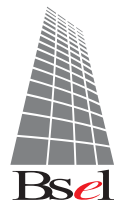




Illuminating Future...



BSEL Infrastructure Realty Limited

14th ANNUAL REPORT 2008 - 2009

BSEL Pearl, UAE



BSEL INFRASTRUCTURE REALTY LIMITED

BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER

CS Priya Singhal

REGISTERED OFFICE

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

UAE

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

MALAYSIA

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

REGISTRAR & SHARE TRANSFER AGENT

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

AUDITORS

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

ADVISORS

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

REGISTRAR & DEPOSITORY FOR GDRs

The Bank of New York,
New York Branch, 101, Barclay Street,
21st Floor, New York, NY 10286 USA21

BANKERS

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

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BSEL Ruby, UAE





From the Chairman's Desk....

I am happy to share with you the result for the Financial Year 2008-2009, a year that witnessed one of the gravest economic slowdown of many decades. The financial crisis did bring with it several challenges but I am proud to announce that with meticulous planning of funds and expenses, your Company was able to register profit of Rs. 4,063.51 Lacs

I would like to take this opportunity to thank you all for your enormous support that stood like pillars of strength to muddle through the challenging times.

During the year, your Company's consolidated operational revenue was recorded at Rs. 11,835.00 Lacs and consolidated EPS of Rs. 4.94, making it one of the very few infrastructure companies that have braved the giant recession.

If I were to summarise the key areas of competence that enabled your Company to sail through the mega meltdown, they would be:

Banking on Core Strengths: Sale has been its most coveted strength ever since your Company has come into existence. You are aware that in addition to the residential towers in Ajman, your Company has diverse projects like shopping malls, commercial office complexes, and hotels across India. So, we focused on sale and lease of those projects that extensively contributed to the overall revenue. Second and third quarters of 2008 proved golden period for the sale of Ajman residential projects with investors coming from almost all parts of the world.

Impeccable Fund Management: Your Company's consolidated net profit might have fallen from the last year but it takes only an alert and equipped management that can make the best of what the circumstances have to offer. While real estate market was witnessing the worst downtrends, with daunting news hitting the global markets on a daily basis, your Company concentrated on receivables. Smart methods of collecting outstanding payments came to our aide. This not only enabled us to continue construction of the various ongoing projects of the Company but also restored faith and trust of the market in your Company.

Venturing into New Areas: Your Company for the first time ventured into operations of its hotel project in Gujarat. Narmada Nihar and Rewa Bhavan, the hotel projects of the Company in Gujarat are now operational and solely operated by BSEL.

In all the negativities our faith in nature's ways of keeping us grounded only reinstated - nothing is predestined: The obstacles of our past can become the gateways that lead to new beginnings.

BSEL stands committed to its millions of stakeholders who have stood by it in thick and thin. With committed and dedicated staff of BSEL, we are sure of providing human touch to the concrete world.

Your Company has geared up better for the future and has planned some infallible methods for promoting the existing projects that will undoubtedly reap the desired result. At the same time we keep ourselves aware of the happenings around the world so as to grab any opportunity that might knock anytime, anywhere.

I am confident that given the continued support of the shareholders, customers, investors, bankers, stakeholders and government authorities, your Company will emerge winners how much ever difficult times it may be. Finally, I would like to thank you - our shareholder for your unstinted support.

Kirit R. Kanakiya
Chairman



DIRECTOR'S REPORT

Dear Members,

Your directors are pleased to present their 14th Annual Report, to the members, on the business and operations of BSEL Infrastructure Realty Limited (hereafter referred to as 'BSEL') together with the Audited Accounts for the financial year ended 31st March 2009.

FINANCIAL HIGHLIGHTS:

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

(Rs. In lacs)

Year ended March 31	2009	2008
Total Income	12,337.40	37,908.30
Less: Total Expenditure (including adjustments)	8,206.49	26,476.23
Profit before tax	4,130.91	11,432.07
Provision for tax (including fringe benefit tax)	67.40	223.65
Consolidated profit for the group	4,063.51	11,208.42
EPS (Basic and diluted) (in Rs.)	2.57	17.25

II Standalone financial information of BSEL Infrastructure Realty Limited

(Rs. In lacs)

Year ended March 31	2009	2008
Total Income	1,040.58	4,739.58
Less: Total Expenditure (including adjustments)	461.75	2,980.41
Profit before tax	578.83	1,759.17
Provision for tax (including fringe benefit tax)	67.40	223.65
Profit available for appropriation	511.43	1,535.52
Appropriation (proposed dividend)	—	483.29
Surplus carried to balance sheet	511.43	1,052.23

Review of Operations

This year was very difficult for the whole economy in general and for infrastructure sector in particular. The economic meltdown has taken its toll not only on the operations and profitability of the companies but the GDP of the country has also to be revised downwards. Your Company has not been an exception to this global recession.

Total income earned by the Company during the year was Rs. 1,041 lacs as compared to Rs. 4,740 lacs in the previous financial year. The profit after tax stood approximately at Rs. 511 lacs as compared to Rs. 1,536 lacs in the previous year.

Consolidated Results

Total consolidated income has been recorded at Rs. 12,337 lacs against Rs. 37,908 lacs in the previous year. Consolidated net profit, with its wholly owned subsidiary and step down subsidiaries have been recorded approximately at Rs. 4,064 lacs as against Rs. 11,208 lacs in the previous year.

Dividend

In view of conserving resources of the Company for future plan and to strengthen its fund and liquid position, directors are unable to recommend any dividend.

Share Capital

The share capital of the Company remained unchanged during the year under review. The Company allotted 5,900,000 preferential warrants to the promoters of the Company at the rate of Rs. 77/- per warrant in June 2007. Being the conversion of the warrants not made by the promoters within the stipulated period of eighteen months, application money paid by promoters for the allotment of these warrants have been forfeited by the Company in December 2008.

Subsidiaries

During the year, three step-down subsidiaries were incorporated in Singapore and Malaysia.

In accordance with the provisions of Section 212 of the Companies Act, 1956, your Company is required to attach the directors' report, balance sheet and profit and loss account of the subsidiaries to its balance sheet. As per the requirement of Section 212 (8) of the Companies Act, 1956, your Company has applied to the Central Government for the necessary exemption from the aforesaid requirements. The Central Government vide its letter no. 47/215/2009-CL-III dated 20/04/2009 has granted exemption to the Company from attaching copy of the balance sheets, profit and loss accounts, reports of the directors and auditors of its subsidiaries/ step-down subsidiaries, namely (I) BSEL Infrastructure Realty FZE (II) BSEL Infrastructure Realty Pte. Ltd. (III) BSEL Infrastructure Realty Sdn. Bhd. and (IV) BSEL Waterfront Sdn. Bhd. Hence, the balance sheets, profit and loss accounts, reports of the directors and auditors have not been attached with the balance sheet of the Company. These documents will be made available upon request by any member of the Company interested in obtaining the same and will also be kept for inspection at the registered office of your Company. Further, as directed by the Central Government, the financial data of the subsidiaries has been furnished alongwith the statement pursuant to section 212 of the Companies Act, 1956 forming part of the Annual Report. Also, pursuant to Accounting Standard - 21 (AS-21) issued by the Institute of Chartered Accountants of India and Listing Agreement, your Company has presented the consolidated financial statements which include the financial information relating to its subsidiaries and forms part of this Annual Report.

Joint Ventures and Alliances

During the year under review, the Company through its subsidiaries has invested in Malaysia. The details of investments in all these ventures are given in the relevant schedules forming part of the balance sheet. During the year, BSEL has made exit from B W Highway Star Private Limited - SPV incorporated in joint venture for the Hotel project at Balewadi, Pune. BSEL, having 2,000,000 shares representing approximately 17% shares of the B W Highway Star Pvt. Ltd. has sold to the other JV partners.

Directors

Mr. Dharmendra Raichura continues to act as the managing director of the Company after being re-appointed for a period of three years by the shareholders in the annual general meeting held on 30th September, 2008. His tenure ends on 29th July, 2011.

As per the Articles of Association of the Company and the relevant provisions of the Companies Act, 1956, Mr. Kirit R Kanakiya, Non-Executive Chairman and Director, will retire by rotation. Mr. Kanakiya being eligible offers himself for reappointment. Accordingly, the board recommends his re-appointment.

Mr. Kanakiya is the driving force behind BSEL. He is a qualified Chartered Accountant with experience of more than 22 years in the business and was in practice from 1982-1990 specializing in the field of taxation and management consultancy. He is the promoter of the Company and possesses unmatched entrepreneurship skill to manage the risk and explore all opportunities to grow. It was under his guidance that BSEL Tech Park, the Group's signature venture was completed & sold off with in record time, well ahead of schedule. His efforts in bringing new & striving projects resulted in perfect diversified and global projects like seven residential towers in UAE, under Company's ambit.



Directors' Responsibility Statement

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

1. In the preparation of the annual accounts for the financial year ended 31st March 2009, the applicable accounting standards have been followed;
2. The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2009 and of the profit & loss of the Company for the year ended 31st March 2009;
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The directors have prepared the annual accounts for the year under review on a going concern basis.

Auditors

M/s Raju & Prasad, Chartered Accountants, Mumbai, statutory auditors of the Company, retire at the conclusion of the annual general meeting and are eligible for re-appointment. The Company has received a letter from them consenting to act as statutory auditors, if appointed and that their appointment will be in terms with section 224 (1)(b) of the Companies Act, 1956. The audit committee has recommended their re-appointment for the office of statutory auditors of the Company. The necessary resolution is being placed before the shareholders for approval.

Comments on Auditor's Report

With reference to the comments given by the auditors in the auditors report on accounts of the Company, the management's explanations have been suitably made in the notes to the accounts of the balance sheet and profit and loss account and are self explanatory.

Corporate Governance

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

Certificate of the statutory auditors of the Company regarding compliance with the provisions of corporate governance as stipulated in clause 49 of the Listing Agreement is also provided in the corporate governance report.

Electronic Filing

SEBI has stipulated electronic filing of the Annual Report including corporate governance report, shareholding pattern etc. on the website of SEBI i.e., www.sebidifar.nic.in. Statements of your Company would be accessible on this website. These statements are also displayed on the Company's website www.bsel.com.

Deposits

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

Quality Assurance

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

Particulars of Employees

None of the employees of the Company are covered under section 217(2A) of the Companies Act, 1956.

Human Resources Management and Employee Relation

BSEL believes that the mainstays of any organisation are its employees and the main resources are its human resource. On this front, BSEL has laid a lot of stress on organizational development. BSEL has started to move across geographies. Hence, need was felt to revisit the organizational structure. Duties and responsibilities of its employees are reallocated so that the new challenges are well met as the Company moves its focus into new geographies, new markets and new customers.

BSEL has created a favourable work environment that encourages innovation and nurturing commercial and managerial talents in their area of operation. The Company consists of an able team and experienced professionals. BSEL believes that it will manage to achieve substantial growth with a lean organizational structure.

Depository Systems

The Company continues with its arrangement with National Securities Depository Limited (NSDL) and Central Depository Securities Limited (CDSL) for dematerialization of securities in accordance with the provisions of the Depositories Act, 1996 and members may avail of such facilities. With this, the members have an option/discretion to hold demated shares with NSDL and/or CDSL.

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

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

Conservation of Energy

The operations of the Company are not energy intensive. However, adequate measures have been taken to conserve and reduce the energy consumption.

Technology Absorption

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

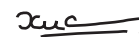
Foreign Exchange Earnings and Outgo

Foreign exchange earnings and outgo during the year under review was Rs. 137.97 lacs (previous year Rs. 287.43 lacs) and Rs. 6.38 lacs (previous year Rs. 57.82 lacs) respectively.

Acknowledgment

The directors sincerely appreciate contributions made by all employees and business associates who have contributed towards the success of the Company. The directors are also thankful for the co-operation, support and assistance received from banks, investors, customers, Central and State Government departments, local authorities, vendors, strategic alliance partners and all others associated with the activities of the Company. The directors are also thankful to all the shareholders for their continued support to the Company.

