global Depository Receipts in the year 2010-2011 have been adjusted against Securities Premium received against these GDR's.

XVII. Balances with banks includes Rs. 9, 92,745.00 with a bank for which statement of account / confirmation of balance as on 31.03.2013 is awaited.

XVIII. Party balances are subject to confirmation/reconciliation.

XIX. In the opinion of the management, the current assets, loans & advances and current liabilities are approximately of the value stated, if realized / paid in the ordinary course of business. The provision for all known liabilities are adequate and is not in excess of the amounts considered reasonably.

XX. On 09.06.2011 the Company issued and allotted 213,519,690 convertible share warrants to Promoter Group Companies at a price of Rs. 2.10 per share. 25% of the issue price amounting to Rs. 11,20,97,837.26 due on allotment was received at the time of allotment. The balance 75% was due at the time of conversion on or before 08.12.2012. As the warrants holders have not exercised the option of conversion, the Company has forfeited the amount received on allotment of the warrants.



XXI. The Company has incurred expenditure aggregating to Rs. 4148.62 lacs towards capital work in progress. There has been delayed in the implementation of the project, accordingly the advances made to the suppliers have not been entirely appropriated towards the supplies. No provision for impairment is considered necessary by the management at this stage.

XXII. The Company has not be able to service the repayment of deposits to the deposit holders as well as interest on the deposit due for payment and comply with the order of the Company Law Board for refund of deposits , due to cash flow limitation and the extend of the outstanding as of 31.03.2013 is interest of Rs. 1,26,02,594/- and principal amount of Rs. 11,91,80,000/- on the Fixed Deposits matured and presented for repayments.

However, the company is paying the amounts in staggered manner and hopes to clear the outstanding in due course of time.

XXIII. Previous year figures have been regrouped and re-arranged wherever considered necessary.

As per our attached report of even date

FOR THAKUR,VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Reg. No.: 000038N

C.V. Parameswar

Partner

M. No: 11541

Mumbai,

Dated : 28th May,2013

For and on behalf of the Board of Directors

P V R Murthy
(Managing Director)

Manish Malani
(Director)

Laxmi Didwania
(Company Secretary)

Mumbai,

Dated : 28th May,2013

NOTES



Reg. Office: 5th Floor, Industry House, 159, Churchgate Reclamation, Mumbai – 400 020.

27th ANNUAL GENERAL MEETING

PROXY FORM

[illegible]

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

I/We _____ of _____ in the district of _____ being a member / members of BIRLA POWER SOLUTIONS LIMITED hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my / our proxy to attend and vote for me / us, on my / our behalf at the **27th ANNUAL GENERAL MEETING** of the Company, to be held on Saturday, 28th September, 2013 at 2.30 p.m. or at any adjournment(s) thereof.

Signed this _____ day of _____ 2013.

Affix. Re.
I/- Revenue
Stamp

Signature

Notes :

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

Members are requested to bring their copy of the Annual Report along with them at the Annual General Meeting as extra copy of the Annual Report will not be made available for reasons of economy.

..... Please Tear Here



Reg. Office: 5th Floor, Industry House, 159, Churchgate Reclamation, Mumbai – 400 020.

27th ANNUAL GENERAL MEETING

ATTENDANCE SLIP

[illegible]

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

I Certify that I am a member/ proxy for the member of the Company.

I hereby record my presence at the **27th ANNUAL GENERAL MEETING** of the Company at B-15/4, M.I.D.C. Waluj, Aurangabad - 431 133 on Saturday, 28th September, 2013 at 2.30 p.m.

Member's/Proxy's Name in BLOCK Letters

Signature of member's/proxy's

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

BOOK-POST




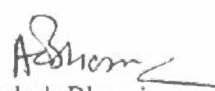

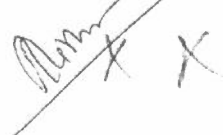
BIRLA POWER SOLUTIONS LTD.

An ISO 9001 & ISO 14001 Company

FORM B

1	Name of the company	Birla Power Solutions Limited
2	Annual financial statements for the year ended	1 st April, 2012 to 31 st March, 2013
3	Type of Audit qualification	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 these have not been complied with. The non compliance relates to non repayment of the deposits on the due date, non payment of interest which has become due for payment, non maintenance of liquid assets to the extent required by Rule 3A of the Companies(Acceptance of Deposits)Rules, 1975, acceptance of fresh deposits even after the Company defaulted in repayment of earlier deposits, non intimation to the Company Law Board regarding default in compliance with the provisions of Section 58AA of the Companies Act, 1956 as well as non compliance with the orders passed by the Company Law Board in regard to refund of certain deposits and interest thereon.
4	Frequency of qualification	First Time
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	The explanation to the auditors' remark given in the Directors' Report under the heading "Explanation to Auditor's Report as required under Section 217(3) of Companies Act, 1956."
6	Additional Comments from the board/audit committee chair:	

~ The Power Of Choice ~

<p>An ISO 9001 & ISO 14001 Company</p> <p>To be signed by</p> <p><input type="checkbox"/> Director</p> <p><input type="checkbox"/> Senior Manager in Finance and Accounts</p> <p><input type="checkbox"/> Auditor of the company</p> <p><input type="checkbox"/> Audit Committee Chairman</p>	<p></p> <p>Manish Malani (Director)</p> <p></p> <p>Ashok Bhomia (Senior Manager in Finance and Accounts)</p> <p></p> <p>Thakur, Vaidyanath Aiyar & Co. C.V. Parameswar (Auditor of the company)</p> <p></p> <p>RamPrakash Mishra (Audit Committee Chairman)</p>
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Date : 28.05.2013