For and on behalf of the Board



Kirit R. Kanakiya
Chairman

Place : Navi Mumbai,
Date : 10.08.2009



CORPORATE GOVERNANCE REPORT

Concept of Corporate Governance

Corporate governance specifies the distribution of rights and responsibilities among different participants in the organisation such as the board, management and stakeholders. It directs the rules and procedures to be implemented for disclosure of decisions made on corporate affairs. It is mainly concerned with holding the balance between economic and social goals and between individuals and communal goals.

BSEL's Philosophy

The governance framework of BSEL is to encourage the efficient use of resources and require equal accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, Company and society.

Board of Directors

Over the years, BSEL has always maintained a transparent board policy. The board consists of esteemed personalities from various fields. The managing director looks after day to day activities of the Company, while the non-executive independent directors, with their rich and varied experience provide a wider perspective for the scheme of things and brings in independence in decision making.

Procedure adopted by the Board

As per the Listing Agreement, the board meets atleast 4 times during the year. The company secretary along with the managing director fixes the agenda of the meeting and sends the same to all the directors of the Company well in advance. The board meets atleast once every quarter to review the quarterly results of the Company along with its subsidiaries. Suggestions for any additional agenda item are also invited from all the directors. The board also has the privilege to call special invitee to attend and contribute to the meeting. Apart from the mandatory requirements, additional meetings are also held whenever necessary.

Information placed before the Board

- Review, monitor and approve operational and financial plans;
- Quarterly results of the Company;
- Minutes of meetings of audit committee and other committees of the board;
- Minutes of the subsidiary companies;
- The information on recruitment and remuneration of senior officers just below the board level, including appointment of Chief Financial Officer and the Company Secretary;
- Details of any joint venture or collaboration agreement;
- Details about dividend data;
- General notices of interest of directors.

The board met 8 (eight) times during the year under review and the dates of such meetings are as follows:

- (1) 7th May, 2008; (2) 30th June, 2008; (3) 31st July, 2008; (4) 20th August, 2008; (5) 25th August, 2008; (6) 23rd October, 2008; (7) 15th December, 2008; (8) 30th January, 2009.

The detailed chart of the attendance of the directors in such meetings and their attendance in the last annual general meeting, the details of their directorship and all other relevant details are provided herein under:

Name of Directors	Kirit R. Kanakiya	Dharmendra Raichura	Vijay Jain	Abbas Lakdawalla	Hitesh Vora
Category	Non - Executive Chairman	Managing Director	Non - Executive Independent Director	Non - Executive Independent Director	Non - Executive Independent Director
Date of appointment	1 st April, 1998	30 th June, 2006	23 rd February, 2004	30 th June, 2006	31 st August, 2001
Directorship in other companies	2	0	0	0	0
Chairmanship/ Membership in committees of board of other companies	0	0	0	0	0
No. of board meetings attended	4	8	7	2	4
Attendance at last AGM	YES	YES	YES	NO	YES
No. of shares held as on 31 st March 2009	4,942,180	NIL	NIL	NIL	6,500
Director Identification Number	00266631	00371160	00594901	00037416	00342768

Notes:

1. None of the independent directors has any pecuniary interest or relationship with the Company apart from sitting fees.
2. These directorships does not include directorship in private companies/foreign companies.
3. None of the directors is member of more than ten committees and has acted as chairman in more than five committees at any point of time.

Audit Committee

Brief Description of Terms of Reference

The Company has constituted an audit committee keeping in terms with clause 49 (II) (A) of the Listing Agreement and section 292A of the Companies Act, 1956. The primary objective of the audit committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and maintain, monitor and improve an integrity and quality of financial reporting.

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

- Ensuring compliances with accounting standards and generally accepted accounting principles (GAAP) adopted for preparation of individual and consolidated financial statements;
- Ensuring the quality and relevance of information provided to the shareholders of the Company;
- Reviewing drafts of quarterly, half yearly and annual financial statements submitted to it by the CFO of the Company before they are submitted to the Board of Directors;
- Reviewing drafts of management's reports, activity and income tables and all accounts drawn up for specific purposes;
- Ensuring that the procedures comply adequately with relevant standards laid down by financial institutions and stock exchanges;
- Meeting with statutory auditors to discuss the compliances by the Company of various accounting standards, recommending their appointment and fixation of their remuneration;



- Discuss and study the working plan of the Company and providing suitable recommendations to the board and the management;
- Reviewing the utilisation/application of the proceeds of the funds raised through issue of securities;
- Analyse the system and procedures used to prepare the financial statements;
- Access the control system of the Company and check that the procedures are driven towards transparency, accountability and accuracy;
- Reviewing Company's risk management policies etc.

Audit committee is comprised of three directors of the Company and the Chairman of the committee is an independent director.

Composition, Name of Members and Chairman

In compliance with provisions of Listing Agreement, the audit committee is comprised of three directors and independent director of the Company is Chairman of the committee. Details of composition of the meeting have been provided hereunder:

Sr. No.	Name of the Member	Designation	No. of Meetings Attended
1.	Mr. Vijay Jain	Chairman	5
2.	Mr. Hitesh Vora	Member	5
3.	Mr. Abbas Lakdawalla	Member	2

The company secretary acts as a secretary to this committee. The minutes of the audit committee are noted and approved by the board in their subsequent meeting.

Meetings and Attendance during the year

During the year, six meetings of audit committee were held, the dates thereof and attendance therein are as described hereunder meetings of audit committee: (1) 7th May, 2008; (2) 30th June, 2008; (3) 31st July, 2008; (4) 20th August, 2008; (5) 23rd October, 2008; (6) 30th January, 2009.

Remuneration Committee

Brief Description of Terms of Reference

The terms of reference of this committee includes recommendation of remuneration of managing director, other executives and top management.

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

Sr. No.	Name of the Member	Designation	No. of Meetings Attended
1.	Mr. Vijay Jain	Chairman	1
2.	Mr. Hitesh Vora	Member	1
3.	Mr. Abbas Lakdawalla	Member	0

Committee met once in the year under consideration. This meeting was held on 30th June, 2008.

Remuneration Policy

The remuneration of the executives and other top management is recommended to the board of directors of the Company. The remuneration policy of the Company is in conformity with section 198, 269, 309, 310 and schedule XIII of the Companies Act, 1956.

Details of Remuneration to all Directors

In compliance with the Listing Agreement, the non-executive directors of the Company receive only sitting fees for the meetings attended by them.

The details of remuneration paid to all the directors is as follows

Sr. No	Name of the Director	Category	Remuneration	Nature of Remuneration
1.	Mr. Dharmendra Raichura	Managing Director	825,000	Salary including perquisites
2.	Mr. Kirit R. Kanakiya	Chairman, Non-executive director	20,000	Sitting Fees
3.	Mr. Abbas Lakdawalla	Non-executive, independent director	10,000	Sitting fees
4.	Mr. Hitesh Vora	Non-executive, independent director	20,000	Sitting fees
5.	Mr. Vijay Jain	Non-executive, independent director	35,000	Sitting fees

Shareholders' and Investors' Grievances Committee

Brief description of terms of reference:

The shareholder's and investors' grievances committee has inter-alia following duties.

- Transfer and transmission of shares;
- Issuance of duplicate share certificate as and when required;
- Shareholders' grievances issues regarding non-receipt of dividend—interim and final, non—receipt of balance sheet/ Annual Report;
- All the matters related to allotment and execution, cancellation of preferential warrants issued to promoters and their group.

2 (Two) meetings of the shareholders' and investors' grievances committee were held on 7th May, 2008 and 15th December, 2008.

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

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

Name of the Non-Executive Director heading the Committee

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

Name and Designation of the Compliance Officer

Ms. Priya Singhal is acting as a compliance officer, who is also the company secretary of the Company. The email ID of the company secretary priya@bsel.com has been designated for the purpose of registering investor's complaints and other follow up actions.

Number of Shareholders Complaints Received

The Company received 23 (twenty three) complaints during the financial year and all the complaints were duly resolved to the satisfaction of the shareholders. No complaints were pending to be resolved at the end of the year.

GDR Committee

Brief Description of Terms of Reference

The duties, responsibilities and powers of the GDR Committee:

- To locate the parties involved in the issue such as lead managers, legal advisors, international depository, listing agents;
- To decide the quantum of issue size and other related matters;
- To allot the shares;
- To get them listed and to do all other legal and compliance formalities;
- To decide upon any other matter relating to GDR issue of the Company.



Composition of GDR Committee and Dates of Meetings

GDR committee is comprised of three directors. The composition of the committee is as follows:

Sr. No.	Name of the Member	Designation	No. of Meetings Attended
1.	Mr. Dharmendra Raichura	Chairman	1
2.	Mr. Hitesh Vora	Member	1
3.	Mr. Abbas Lakdawalla	Member	1

The committee met 1 (one) time during the year on 5th August, 2008.

General Body Meeting

Details of last 3 Annual General Meetings

Financial Year	Venue	Day and Date	Time	No. of Special Resolutions
2005-2006	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703	Saturday, 9 th September, 2006	11.00 AM	NIL
2006-2007	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703	Tuesday, 25 th September, 2007	10.00 AM	NIL
2007-2008	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703	Tuesday, 30 th September, 2008	09.30 AM	2

Whether any special resolution was passed in the last 3 AGMs

— As above —

Whether any special resolution was passed last year through postal ballot

— No —

Name of the person who conducted postal ballot

— N.A. —

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

— No —

Procedures adopted for postal ballot

— N.A. —

Disclosures

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

Materially significant transactions are those transactions of the Company, which are of the nature, with its promoters, directors or the management, their subsidiaries or relatives, that may have potential conflict with the interest of the Company. Details of such transactions are forming part of the accounts in accordance with the provisions of Accounting Standard 18.

Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange, SEBI or any other statutory authority in any matter related to capital market in the past 3 years

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

Code of Conduct

Your Company adheres to the high standards of ethics and governance. The Company has laid down a Code of Conduct for the board of directors and senior management of the Company. The same has been made available on the website of the Company www.bsel.com.

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

Policy for Prohibition of Insider Trading

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

confidentiality and prevent misuse of unpublished price sensitive information.

All disclosures, as required by these regulations, have been made from time to time and the Company has complied with the requirements of these regulations and has not violated any of the rules specified therein.

Means of Communication

Newspapers wherein Results normally published

The financial results of the Company for quarters ended on June 2008 and September 2008 were published in all India editions of "The Economic Times"; "The Times of India"; "Maharashtra Times" and "Navabharat Times". The financial results for the quarter ended on December 2008 and for the quarter and year ended on March 2009 were published in all India editions of "Business Standard" and "Mumbai Lakshadeep".

Any Website where displayed

The results, presentations and all other official news releases are displayed at the Company's website- www.bsel.com along with the websites of the Stock Exchanges- www.bseindia.com and www.nseindia.com and also on the electronic data information filing and retrieval (EDIFAR) website maintained by SEBI at www.sebidifar.nic.in.

Financial Calendar

Events	Date
Declaration of Annual Results	June
First quarter result	July
Annual General Meeting	September
Second quarter result	October
Third quarter result	January

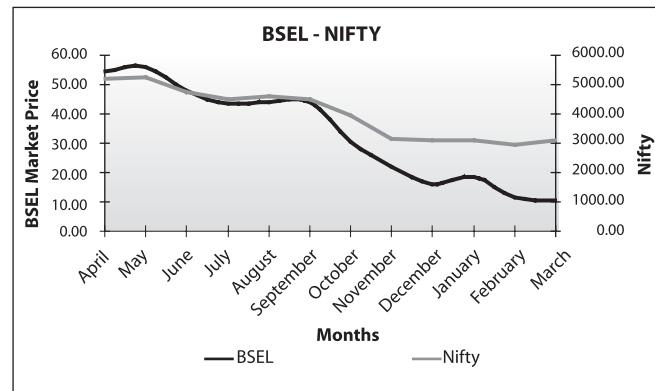
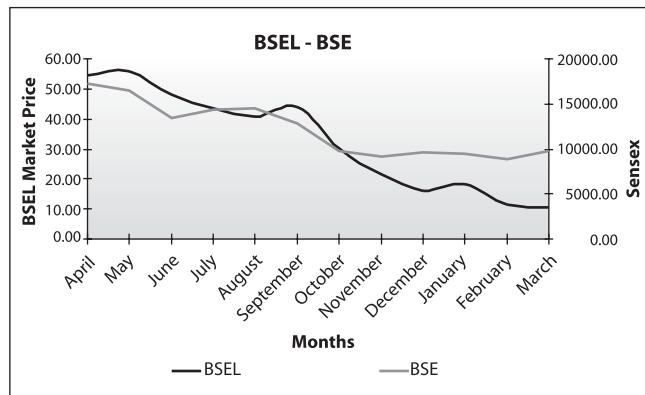
General Shareholder Information

Date, Time of AGM	23 rd September, 2009 at 10.30 A.M.
Venue of AGM	Hotel Abbott, Sector 2, Vashi, Navi Mumbai - 400 703
Financial Year	2008 - 09
Date of Book Closure	19 th September, 2009 to 23 rd September, 2009 (Both days inclusive)
Listing on Stock Exchange	
Listing of Equity Shares	Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE)
-Stock Code	BSE: 532123 NSE: BSELINFRA
Listing of GDR's	Luxembourg Stock Exchange
-Stock Code of GDR's	US11776M1009
-Security Type	BSEInfr GDR ne



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

Month	BSE			NSE		
	High	Low	Sensex	High	Low	Nifty
April 08	54.30	40.50	17,287	54.40	40.55	5,196
May	55.90	46.25	16,416	55.80	46.25	5,228
June	47.90	33.10	13,462	48.00	33.20	4,740
July	43.30	28.50	14,356	43.40	28.50	4,477
August	40.75	33.10	14,565	43.80	33.75	4,620
September	43.85	26.15	12,860	44.25	26.50	4,504
October	30.10	15.15	9,788	30.40	15.15	3,951
November	21.70	13.20	9,093	22.00	13.20	3,148
December	16.20	12.00	9,647	16.20	12.30	3,078
January 09	18.40	9.46	9,424	18.35	9.45	3,121
February	11.30	8.56	8,892	11.30	8.60	2,948
March	10.38	7.61	9,709	10.45	7.65	3,109



Registrar & Transfer Agent

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

Share Transfer System

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

Share Capital History

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

Distribution of Shareholding as on 31st March, 2009

Shares	No. of Holders	(%) of Holders	Total Shares	(%) of Shareholders
UPTO 100	21,586	44.42	1,571,918	1.90
101 to 200	9,351	19.24	1,723,896	2.09
201 to 500	10,237	21.07	3,928,005	4.75
501 to 1000	4,310	8.87	3,612,347	4.37
1001 to 5000	2,642	5.44	5,696,752	6.90
5001 to 10000	257	0.53	1,881,738	2.28
10001 to 100000	180	0.37	4,357,404	5.27
100001 and above	30	0.06	59,844,780	72.44
Total	48,593	100.00	82,616,840	100.00

**Shareholding Pattern as on 31st March, 2009**

	Category of Shareholder	No. of Shareholders	Total No. of shares	No. of shares in demat	% of total number of shares
A	Promoter Shareholding				
	Indian Promoters				
	Individual / HUF	5	98,22,860	98,22,860	11.89
	Bodies Corporate	13	17,849,093	17,849,093	21.60
	Total Promoter Shareholding	18	27,671,953	27,671,953	33.49
B	Public shareholding				
1	Institutions				
	Financial Institution /Banks	2	190	10	0.00
	Central Govt / State Govt	1	200	200	0.00
	Venture Capital Funds	1	500	500	0.00
	Foreign Institutional Investors	6	2,777,469	2,777,469	3.36
	Sub Total B1	10	2,778,359	2,778,179	3.36
2	Non-institutions				
	Bodies Corporate	986	4,419,794	4,418,534	5.35
	Individuals	47,107	18,888,862	18,782,610	22.87
	Others	471	2,276,672	2,276,512	2.76
	Sub Total B2	48,564	25,585,328	25,477,656	30.97
	Total Public Shareholding (B1+B2)	48,574	28,363,687	28,255,835	34.33
C	Shares held by Custodians of GDRs				
	The Bank of New York	1	26,581,200	26,581,200	32.17
	GRAND TOTAL (A)+(B)+(C)	48,593	82,616,840	82,508,988	100.00

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

Dematerialization of Shares

The equity shares of the Company are traded in electronic form. As on 31st March, 2009 - 82,508,988 equity shares or 99.87% of the total paid up equity capital were held in electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). All the demat requests were generally processed and confirmed within 7 days of receipt.

Demat ISIN in NSDL and CDSL for Equity Shares

INE395A01016

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

As on 31st March, 2008 – the total number of outstanding GDR's is 2,658,120 wherein each GDR represents 10 underlying equity shares.

Address for Correspondence

G – 101, 2nd Floor, Tower No. 7, International Infotech Park, Above Vashi Railway Station, Vashi, Navi Mumbai – 400 705.

Secretarial Audit Report

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

Non-Mandatory Requirements under Clause 49 of the Listing Agreement

The details of adoption of non-mandatory requirements of Clause 49 are provided below:

- **Non-Executive Chairman's Office:**
The Chairman of the Company is a non - executive Chairman and is liable to retire by rotation.
- **Tenure of Independent Director:**
Independent directors of the company are rotational Directors and their tenure is generally for a period of four years. However no maximum tenure has been specifically determined for them yet.
- **Remuneration Committee:**
The board of directors has constituted a remuneration committee, the details of which are provided as part of this report. The minutes of the committee are periodically placed before the board for approval.
- **Shareholders' Rights:**
Though the Company does not follow the practice of sending the half yearly performance and summary to each shareholders at their registered address, the Company publishes the financial results in the newspapers of english language and regional language where its registered office is situated and upload the same on its web-site as well (www.bsel.com). Annual Report is sent to all the shareholders of the Company.
- **Audit Qualifications:**
The Company always strives to present an unqualified financial statement.
- **Mechanism of evaluation of Non-Executive Directors:**
The board of directors including non-executive directors is vested with the responsibility of strategic supervision of the Company. In view of the same, the board evaluates its non-executive directors on the basis of individual contribution towards fulfilment of this responsibility.
- **Whistle-Blower Policy:**
The Company promotes a favourable environment for employees to have an open access to the respective functional heads, managing directors as well as Chairman so as to ensure ethical and fair conduct of the business of the Company.

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

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

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

For BSEL Infrastructure Realty Limited



Dharmendra Raichura
Managing Director

Place : Navi Mumbai,
Date : 10.08.2009



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

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

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

Place : Navi Mumbai

Date : 30.06.2009

Dharmendra Raichura
(CEO & CFO)

AUDITORS' CERTIFICATE TO THE MEMBERS OF THE COMPANY ON COMPLIANCE OF THE CONDITIONS OF CLAUSE 49 OF THE LISTING AGREEMENT (CORPORATE GOVERNANCE) FOR THE YEAR ENDED MARCH 31, 2009

We have examined the compliance of conditions of corporate governance by BSEL Infrastructure Realty Limited, for the year ended as at 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges.

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

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

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

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

For RAJU & PRASAD

Chartered Accountants

CA. Avinash T. Jain

Partner

Membership No: 41689

Place : Mumbai

Date : 10.08.2009

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Overview

The year 2008-09 can easily go down in the books of history as one of the most difficult and hence one of the most challenging year for any Company to deal with. The signs of a global meltdown were evident in the previous year but no one expected this to be so harsh on the economy. Fortunately, India can't be seen as the one of the main affected countries when compared with the aftermath this global recession has left on the developed economies.

Industry Overview

Among others, the infrastructure and realty industry were few of the worst hit industries in this world wide crisis. This sector needs huge capital funding and investment on continuous basis and with a number of leading banks booking huge losses or falling apart like a pack of cards, courtesy sub-prime mortgage crises, it became increasingly difficult for companies to arrange the funds it needed, which brought this sector to a virtual standstill.

Segment Overview

During the years between 2004-05 and 2007-08, the real estate and infrastructure sector experienced an astounding growth of 40-45% per annum. This growth helped the country in achieving a near impossible 9% GDP growth.

Indian Real Estate Overview

Residential:

Given the huge population of the country, this segment has the potential to be the most active of all segments. With the ever growing urban population and stress on nuclear families coupled with increasing purchasing power parity of the people of the country and easy availability of the housing loan, induced them to create an asset rather than paying off rent.

In future BSEL would undertake eco-housing projects which are the need of the society. Bhorkhar - township project will add new direction and horizon for BSEL in this segment.

Commercial, Retail & Entertainment:

With the government adopting liberal foreign policies, a lot of multinational companies have stepped in India. This has triggered a huge demand in the commercial segment in the last few years. But after the global meltdown of 2008, rentals in office markets and commercial declined as the grip of the global financial crisis intensified. Owing to a severe liquidity crunch, prevailing lease rentals continue to be subjected to downward pressure as distressed occupants seek to negotiate lower rates. One could argue that the current decline was on the cards considering that towards the end of 2007, rentals had begun to stabilise as excess demand was rapidly eroded by the bull market driven construction boom.

In the phase of slowing demand, rising vacancy levels and a lack of financing that has crippled the supply side, the office market in India will likely remain under pressure for the foreseeable future. Looking to these, BSEL presently has temporarily put on hold the development of commercial and retail projects at various locations.

Hotel and Hospitality:

India is one of the favourite tourist destinations around the world. Her cultural diversity and rich heritage draws a huge number of tourists throughout the year. Commercially, it provides employment to 53 million people in the country. India has seen a surge in the arrivals of foreign tourist at a rate of 13% on an annual basis. The world has witnessed the terrorist attack 26/11 on Mumbai. The terrorist mainly targeted the star category hotels. This prompted the Government of various countries to issue travel advisories against India. This had adversely affected the occupancies and revenues of the hotel industry, as the foreign tourist arrival came down to 6%.

However, now with the visit to India by Ms. Hillary Clinton, US Secretary of State, where she chose to stay in the same hotel which was attacked, the world has gained the confidence against the ill effects of the terrorist attacks and this widely helped to clear the air of fear. Now that the dust is settled and the global economy is also reviving, it is evident that the hotel industry is regaining back its glory.

BSEL has two operational hotel and hospitality projects in Gujarat. BSEL is all set to make these projects as one of the perfect tourist destinations to attract droves of visitors who are in search of sights and tranquility that only nature can provide. Gujarat Government



too has recognized the immense potential this area possesses, as it blends the scenic greenery and flowing narmada river. Now SSNNL, undertaking of Gujarat, is taking initiative for developing various tourists activities like mountaineering camps, boating, rafting etc. in this area. In view of this, BSEL is targeting very good returns from these projects.

Ajman Overview

Ajman real estate market has witnessed an unprecedented growth in 2006-08. With little scope for further development, skyrocketing property prices and rising rents in 2006-2008 in Dubai have brought intensive real estate development in the Emirate of Ajman. Driven by macro-economic growth over the past 5 years and due to its strategic central location amongst other emirates, Ajman has emerged as an attractive destination for real estate activity.

However in mid of 2008, due to global meltdown, UAE has faced macro-economic slowdown coupled with recession in most of the developed countries and its adverse impact on the real estate market. All these have resulted in weakened investor demand owing to slowdown in real estate activity and correction in prices across major projects in Dubai and Ajman. Many developers have scaled back and have not initiated to execute construction plans.

The government of Ajman has made significant efforts towards encouraging investment in the emirate, offering a range of advantages to both individuals and companies who are investing in Ajman. Recent move of Ajman government for development of infrastructure sector in form of airport, metro rail and public transport has resulted into regaining of investor confidence. Also to professionalise and provide investor safety, Ajman government has announced escrow account system for regulating the developments.

BSEL has acquired a land for construction of seven residential towers with total saleable area of 8 million sq. ft. at emirates city, Ajman. The land is strategically located alongside the main emirates city road and is well connected with Dubai and Sharjah. These 50 storied, centrally airconditioned towers each will be having around 5,000 residential apartments and 5,000 car parking spaces. These State of the Art architectures are being handled by renowned architect Adnan Saffarini and with finest arrangements, BSEL is poised to provide high standard of quality and services to the customer's satisfaction. BSEL has taken it as an opportunity to develop and market these projects with taking advantage of drop in the commodity prices thereby reducing cost. BSEL with this meticulous planning has faced this crisis and has passed this test of time.

Malaysia

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

Company Overview

BSEL Infrastructure Realty Limited (referred to as BSEL) is still young in this segment and is striving to create a foot holding for itself in this very competitive and one of the most important sector of any growing economy. The activities of the Company are significantly diversified in terms of lines of business within segment. BSEL has in its kitty project mix of residential, IT Parks and retail projects. Also in the last two fiscal BSEL has extensively widened its business scope by initiating forays into product mix across real estate sector i.e. retail, hospitality, entertainment, hotel, commercial and shopping. Such diversification coupled with global presence i.e., with residential projects in UAE, has helped the management to cope with risks associated with them. The Company's expert team identifies the strategic locations and acquire land at economical and easy on pocketbook prices, thereby blends well with the overall objective of the Company to maximize shareholders wealth.

With global meltdown and its effect on the sector BSEL has to revamp all its plans, strategies and execution policies and had to draw a new line of defence to cope with this multi headed monster. The management's expertise in bringing in novel ideas has helped the Company to sail through this world crisis through meticulous planning of funds and adhering project execution deadlines, where most players have found it difficult to stay afloat. The Company understands that in this time of crises the main focus of the Company should be to complete the projects in hand in the given timeframe and hence it has not invested in any new projects.

Financial Performance

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

	(Rs. in Lakhs)	
Financial Snapshot	March 2009	March 2008
Income from Operations	11,835.00	37,420.57
Operating Profit (OP)	4,146.27	11,508.35
OP Margin	35%	31%
Profit After Tax	4,063.51	11,208.42
Net Profit Margin (%)	34%	30%
EPS (in Rs.)	4.92	17.25
Return on Shareholders' Fund	7%	24%
Dividend	NIL	5%
Return on Capital Employed (%)	7%	23%

Operational Performance

	(Rs. In Lakhs)	
Operational Highlights	Consolidated	Stand alone
Income from Operations	11,835.00	872.97
Other Income	502.41	167.60
Total Income	12,337.41	1,040.57
Less: Total Expenditure	7,751.93	271.98
Profit Before Interest, Tax and other items for the year	4,585.48	768.59
Less: Interest	378.85	159.77
Less: Depreciation	60.51	14.78
Less: Prior period items (Income) / Expenses	15.21	15.21
Profit Before Tax (PBT)	4,130.91	578.83
Provisions for Taxation (Net)	67.40	67.40
Profit After Tax (PAT)	4,063.51	511.43

Consolidated Financial Analysis for the year 2008 – 2009

Balance Sheet Analysis

Equity Share Capital

The Company issued 59,00,000 share warrants to the promoters. The promoters had an option to convert the warrants into shares. But the promoters have opted not to convert the same within the prescribed period. Hence the warrants have been cancelled and there is no subsequent change in the equity share capital of the Company.



Reserves and Surplus

The reserves and surplus have shown a growth of 26% on a YoY basis. This is mainly due to the substantial increase in the capital reserve and the forfeiture of the application money of the promoters. The Company will try to leverage this fund to the betterment of the value and wealth of the stakeholders.

Loans

The Company has managed to pay off to the extent of 31% of its debts and the loan amount has shrunk to Rs. 1,207 lacs as compared with Rs. 1,744 lacs in the previous year. This has further strengthened the debt-equity ratio of the Company.

Fixed Assets

The fixed assets of the Company stood at Rs. 227 lacs for the year 2008 -2009

Current Liabilities

The Company has managed to substantially bring down the current liabilities. It stood at Rs. 1,838 lacs compared to Rs. 19,453 lacs in the previous year.

Investment

With the plans of the Company of having global foot prints, it has invested funds in Malaysia and Singapore. The Company is hoping that it will provide good returns and increase in shareholder value.

Profit and Loss Analysis

Income from Operations

The world economic crisis has its toll on the overseas operation of the Company and it is represented by the decline in the operational income of the Company. The operating income of the Company stood at Rs. 11,835 lacs as against Rs. 37,421 lacs in the previous year.

Profit before Tax

The profit of the Company before interest and tax was Rs. 4,131 lacs in the current year compared to Rs. 11,432 lacs in the previous year.

Strengths

Impeccable Management of Funds

In the mid of 2008, the global crisis was foreseen, the management of the Company has taken all steps to maintain the liquidity and as a result throughout the global crisis the Company has managed the funds and has not been posed with any liquidity problems.

Steady team

The Company has a steady set up of professional and dedicated team of employees in place to mitigate the risks associated with the business and move forward aggressively yet cautiously to turn opportunities into results.

Unstinted support of investors

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

Aggressive execution of projects

The Company is moving ahead aggressively towards the completion of its projects in hand. The management is optimistic that with the improving economic conditions the Company will be able to honour the commitments.

Weakness

Infrastructure and realty sector are highly capital intensive industries with long gestation periods. The global economic instability has not helped matters either. Meeting of the projected profitability of the Company has become increasingly difficult. With the sales coming down, the cash inflows have also taken a hit.

Forward Looking Statement

Certain sections of the Annual Report contain forward-looking statements that are based on management's expectations, estimates, projections and assumptions. Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to projections of revenues, earnings, segment performance, cash flows. Forward-looking statements are made pursuant to the Companies Act, 1956 and all other applicable acts, statues, rules and regulations as amended from time to time. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results and trends may differ materially from what was forecasted in forward-looking statements due to a variety of factors, without limitation.

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

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

(All Figures in Rs.)

Sr. No.	Name of the Subsidiary	BSEL Infrastructure Realty FZE	BSEL Infrastructure Realty Pte. Ltd.	BSEL Waterfront Sdn. Bhd.	BSEL Infrastructure Realty Sdn. Bhd.
1	Reporting Currency	AED	SGD	MYR	MYR
2	Exchange Rate as on 31 st March, 2009	14.09	34.03	14.19	14.19
3	Share Capital	422,652,000	3,403,013	28,388,000	1,419,400
4	Reserves & Surplus	1,817,569,181	(10,176,881)	(347,185)	(196,402)
5	Total Assets	5,128,358,622	(5,717,811)	28,040,815	1,222,998
6	Total Liabilities (other than 3 and 4)	2,888,137,441	1,056,057	NIL	NIL
7	Investments other than in subsidiary	15,110,781	NIL	NIL	NIL
8	Name of the Holding Company	BSEL Infrastructure Realty Limited	BSEL Infrastructure Realty FZE	BSEL Infrastructure Realty Sdn. Bhd.	BSEL Infrastructure Realty FZE
9	% of Holding	100%	100%	100%	100%
10	Sale and other income	1,129,647,331	35,153	NIL	NIL
11	Profit/ (Loss) before Tax	365,928,002	(10,176,881)	(347,185)	(196,402)
12	Provision for Tax	NIL	NIL	NIL	NIL
13	Profit/ (Loss) after Tax	365,928,002	(10,176,881)	(347,185)	(196,402)
14	Dividend	NIL	NIL	NIL	NIL

AUDITORS' REPORT

To the Members of

BSEL INFRASTRUCTURE REALTY LIMITED

1. We have audited the attached Balance Sheet of BSEL Infrastructure Realty Limited as at 31st March, 2009 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 of India (the 'Act') and on the basis of such checks of the books and record of the Company as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that :
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of the written representation received from the directors, as on March 31, 2009, and taken on record by the board of directors, we report that none of the director is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view and are in conformity with the accounting principles generally accepted in India.
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
 - (b) In the case of the Profit & Loss account, of the profit for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For RAJU & PRASAD
Chartered Accountants



CA. Avinash T. Jain

Partner

Membership No. 41689

Place : Mumbai

Date : 30.06.2009



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

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

- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute. However, the demand of Rs. 2,64,24,532/- is demanded for Income Tax for Assessment Year 2001-02 by the Income Tax authorities against which appeal has been filed in CIT(Appeal) after payment of Rs. 15,50,000/-.
- X. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- XI. Based on our audit procedures and on the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
- XII. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') are not applicable to the Company.
- XIV. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- XV. To best of our knowledge and belief and according to the information and explanation given to us, in our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- XVI. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- XVII. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short term basis.
- XVIII. According to information and explanations given to us, the Company has not made any preferential allotment of shares to the parties and companies covered in register maintained under section 301 of the Act.
- XIX. The Company did not have any debentures during the year.
- XX. The Company has not raised any funds by way of public issue during the financial year.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For RAJU & PRASAD
Chartered Accountants

Avinash Jain

CA. Avinash T. Jain

Partner

Membership No. 41689

Place : Mumbai

Date : 30.06.2009

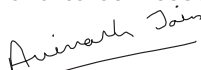
**BALANCE SHEET AS AT 31ST MARCH, 2009**

(All Figures in Rs.)

Particulars	Schedule	Current Year 2008-09	Previous Year 2007-08
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
SHARE CAPITAL	A	826,168,400	826,168,400
SHARE WARRANTS		—	45,430,000
RESERVES AND SURPLUS	B	3,490,322,381	2,649,232,774
		<u>4,316,490,781</u>	<u>3,520,831,174</u>
SECURED LOANS	C	104,667,760	173,908,180
		<u>104,667,760</u>	<u>173,908,180</u>
		<u>4,421,158,541</u>	<u>3,694,739,354</u>
APPLICATION OF FUNDS			
FIXED ASSETS	D	20,557,465	40,907,944
INVESTMENT	E	676,454,052	677,688,489
CURRENT ASSETS LOANS & ADVANCES			
(a) Inventories	F	463,543,107	412,200,842
(b) Sundry Debtors	G	29,363,701	36,892,857
(c) Cash & Bank Balance	H	129,082,372	1,565,676,350
(d) Loans & Advances	I	3,124,849,113	1,057,288,024
		<u>3,746,838,293</u>	<u>3,072,058,073</u>
Less : Current Liabilities & Provisions	J	22,691,269	95,915,152
NET CURRENT ASSETS		<u>3,724,147,024</u>	<u>2,976,142,921</u>
		<u>4,421,158,541</u>	<u>3,694,739,354</u>
NOTES TO THE ACCOUNTS	R		

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants


CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 30.06.2009

For BSEL INFRASTRUCTURE REALTY LIMITED


Kirit R. Kanakiya
Chairman


Dharmendra Raichura
Managing Director


Priya Singhal
Company Secretary

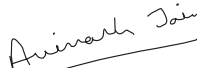
PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2009

(All Figures in Rs.)

Particulars	Schedule	Current Year 2008-09	Previous Year 2007-08
INCOME			
Income from Operations	K	87,297,915	426,577,652
Miscellaneous Income	L	16,759,811	47,379,632
Increase / (Decrease) in Closing Stock		51,342,265	11,139,364
		<u>155,399,991</u>	<u>485,096,648</u>
EXPENDITURE			
Direct Expenses	M	54,410,561	220,193,635
Indirect Expenses	N	24,115,023	58,239,463
Interest	O	15,976,678	21,352,592
Depreciation		1,478,562	1,764,963
Total Expenditure		<u>95,980,824</u>	<u>301,550,653</u>
Operating Profit		59,419,167	183,545,995
Less: Donation	P	15,000	21,001
Total Income Before Adjustments		<u>59,404,167</u>	<u>183,524,994</u>
Less: Prior Period Items	Q	1,520,688	7,607,721
Profit Before Tax		<u>57,883,479</u>	<u>175,917,273</u>
Less: Provision for Taxation			
Fringe Benefit Tax		240,000	365,000
Income Tax		6,500,000	22,000,000
PROFIT AFTER TAX		<u>51,143,479</u>	<u>153,552,273</u>
Less : Dividend including Dividend Tax		—	48,328,786
BALANCE CARRIED FORWARD TO BALANCE SHEET		<u>51,143,479</u>	<u>105,223,487</u>
NOTES TO THE ACCOUNTS	R		

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants


CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 30.06.2009

For BSEL INFRASTRUCTURE REALTY LIMITED


Kirit R. Kanakiya
Chairman


Dharmendra Raichura
Managing Director


Priya Singhal
Company Secretary

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "A"		
SHARE CAPITAL		
1. Authorised Capital 150,000,000 Equity Shares of Rs.10/- each	1,500,000,000	1,500,000,000
2. Issued Subscribed and Paid up 82,616,840 Equity Shares of Rs. 10/- each fully paid up	826,168,400	826,168,400
	826,168,400	826,168,400
SCHEDULE : "B"		
RESERVES & SURPLUS		
A. General Reserves		
Opening Balance	150,140,000	150,140,000
Add : Forfeiture of Preference Shares Warrants	45,430,000	—
	195,570,000	150,140,000
B. Profit and Loss Account		
Opening Balance	732,294,947	627,071,460
Add : Profit/(Loss) for the year	51,143,479	105,223,487
	783,438,426	732,294,947
C. Share Premium		
Opening Balance	1,920,854,149	690,476,072
Add : Share Premium Collected during the year	—	1,281,325,710
Add : Issue Expenses (Written Off)	3,898,295	(50,947,633)
	1,924,752,444	1,920,854,149
D. Capital Reserves for Foreign Currency Translation		
Opening Balance	(154,056,322)	(29,772,131)
Add : Foreign Currency Translation Reserve	740,617,833	(124,284,191)
	586,561,511	(154,056,322)
	3,490,322,381	2,649,232,774
SCHEDULE : "C"		
SECURED LOANS		
Term Loan from State Bank of India Primary Charges (Mortgage of 11th and 12th Floor of Project BSEL Tech Park at Plot No. 39/5 & 39/5A, Sector 30A, IIP, Vashi, Navi Mumbai) (Repayment due in next one year = Rs. 330 Lacs)	51,471,288	84,775,129
Term Loans from Axis Bank Limited (Mortgage of unit no. G101/G102 at IIP, Vashi Railway Station Complex, Vashi, Navi Mumbai) (Repayment due in next one year = Rs. 12.94 Lacs)	19,219,522	41,521,253
Bank Overdraft from Axis Bank Limited Primary Charges (Mortgage of unit no. G101/G102 at IIP, Vashi Railway Station Complex, Vashi, Navi Mumbai)	33,976,950	47,611,798
	104,667,760	173,908,180

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE : "D" FIXED ASSETS

(All Figures in Rs.)

Description	Rate of Depreciation	Cost as on 1.4.2008	Additions	Deletion	Cost as on 31.03.09	Depreciation up to 31.03.08	Depreciation for the year	Total Depreciation	W.D.V. as on 31.03.09	W.D.V. as on 31.03.08
Air Conditioner	4.75%	567,373	—	—	567,373	477,966	6,269	484,235	83,138	89,407
Computers/Printers	33.33%	54,455,155	229,221	—	54,684,376	53,877,817	453,135	54,330,952	353,424	577,338
Furniture & Fixture	16.67%	10,280,436	—	—	10,280,436	9,497,029	273,458	9,770,487	509,949	783,407
Office Equipment	4.75%	1,746,227	286,211	—	2,032,438	331,540	85,447	416,987	1,615,451	1,414,687
Office Premises - IIP	1.63%	39,478,623	—	19,313,609	20,165,014	4,592,288	444,441	5,036,729	15,128,285	34,886,335
Office Premises - Bombay Oilseed	1.63%	1,885,000	—	—	1,885,000	77,528	30,724	108,252	1,776,748	1,807,472
Vehicles	9.50%	2,048,350	—	85,140	1,963,210	766,808	180,993	947,801	1,015,409	1,281,542
Assets At Kevadial/Reva Bhavan										
Vehicle-K	9.50%	79,154	—	—	79,154	11,398	3,749	15,147	64,007	67,756
Refrigerator-RB	4.75%	—	11,400	—	11,400	—	346	346	11,054	—
TOTAL		110,540,318	526,832	19,398,749	91,668,401	69,632,374	1,478,562	71,110,936	20,557,465	40,907,944
PREVIOUS YEAR		110,591,044	652,342	703,068	110,540,318	67,867,411	1,764,963	69,632,374	40,907,944	42,723,633



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(All Figures in Rs.)

Particulars	Current Year 2008-2009		Previous Year 2007-2008	
	No. of Shares	Amount	No. of Shares	Amount
SCHEDULE : " E "				
INVESTMENTS (AT COST)				
Long Term Investments				
(a) In Shares (Quoted)				
Simbhaoli Sugar	165,481	7,413,549	165,481	7,413,549
Amar Remedies	31,000	1,114,450	31,000	1,114,450
Gangotri Textile Ltd.	1,565,023	38,524,053	1,351,173	36,394,490
(Current Yr. Mkt Value Rs. 9,489,130/- and Previous Yr. Mkt Value Rs. 24,020,727/-)				
	<u>1,761,504</u>	<u>47,052,052</u>	<u>1,547,654</u>	<u>44,922,489</u>
(b) In Shares (Unquoted)				
Investment in Subsidiary Company BSEL Infrastructure Realty (FZE)	—	422,652,000	—	326,016,000
	<u>—</u>	<u>422,652,000</u>	<u>—</u>	<u>326,016,000</u>
(c) Joint Ventures				
B W Highway Star Pvt. Ltd.	—	—	—	100,000,000
D G Malls Multiplex Pvt. Ltd.	—	250,000	—	250,000
G P Concept Hotel & Mall Pvt. Ltd.	—	250,000	—	250,000
J P Shopping Mall and Hotel Pvt. Ltd.	—	250,000	—	250,000
P P Shoppers Mall and Hotel Pvt. Ltd.	—	250,000	—	250,000
S B Concept Hotel Malls Pvt. Ltd.	—	250,000	—	250,000
S B Shopping Mall and Hotel Pvt. Ltd.	—	250,000	—	250,000
Goa Tech Parks Pvt. Ltd.	—	250,000	—	250,000
Gigeo Constructions Pvt. Ltd.	—	205,000,000	—	205,000,000
	<u>—</u>	<u>206,750,000</u>	<u>—</u>	<u>306,750,000</u>
	<u>1,761,504</u>	<u>676,454,052</u>	<u>1,547,654</u>	<u>677,688,489</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "F"		
INVENTORIES		
Work in Progress of Land, Building & Construction work at various projects		
Opening Stock of Work in Progress	412,200,842	401,061,478
Add: Purchase/Additions/Transfer/(Deletions)/(Consumption)/(Sales) During the year	51,342,265	11,139,364
Closing Stock - WIP	463,543,107	412,200,842
SCHEDULE : "G"		
SUNDRY DEBTORS		
A. Consider Good		
Less than six months	5,900,000	4,729,156
More than six months	11,900,000	20,600,000
	<u>17,800,000</u>	<u>25,329,156</u>
B. Consider Doubtful		
More than six months (Refer Note No. 16 of Schedule R: Notes to Accounts)	11,563,701	11,563,701
	<u>11,563,701</u>	<u>11,563,701</u>
	29,363,701	36,892,857
SCHEDULE : "H"		
CASH AND BANK BALANCE		
Cash in hand	4,805,092	4,729,156
Bank Balance with Schedule Banks		
Balance in Current Account	122,695,194	208,935,548
Balance in Fixed Deposit	1,582,086	1,352,011,646
	<u>129,082,372</u>	<u>1,565,676,350</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "I"		
LOANS, ADVANCES AND DEPOSITS		
Deposits		
Deposit for Lease Premises	4,790,000	4,790,000
BSEL Tech Park- EMD	—	2,200,000
Earnest Money Deposits for Tenders	12,200,000	12,200,000
Other Misc Deposits	233,131	927,148
Other Deposits for Kevadia	3,669,878	3,806,062
	<u>20,893,009</u>	<u>23,923,210</u>
Current Assets		
Prepaid Expenses	—	56,392
Advance against Property (Gorkap)	3,030,000	3,030,000
TDS in advance	1,387,307	4,640,628
Loans and Advances to BSEL Infrastructure Realty FZE-UAE	2,887,636,373	834,478,813
Advance to Employees	284,389	156,731
Advance for Purchase of Land/Property	23,333,134	2,335,734
TDS Receivable	—	14,500
Advance to Suppliers/Contractors	712,446	1,068,270
Rent and Other Receivable	349,798	—
Advance for Site Expenses	—	361,089
Loans to Joint Ventures		
D G Malls Multiplex Pvt. Ltd.	42,550,000	42,550,000
G P Concept Hotel & Mall Pvt. Ltd.	11,000,000	11,000,000
J P Shopping Mall and Hotel Pvt. Ltd.	12,500,000	12,500,000
P P Shoppers Mall and Hotel Pvt. Ltd.	17,500,000	17,500,000
S B Concept Hotel Malls Pvt. Ltd.	7,500,000	7,500,000
S B Shopping Malls and Hotels Pvt. Ltd.	15,500,000	15,500,000
Goa Tech Parks Pvt. Ltd.	70,357,657	70,357,657
BSEL- Unity Joint Venture Account	10,315,000	10,315,000
	<u>3,103,956,104</u>	<u>1,033,364,814</u>
	<u>3,124,849,113</u>	<u>1,057,288,024</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "J"		
CURRENT LIABILITIES AND PROVISIONS		
Provisions		
Provision for Expenses and Liabilities	669,677	1,370,045
PT / Cess / ST / VAT	63,723	50,124
Provision for Income Tax	6,560,000	17,100,960
TDS Payable	215,719	1,756,026
Deposit against various Leased Properties	1,433,570	3,578,570
Retention Money-Kevadia	5,269,773	4,636,905
Other Miscellaneous Deposits	190,500	241,895
Deposit for Society Formation	178,930	178,930
Other Liabilities	5,323,064	15,451,279
Dividend Declared	—	41,308,420
Dividend Tax	—	7,020,366
Unpaid Dividend	—	991,095
	<u>19,904,956</u>	<u>93,684,615</u>
Sundry Creditors	<u>2,786,313</u>	<u>2,230,537</u>
	<u>22,691,269</u>	<u>95,915,152</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "K"		
INCOME FROM OPERATION		
Sale of Units	7,386,016	417,225,000
Other Operating Income	74,985,790	—
Business Centre Income	4,926,109	9,352,652
	87,297,915	426,577,652
SCHEDULE : "L"		
MISCELLANEOUS INCOME		
Interest on Fixed Deposit (TDS Current Yr. Rs. 74,119/- and Previous Yr. Rs. 336,625/-)	14,152,797	16,864,697
Dividend Received	—	675,587
Foreign Exchange Gain	14,040	13,377,595
Transfer Charges, NOC Charges, Sign Board Rentals, Miscellaneous Rental/Interest Income	2,481,174	10,106,921
Gain/(Loss) on Sale of Shares	111,800	6,354,832
	16,759,811	47,379,632
SCHEDULE : "M"		
DIRECT EXPENSES		
Direct Project Expenses for various construction sites		
Direct Material and Direct Expenses for construction	54,410,561	220,193,635
	54,410,561	220,193,635
SCHEDULE : "N"		
INDIRECT EXPENSES		
Advertisement & Marketing Expenses	5,111,554	7,358,990
AGM / EGM Exps.	9,217	27,489
Air Condition Hire Charges	123,500	239,900
Audit Fees	125,000	125,000
Bank Charges	105,556	143,729
Board Meeting Fees	85,000	127,000
Brokerage, Commission & Incentives	—	400,000
Business Promotion	325,016	492,709
Cess paid	16,709	11,975
Conveyance	193,572	224,159
Delay Payment Charges	27,751	1,603,638
Electricity Charges	518,532	527,251
GDR Issue & Maintenance Expenses	161,450	5,744,583
Hire Charges	—	43,193
Insurance	159,164	286,226
Internet Expenses	230,564	77,403
Labour Welfare Fund	26,448	2,502
Legal and Professional fees	1,949,880	20,686,271
Listing Fees	651,138	231,850

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "N" (Contd...)		
INDIRECT EXPENSES		
Labour Charges	—	104,220
Maintenance Charges	810,764	1,204,317
M.D.'s Remuneration	825,000	780,000
Membership & Subscription Fees	47,995	58,440
Motor Car Expenses	245,528	189,606
Miscellaneous Expenses	420,261	57,224
Office Expenses	105,211	151,266
Postage & Telegram	648,664	262,651
Printing & Stationery	1,599,157	1,209,838
Rent paid	354,500	357,600
Rent, Rates & Taxes	1,653,372	2,127,689
Repairs & Maintenance	176,971	719,448
ROC Filing Fees	12,001	16,433
Salaries & Wages	3,308,451	3,426,737
Service Tax	604,821	1,934,758
Share Transfer Charges	104,582	110,891
ESIC Paid	24,792	28,518
Bonus, Ex-Gratia & Incentive Paid	329,168	354,404
Provident Fund Paid	202,804	214,740
Staff Welfare	351,945	578,222
Security Transaction Tax & Other Charges on Shares	248,254	201,206
Telephone Expenses	1,040,770	1,293,077
Tender Fees	—	50,000
Traveling Expenses (Including Foreign Travel)	1,026,764	1,924,822
Water Charges	59,307	90,535
Website Expenses	93,890	156,453
Stamp Duty and Registration	—	2,282,500
	24,115,023	58,239,463
SCHEDULE : "O"		
INTEREST		
Interest on Overdraft - Axis Bank Ltd.	4,402,750	3,328,917
Interest on Term Loan - SBI	7,622,669	11,324,402
Interest on Term Loan - Axis Bank Ltd.	3,951,259	6,699,273
	15,976,678	21,352,592
SCHEDULE : "P"		
OTHER EXPENSES		
Donation	15,000	21,001
	15,000	21,001
SCHEDULE : "Q"		
PRIOR PERIOD ITEMS		
Excess / Short Provisions for Income Tax	28,641	8,208,591
Short Provision made for Back office Expenses	—	134,640
Prior Period Expenses	1,492,047	(735,510)
	1,520,688	7,607,721

**SCHEDULE "R"****I. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009****1. Previous Year's Figures**

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

2. Share Capital

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

3. Fixed Assets

During the year, the Company sold net fixed assets of Rs. 188.72 Lacs (Previous Year :- Sold net fixed assets of Rs. 50,726/-) from its gross block.

4. Loans and Advances

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

5. Auditors Remuneration

(Amount in Rs.)

Details	Current Year 2008-2009	Previous Year 2007-2008
Audit Fees	75,000	75,000
Tax Audit Fees	30,000	30,000
Income Tax	15,000	15,000
Other Services	5,000	5,000
Service Tax	12,875	15,450
TOTAL	137,875	140,450

The auditors fees will be provided on annual basis.

6. Foreign Exchange

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

7. Current Tax

The Company has estimated the current tax charge (inclusive of fringe benefit tax) of Rs.6,740,000 /- (previous year Rs. 22,365,000/-) is based on the earnings for the year ended 31st March 2009.

8. Earning/Expenditure in Foreign Currency

Earning : Rs. 13,797,189/- (previous year : 28,743,294/-)

Expenditure : Rs. 637,757/- (previous year : 5,781,716/-)

9. Additional Disclosures in Pursuant to Schedule VI Part II

(Amount in Rs.)

Income Related Disclosures	Current Year 2008-2009	Previous Year 2007-2008
Other Incomes :		
Interest on Fixed Deposits	14,152,797	16,864,697
Gain / (Loss) on Sale of Shares	111,800	6,354,832
Other Miscellaneous Income / Rent / Interest/Transfer Charges/ Noc Charges	2,481,174	10,106,921
Dividend Received	—	675,587
Foreign Exchange Gain	14,040	13,377,595

Expenses Related Disclosures	Current Year 2008-2009	Previous Year 2007-2008
Remuneration to Managing Director	825,000	780,000
Salary and Bonus to Staff	3,637,619	3,781,141
Traveling and Conveyance	1,220,336	2,148,981
Rent Paid	354,500	357,600
Telephone Expenses	1,040,770	1,293,077
Legal & Professional Fees	1,949,880	20,686,271
Printing & Stationary	1,599,157	1,209,838
Advertisement & Marketing Expenses	5,111,554	7,358,990
Office Expenses	105,211	151,266
Repairs & Maintenance	176,971	719,448
Power & Fuel	518,532	527,251
Rent, Rates and Taxes	1,653,372	2,127,689
Brokerage, Commission & Incentive	—	4,00,000
Auditors Remuneration :		
Statutory Audit Fees	75,000	75,000
Tax Audit Fees	30,000	30,000
Income Tax Matters and Consultancy Fees	15,000	15,000
Other Services	5,000	5,000
Service Tax	12,875	15,450
Bank and Commission Charges	105,556	143,729

10. Related Party Disclosures

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

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

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

2. Key Management Personnel :

Name of the Party	Nature of Relationship
Kirit R. Kanakiya	– Chairman
Dharmendra Raichura	– Managing Director

3. Other Related Parties and Nature of Relationship :

(a) Nature of Relationship :- Associate Concerns

(b) Name of the Parties:-

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

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

1. BSEL Infrastructure Realty FZE

b) Sub-Subsidiaries

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

c) Joint Venture

1. P P Shoppers Mall and Hotel Private Ltd.
2. D G Malls and Multiplex Pvt. Ltd.
3. S B Concept Hotel Malls Pvt. Ltd.
4. G P Concept Hotel and Mall Private Limited
5. Goa Tech Parks Pvt. Ltd
6. J P Shopping Mall and Hotel Private Limited
7. S B Shopping Mall and Hotel Pvt. Ltd.
8. B W Highway Star Pvt. Ltd
9. BSEL Unity Joint Venture

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

(Rs. in Lacs)

Particulars	Key Management Personnel	Joint Ventures & Associate Concern	Subsidiaries	Total
Managerial Remuneration	8.25	—	—	8.25
Investments	—	17.50	4,226.52	4,244.02
Loans and Advances Given	—	1,872.23	28,876.36	30,748.59
Guarantee and Security Taken	—	—	14,412.57	14,412.57
Guarantee and Security Given	—	4,712.44	—	4712.44
Receivable	—	119.00	—	119.00

11. Earning Per Share

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

(Rs. in Lacs)

Particulars	Current Year 2008-2009	Previous Year 2007-2008
A. Net Profit after Tax	511.43	1,535.52
Add : Excess provision and refund of taxes of earlier years (Net)	—	—
Net Profit for calculation of earning per share (numerator)	511.43	1,535.52
B. Weighted average number of equity shares (Denominator) (Nos.)	8,261.68	8,261.68
C. Basic and diluted earning per share (A-B) (In Rupees)	0.62	2.36
D. Nominal value per equity Share (In Rupees)	10.00	10.00

12. Forfeiture of Preferential Share Warrants

The share application money of Rs. 45,430,000/- was received from promoters for allotment of 5,900,000 preferential share warrants have been forfeited. These warrants have not been converted by the promoters within the statutory period of eighteen months and so the right to exercise these warrants have been lapsed.

13. Consolidated Financial Statements

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

14. Dues to Small Scale Industrial Undertakings

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

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

15. Employees Benefits

Debtors includes dues from Microcity India Limited of Rs. 11,563,701/- (Previous Year Rs. 11,563,701/-) which is outstanding for more than six months and the same is classified as doubtful. Company has filed a suit to recover the same and management is of opinion that it will be recovered in full, therefore no provision has been made in the books of accounts.

a) Defined Contribution Plans

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

b) Defined Benefit Plan

Provisions of Gratuity, as explained to us, will be provided in respect of employees as and when they become eligible under the payment of Gratuity Act, 1972.

16. Provision for Doubtful Debts

Debtors includes dues from Microcity India Limited of Rs. 11,563,701/- (previous year Rs. 11,563,701/-) which is outstanding for more than six months and the same is classified as doubtful. Company has filed a suit to recover the same and management is of opinion that it will be recovered in full, therefore no provision has been made in the books of accounts.

17. Prior Period Items

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

18. There is no employee employed for full or part of the year drawing salary of Rs. 2 Lacs per month or more.

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


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

21. Balance of unpaid dividend account as at 31st March, 2009 is Rs. 1,368, 693/-.

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

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants


CA. Avinash T. Jain
Partner

For BSEL INFRASTRUCTURE REALTY LIMITED


Kirit R. Kanakiya
Chairman


Dharmendra Raichura
Managing Director


Priya Singhal
Company Secretary

Place : Mumbai
Date : 30.06.2009



II. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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

a. Revenue Recognition

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

b. Fixed Assets

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

c. Inventories

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

d. Borrowing Costs

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

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

e. Deferred Tax

Pursuant to the Accounting Standard (AS-22) on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India having been made mandatory. The Company has evaluated the various elements of tax computation to determine whether any deferred tax asset or liability needs to be recognized. Since, the income of the infrastructure division of the company is exempted u/s. 80 IA sub section 4 (iii) of the Income Tax Act, 1961, no deferred tax assets or liability arises and no provisions are made thereof.

f. Cash Flow Statement

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

g. Use of Estimates

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

h. Impairment of Assets

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

2. DEPRECIATION

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

Furniture & Fixtures – 6 Years

Computer Equipments – 3 Years

3. INVESTMENT

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

4. PROVIDENT FUND

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

5. SEGMENT ACCOUNTING POLICIES


The Company has only one segment of operation i.e. infrastructure activity in local market. So segment wise income/ expenditure/assets and liabilities are not presented.

6. OTHER ACCOUNTING POLICIES

Other accounting policies are consistent with generally accepted accounting policies.

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants


CA. Avinash T. Jain
Partner

For BSEL INFRASTRUCTURE REALTY LIMITED


Kirit R. Kanakiya
Chairman


Dharmendra Raichura
Managing Director


Priya Singhal
Company Secretary

Place : Mumbai
Date : 30.06.2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	57,883,479	175,917,273
Adjustments for :		
Depreciation	1,478,562	1,764,963
Other Income	(16,759,811)	(47,379,632)
Operating profits before working capital changes	42,602,230	130,302,604
Adjustments for :		
Sundry Debtors	7,529,156	206,931,251
Deposits (Assets) Loans & Advances	(2,067,561,089)	(79,794,897)
Inventories	(51,342,265)	(11,139,364)
Provision for Tax	(6,740,000)	(22,365,000)
Trade Payable and other liabilities	(73,223,883)	60,128,775
Net cash from operating activities	(2,148,735,851)	284,063,369
B. CASH FLOW FROM INVESTING ACTIVITIES		
Foreign Currency Translation Reserve	740,617,833	(124,284,191)
Sale/(Purchase) of investment	1,234,437	(271,524,539)
Sale/(Purchase) of fixed assets	18,871,917	50,726
Net cash from investing activities	760,724,187	(395,758,004)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital & Premium (adjusted)	3,898,295	1,463,346,477
Share Warrants	—	45,430,000
Other Income	16,759,811	47,379,632
Dividend including dividend tax	—	(48,328,786)
Loan from bank	(69,240,420)	(84,219,799)
Net cash from financing activities	(48,582,314)	1,423,607,524
Net increase/(decrease) in cash & cash equivalent	(1,436,593,978)	1,311,912,889
Cash & cash equivalent opening balance	1,565,676,350	253,763,461
Cash & cash equivalent closing balance	129,082,372	1,565,676,350

For BSEL INFRASTRUCTURE REALTY LIMITED

Place : Mumbai
Date : 30.06.2009


Kirit R. Kanakiya
Chairman


Dharmendra Raichura
Managing Director


Priya Singhal
Company Secretary

AUDITOR'S CERTIFICATE

We have examined the attached cash flow statement of **M/S. BSEL INFRASTRUCTURE REALTY LIMITED**, for the year ended 31st March 2009. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchanges, and is based on and in agreement with the corresponding balance sheet of the Company covered by our report of even date to the members of the Company.

Place: Mumbai
Date : 30.06.2009

For RAJU & PRASAD
Chartered Accountants

CA. Avinash T. Jain
Partner
Membership No. 41689

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of

BSEL INFRASTRUCTURE REALTY LIMITED

1. We have audited the attached Consolidated Balance Sheet of BSEL Infrastructure Realty Limited ("The Company") and its subsidiaries (The Company and its Subsidiaries constitute "The Group") as at 31st March, 2009 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The consolidated financial statements of one wholly owned subsidiary along with three sub-subsidiaries have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the said report.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards-21, consolidated financial statements issued by the Institute of Chartered Accountants of India.
5. Based on our audit and consideration of report of other auditors, on separate financial statements and to the best of our information and according to explanations given to us, we are of the opinion that attached consolidated financial statements gives a true and fair view and are in conformity with the accounting principles generally accepted in India.
 - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009.
 - (b) In the case of the Consolidated Profit & Loss account, of the profit of the Group for the year ended on that date; and
 - (c) In the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For RAJU & PRASAD
Chartered Accountants



CA. Avinash T. Jain
Partner
Membership No. 41689
Place : Mumbai
Date : 30.06.2009

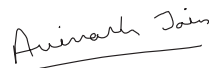
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009**

(All Figures in Rs.)

Particulars	Schedule	Current Year 2008-09	Previous Year 2007-08
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
SHARE CAPITAL	A	826,168,400	826,168,400
SHARE WARRANTS		—	45,430,000
RESERVES AND SURPLUS	B	4,809,873,756	3,813,029,118
		<u>5,636,042,156</u>	<u>4,684,627,518</u>
SECURED LOANS	C	120,779,381	174,433,424
		<u>120,779,381</u>	<u>174,433,424</u>
		<u>5,756,821,537</u>	<u>4,859,060,942</u>
APPLICATION OF FUNDS			
FIXED ASSETS	D	27,752,032	42,873,038
INVESTMENT	E	268,912,833	354,466,935
CURRENT ASSETS LOANS & ADVANCES			
(a) Inventories	F	1,962,539,883	2,201,876,066
(b) Sundry Debtors	G	3,083,291,066	2,350,948,329
(c) Cash & Bank Balance	H	149,476,078	1,594,333,033
(d) Loans & Advances	I	448,679,075	259,895,281
		<u>5,643,986,101</u>	<u>6,407,052,709</u>
Less : Current Liabilities & Provisions	J	<u>183,829,429</u>	<u>1,945,331,740</u>
NET CURRENT ASSETS		<u>5,460,156,672</u>	<u>4,461,720,969</u>
		<u>5,756,821,537</u>	<u>4,859,060,942</u>
NOTES TO THE ACCOUNTS	R		

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants


CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 30.06.2009

For BSEL INFRASTRUCTURE REALTY LIMITED


Kirit R. Kanakiya
Chairman


Dharmendra Raichura
Managing Director


Priya Singhal
Company Secretary

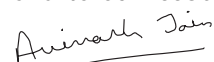
CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2009

(All Figures in Rs.)

Particulars	Schedule	Current Year 2008-09	Previous Year 2007-08
INCOME			
Income from Operations	K	1,183,499,751	3,742,056,742
Miscellaneous Income	L	50,240,457	48,772,666
Increase / (Decrease) in Closing Stock		(239,336,183)	1,259,821,743
		994,404,025	5,050,651,151
EXPENDITURE			
Direct Expenses	M	356,683,917	3,779,677,412
Indirect Expenses	N	179,157,823	80,935,751
Interest	O	37,884,633	36,366,563
Depreciation		6,050,924	2,835,980
Total Expenditure		579,777,297	3,899,815,706
Operating Profit		414,626,728	1,150,835,445
Less: Donation	P	15,000	21,001
Total Income Before Adjustments		414,611,728	1,150,814,444
Less: Prior Period Items	Q	1,520,688	7,607,721
Profit Before Tax		413,091,040	1,143,206,723
Less: Provision for Taxation			
Fringe Benefit Tax		240,000	365,000
Income Tax		6,500,000	22,000,000
PROFIT AFTER TAX		406,351,040	1,120,841,723
Less : Dividend including Dividend Tax		—	48,328,786
BALANCE CARRIED FORWARD TO BALANCE SHEET		406,351,040	1,072,512,937
NOTES TO THE ACCOUNTS	R		

As per our Report of Even Date


For RAJU & PRASAD
Chartered Accountants



CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 30.06.2009

For BSEL INFRASTRUCTURE REALTY LIMITED



Kirit R. Kanakiya
Chairman



Dharmendra Raichura
Managing Director



Priya Singhal
Company Secretary

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009**

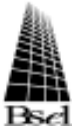
(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "A"		
SHARE CAPITAL		
1. Authorised Capital 150,000,000 Equity Shares of Rs.10/- each	1,500,000,000	1,500,000,000
2. Issued Subscribed and Paid Up 82,616,840 Equity Shares of Rs. 10/- fully paid up each	826,168,400	826,168,400
	826,168,400	826,168,400
SCHEDULE : "B"		
RESERVES & SURPLUS		
A. General Reserves		
Opening Balance	150,140,000	150,140,000
Add : Forfeiture of Preference Share Warrants	45,430,000	—
	195,570,000	150,140,000
B. Profit and Loss Account		
Opening Balance	1,865,536,168	793,023,231
Add : Profit/(Loss) for the year	406,351,040	1,072,512,937
	2,271,887,208	1,865,536,168
C. Share Premium		
Opening Balance	1,920,854,149	690,476,072
Add : Share Premium Collected during the year	—	1,281,325,710
Add : Issue Expenses (Written Off)	3,898,295	(50,947,633)
	1,924,752,444	1,920,854,149
D. Capital Reserve for Foreign Currency Translation		
Opening Balance	(123,501,199)	(52,736,581)
Add : Foreign Currency Translation Reserves	541,165,303	(70,764,618)
	417,664,104	(123,501,199)
	4,809,873,756	3,813,029,118

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "C"		
SECURED LOANS		
Term Loan from State Bank of India	51,471,288	84,775,129
Primary Charges (Mortgage of 11th and 12th Floor of Project BSEL Tech Park at Plot No. 39/5 & 39/5A, Sector 30A, IIP, Vashi, Navi Mumbai) (Repayment due in next one year = Rs. 330 Lacs)	19,219,522	41,521,253
Term Loans from Axis Bank Limited (Mortgage of unit no. G101/G102 at IIP, Vashi Railway Station Complex, Vashi, Navi Mumbai) (Repayment due in next one year = Rs. 12.94 Lacs)	33,976,950	47,611,798
Bank Overdraft from Axis Bank Limited Primary Charges (Mortgage of unit no. G101/G102 at IIP, Vashi Railway Station Complex, Vashi, Navi Mumbai)	1,455,205	525,244
Vehicle Loan (Primary charge on vehicle)	14,656,416	—
Bank Overdraft- Bank of Baroda- Secured Against Fixed Deposit	<u>120,779,381</u>	<u>174,433,424</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

**SCHEDULE : "D"
FIXED ASSETS**

(All Figures in Rs.)

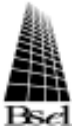
Description	Rate of Depreciation	Cost as on 1.4.2008	Additions	Deletion	Cost as on 31.03.09	Depreciation up to 31.03.08	Depreciation for the year	Total Depreciation	W.D.V. as on 31.03.09	W.D.V. as on 31.03.08
Air Conditioner	4.75%	567,373	—	—	567,373	477,966	6,269	484,235	83,138	89,407
Computer / Printers	33.33%	54,455,155	229,221	—	54,684,376	53,877,817	453,135	54,330,952	353,424	577,338
Furniture & Fixture	16.67%	10,280,436	—	—	10,280,436	9,497,029	273,458	9,770,487	509,949	783,407
Office Equipment	4.75%	1,746,227	286,211	—	2,032,438	331,540	85,447	416,987	1,615,451	1,414,687
Office Premises – IIP	1.63%	39,478,623	—	19,313,609	20,165,014	4,592,288	444,441	5,036,729	15,128,285	34,886,335
Office Premises – Bombay Oilseed	1.63%	1,885,000	—	—	1,885,000	77,528	30,724	108,252	1,776,748	1,807,472
Vehicles	9.50%	2,048,350	—	85,140	1,963,210	766,808	180,993	947,801	1,015,409	1,281,542
Assets at Kevadia / Reva Bhavan										
Vehicles –K	9.50%	79,154	—	—	79,154	11,398	3,749	15,147	64,007	67,756
Refrigerator–RB	4.75%	—	11,400	—	11,400	—	346	346	11,054	—
Total		110,540,318	526,832	19,398,749	91,668,401	69,632,374	1,478,562	71,110,936	20,557,465	40,907,944
Assets at WOS / Sub-Subsidiaries										
Computers		234,070	687,190	—	921,260	98,436	448,899	547,335	373,925	135,634
Furniture & Fixtures		781,687	1,039,696	—	1,821,383	716,593	407,986	1,124,579	696,804	65,094
Vehicles		2,412,518	7,878,276	—	10,290,794	648,152	3,654,320	4,302,472	5,988,322	1,764,366
Office Equipments		—	181,360	—	181,360	—	56,058	56,058	125,302	—
Signage		15,314	—	15,314	—	5,100	5,100	10,214	—	—
Total		3,428,275	9,801,835	—	13,230,110	1,463,181	4,572,362	6,035,543	7,194,567	1,965,094
Grand Total		113,968,593	10,328,667	19,398,749	104,898,511	71,095,555	6,050,924	77,146,479	27,752,032	42,873,038
Previous Year		2,899,115,677	1,218,464,850	4,003,611,934	113,968,593	68,259,576	2,835,980	71,095,555	42,873,038	2,830,856,102

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

(All Figures in Rs.)

Particulars	Current Year 2008-2009		Previous Year 2007-2008	
	No. of Shares	Amount	No. of Shares	Amount
SCHEDULE : "F"				
INVESTMENT (AT COST)				
Long Term Investments				
(a) In Shares (Quoted)				
Simbhaoli Sugar	165,481	7,413,549	165,481	7,413,549
Amar Remedies	31,000	1,114,450	31,000	1,114,450
Gangotri Textile Ltd. (Current Yr. Mkt Value Rs. 9,489,130/- Previous Yr. Mkt Value Rs. 24,020,727/-)	1,565,023	38,524,053	1,351,173	36,394,490
	<u>1,761,504</u>	<u>47,052,052</u>	<u>1,547,654</u>	<u>44,922,489</u>
(b) In Shares (Unquoted)				
Investment in Subsidiary Company				
BSEL Infrastructure Realty Pte Ltd., Singapore	—	—	—	2,794,446
	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,794,446</u>
(c) Joint Ventures				
B W Highway Star Pvt. Ltd.	—	—	—	100,000,000
D G Malls Multiplex Pvt. Ltd.	—	250,000	—	250,000
G P Concept Hotel & Mall Pvt. Ltd.	—	250,000	—	250,000
J P Shopping Mall and Hotel Pvt. Ltd.	—	250,000	—	250,000
P P Shoppers Mall and Hotel Pvt. Ltd.	—	250,000	—	250,000
S B Concept Hotel Malls Pvt. Ltd.	—	250,000	—	250,000
S B Shopping Mall and Hotel Pvt. Ltd.	—	250,000	—	250,000
Goa Tech Parks Pvt. Ltd.	—	250,000	—	250,000
Other Companies				
BSEL Molek Sdn. Bhd.	—	8,054,141	—	—
Jitovest Sdn. Bhd.	—	2,352,213	—	—
Splendid Advisory Sdn. Bhd.	—	2,352,213	—	—
Supreme Compliment Sdn. Bhd.	—	2,352,213	—	—
Gigeo Constructions Pvt. Ltd.	—	205,000,000	—	205,000,000
	<u>—</u>	<u>221,860,781</u>	<u>—</u>	<u>306,750,000</u>
	<u>1,761,504</u>	<u>268,912,833</u>	<u>1,547,654</u>	<u>354,466,935</u>

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "F"		
INVENTORIES		
Finished Goods Inventories		
Opening Stock	—	540,992,844
Add: Addition/Purchase/Transfer/ (Deletion)/(Consumption)/ (Sales) During the year	—	(540,992,844)
Finished Goods Stock "A"	<u>—</u>	<u>—</u>
Work In Progress of Land, Building & Construction work at Various Projects		
Opening Stock of Work In Progress	2,201,876,066	401,061,478
Add : Purchase/ Additions/Transfer/ (Deletions)/(Consumption)/ (Sales) during the year	(239,336,183)	1,800,814,588
WIP Stock "B"	<u>1,962,539,883</u>	<u>2,201,876,066</u>
Closing Stock ("A"+"B")	<u>1,962,539,883</u>	<u>2,201,876,066</u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009**

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "G"		
SUNDRY DEBTORS		
A. Consider Good		
Less than six months	3,059,827,365	2,318,784,628
More than six months	11,900,000	20,600,000
	<u>3,071,727,365</u>	<u>2,339,384,628</u>
B. Consider Doubtful		
More than six months (Refer Note No. 16 of Schedule R: Notes to Accounts)	11,563,701	11,563,701
	<u>11,563,701</u>	<u>11,563,701</u>
	<u>3,083,291,066</u>	<u>2,350,948,329</u>

SCHEDULE : "H"**CASH AND BANK BALANCE**

Cash in hand	4,807,346	33,385,839
Bank Balance with Schedule Banks		
Balance in Current Account	127,589,406	208,935,548
Balance in Fixed Deposit	17,079,326	1,352,011,646
	<u>149,476,078</u>	<u>1,594,333,033</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "I"		
LOANS, ADVANCES AND DEPOSITS		
Deposits		
Deposit for Lease Premises	4,790,000	4,790,000
Earnest Money Deposits for Tenders	12,200,000	14,400,000
Other Miscellaneous Deposits	233,131	1,253,164
Other Deposits for Kevadia Projects	3,669,878	3,806,062
Prepayments	6,066,437	—
	<u>26,959,446</u>	<u>24,249,226</u>
Current Assets		
Prepaid Expenses	—	460,337
Advance against Property (Gorkap)	3,030,000	3,030,000
TDS in advance	1,387,307	4,640,628
Advance to Employees	284,389	156,731
Advance for Purchase of Land/Property	23,333,134	2,335,734
Deposit & Advances for purchase of Lot1 Malaysia	93,856,428	—
Dues from Director	808,590	—
TDS Receivable	—	14,500
Advance to Suppliers/Contractors	712,446	1,068,270
Rent and Other Receivable	349,798	—
Advance for Site Expenses	1,189,145	361,089
Loans to Joint Ventures		
D G Malls Multiplex Pvt. Ltd.	42,550,000	42,550,000
G P Concept Hotel & Mall Pvt. Ltd.	11,000,000	11,000,000
J P Shopping Mall and Hotel Pvt. Ltd.	12,500,000	12,500,000
P P Shoppers Mall and Hotel Pvt. Ltd.	17,500,000	17,500,000
S B Concept Hotel Malls Pvt. Ltd.	7,500,000	7,500,000
S B Shopping Malls and Hotels Pvt. Ltd.	15,500,000	15,500,000
Goa Tech Parks Pvt. Ltd.	70,357,657	70,357,657
BSEL- Unity Joint Venture Account	10,315,000	10,315,000
Other Companies		
BSEL Infrastructure Realty Pte. Ltd.	—	36,356,109
BSEL Molek Sdn. Bhd.	94,063,471	—
Jitovest Sdn. Bhd.	4,924,107	—
Splendid Advisory Sdn. Bhd.	4,924,107	—
Supreme Compliment Sdn. Bhd.	5,634,050	—
	<u>421,719,629</u>	<u>235,646,055</u>
	<u>448,679,075</u>	<u>259,895,281</u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009**

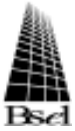
(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "J"		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
TDS Payable	215,719	1,756,026
Deposit against various Leased Properties	1,433,570	3,578,570
Retention Money-Kevadia	5,269,773	4,636,905
Other Miscellaneous Deposits	190,500	241,895
Deposit for Society Formation	178,930	178,930
Other Liabilities	9,058,307	50,156,095
Advance From Customers	24,595,839	—
Accruals	2,092,254	132,830
Vehicle Loans Current Portions	615,255	217,344
Dues to Related Parties	5,058,651	—
Bank Overdrafts	—	728,334,263
Provisions		
Provision for Expenses and Liabilities	669,677	1,370,045
PT / Cess / ST/VAT	63,723	50,124
Provision for Income Tax	6,560,000	17,100,960
Dividend Declared	—	41,308,420
Dividend Tax	—	7,020,366
Unpaid Dividend	—	991,095
Employees Terminal Benefits	101,901	24,701
	56,104,100	857,098,569
Sundry Creditors	127,725,330	1,088,233,171
	183,829,429	1,945,331,740

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "K"		
INCOME FROM OPERATION		
Sale of Units	1,103,587,852	3,732,704,090
Other Operating Income	74,985,790	—
Business Centre Income	4,926,109	9,352,652
	1,183,499,751	3,742,056,742
SCHEDULE : "L"		
MISCELLANEOUS INCOME		
Interest on Fixed Deposit (TDS Current Yr. Rs. 74,119/- and Previous Yr. Rs. 336,625/-)	14,152,797	16,864,697
Dividend Received	—	675,587
Foreign Exchange Gain	14,040	13,377,595
Transfer Charges, NOC Charges, Sign Board Rentals, Miscellaneous Rental/Interest Income	2,481,174	10,106,921
Gain/(Loss) On Sale of Shares	111,800	6,354,832
Interest Income	97,914	1,227,863
Project Investment Income	5,706,267	—
Miscellaneous Income	3,313,084	165,171
Transfer & Cancellation Charges	24,363,380	—
	50,240,457	48,772,666
SCHEDULE : "M"		
DIRECT EXPENSES		
Direct Project Expenses for various Construction Sites		
Direct Material and Direct Expenses for various constructions	356,683,917	3,779,677,412
	356,683,917	3,779,677,412
SCHEDULE : "N"		
INDIRECT EXPENSES		
Advertisement & Marketing Expenses	32,185,514	12,706,511
AGM / EGM Expenses	9,217	27,489
Air Condition Hire Charges	123,500	239,900
Audit Fees	633,732	222,727
Bank Charges	105,669	143,729
Board Meeting Fees	254,061	127,000
Brokerage, Commission & Incentives	81,171,049	2,806,889
Business Promotion	1,568,176	550,849
Cess paid	16,709	11,975
Conveyance	193,572	222,759
Delay Payment Charges	27,751	1,603,638
Electricity Charges	930,209	691,552
GDR Issue & Maintenance Expenses	161,450	5,744,583

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "N"		
INDIRECT EXPENSES (Contd.)		
Hire Charges	—	43,193
Insurance	568,657	400,875
Internet Expenses	230,564	—
Labour Welfare Fund	26,448	2,502
Legal and Professional fees	14,427,300	25,929,153
Listing Fees	651,138	231,850
Labour Charges	—	104,220
Maintenance Charges	810,764	1,204,317
M.D.'s Remuneration	825,000	780,000
Membership & Subscription Fees	47,995	58,440
Motor Car Expenses	245,528	189,606
Miscellaneous Expenses	420,261	286,629
Office Expenses	2,798,800	2,038,736
Postage & Telegram	648,664	262,651
Printing & Stationery	2,755,956	1,495,298
Rent paid	13,201,684	4,190,592
Rent, Rates & Taxes	1,653,372	2,077,541
Repairs & Maintenance	477,617	846,999
ROC Filing Fees	12,001	16,433
Salaries & Wages	9,062,928	4,817,793
Service Tax	604,821	1,934,758
Share Transfer Charges	104,582	110,891
ESIC Paid	24,792	28,518
Bonus, Ex-Gratia & Incentive Paid	329,168	354,404
Provident Fund Paid	202,804	214,740
Staff Welfare	351,945	578,222
Security Transaction Tax & Other Charges on Shares	248,254	201,206
Telephone Expenses	3,056,468	2,066,452
Tender Fees	—	50,000
Traveling Expense (Including Foreign Travel)	6,274,383	2,790,643
Water Charges	59,307	90,535
Website Expenses	93,890	156,453
Stamp Duty and Registration	—	2,282,500
Other Administrative Expenses	1,467,377	—
Preliminary Expenses Written off	94,744	—
	179,157,823	80,935,751

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(All Figures in Rs.)

Particulars	Current Year 2008-09	Previous Year 2007-08
SCHEDULE : "O"		
INTEREST		
Interest on Overdraft - Axis Bank Ltd.	4,402,750	3,328,917
Interest on Term Loan - SBI	7,622,669	11,324,402
Interest on Term Loan - Axis Bank Ltd.	3,951,259	6,699,273
Interest on Overdraft - Bank of Baroda	21,907,955	15,013,971
	<u>37,884,633</u>	<u>36,366,563</u>
SCHEDULE : "P"		
OTHER EXPENSES		
Donation	15,000	21,001
	<u>15,000</u>	<u>21,001</u>
SCHEDULE : "Q"		
PRIOR PERIOD ITEMS		
Excess/Short Provisions for Income Tax	28,641	8,208,591
Short Provision made for Back office Expenses	—	134,640
Prior Period Expenses	1,492,047	(735,510)
	<u>1,520,688</u>	<u>7,607,721</u>

**SCHEDULE "R"****I. CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009****1. Previous Year's Figures**

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

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

3. Share Capital, Share Holdings and Activity**1. STATUS**

The Consolidated Financial Statements of BSEL Infrastructure Realty FZE represents the operations of following entities :

a. Company in United Arab Emirates :

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

The concern is managed by Mr. Kiritkumar Ramniklal Kanakiya-Manager

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

b. Companies in Malaysia :

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

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

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

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

c. Company in Singapore :

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

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

2. ACTIVITY**i) BSEL Infrastructure Realty FZE, UAE**

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

ii) BSEL Infrastructure Realty Sdn. Bhd., Malaysia

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

iii) BSEL Infrastructure Realty Pte. Ltd., Singapore

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

iv) BSEL Waterfront Sdn. Bhd.

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

4. Fixed Assets

During the year, the Company sold net fixed assets of Rs. 90.70 Lacs (Previous Year :- purchase of net fixed assets of Rs. 25.93 Lacs) in its gross block.

5. Loans and Advances

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

6. Auditors Remuneration

(Amount in Rs.)

Details	Current Year 2008-2009	Previous Year 2007-2008
Audit Fees	513,290	172,727
Tax Audit Fees	30,000	30,000
Income Tax	15,000	15,000
Other Services	75,442	5,000
Service Tax	12,875	15,450
TOTAL	646,607	238,177

The auditors fees will be provided on annual basis.

7. Foreign Exchange Translation

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

Subsidiary's accounts are consolidated at the exchange rate prevailing on the balance sheet date, any difference due to exchange rate is transferred to capital reserve for foreign currency translation.

Exchange Rate considered at the time of consolidation of subsidiaries accounts is 1 AED = Rs. 14.0884, which was rate prevailing as on 31st March, 2009.

8. Current Tax

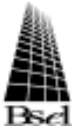
The Company has estimated the current tax charge (inclusive of fringe benefit tax) of Rs. 6,740,000/- (previous year Rs. 22,365,000/-) is based on the earnings for the year ended 31st March, 2009.

For sub-subsidiaries: Income tax on the profit or loss of the subsidiary companies for the period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted at the balance sheet date.

9. Additional Disclosures in Pursuant to Schedule VI Part II

(Amount in Rupees)

Income Related Disclosures	Current Year 2008-2009	Previous Year 2007-2008
Other Incomes :-		
Interest on Fixed Deposits	14,152,797	16,864,697
Gain / (Loss) on Sale of Shares	111,800	6,354,832
Project Investment Income	5,706,267	—
Other Miscellaneous Income / Interest	3,410,998	1,393,034
Dividend Received	—	675,587
Foreign Exchange Gain	14,040	13,377,595
Transfer Charges, NOC Charges, Sign Board Rentals, Miscellaneous Rentals/ Interest	26,844,554	10,106,921
Expenses Related Disclosures	Current Year 2008-2009	Previous Year 2007-2008
Remuneration to Managing Director	825,000	780,000
Salary and Bonus to Staff	9,392,096	5,172,197
Traveling and Conveyance	6,467,955	3,013,402
Rent paid	13,201,684	4,190,592
Telephone Expenses	3,056,468	2,066,452
Legal & Professional Fees	14,427,300	25,929,153
Printing & Stationary	2,755,956	1,495,298
Advertisement & Marketing Expenses	32,185,514	12,706,511
Office Expenses	2,798,800	2,038,736
Repairs & Maintenance	477,617	846,999
Power & Fuel	930,209	691,552
Rent, Rates and Taxes	1,653,372	2,077,541
Brokerage, Commission & Incentive	81,171,049	2,806,889



Expenses Related Disclosures	Current Year 2008-2009	Previous Year 2007-2008
Auditors Remuneration :		
Statutory Audit Fees	513,290	172,727
Tax Audit Fees	30,000	30,000
Income Tax Matters and Consultancy Fees	15,000	15,000
Other Services	75,442	5,000
Service Tax	12,875	15,450
Bank and Commission Charges	105,669	143,729

10. Related Party Disclosures

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

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

Name of the Party	Nature of Relationship
Kirit R. Kanakiya	- Chairman

2. Key Management Personnel :

Name of the Party	Nature of Relationship
Kirit R. Kanakiya	- Chairman
Dharmendra Raichura	- Managing Director

3. Other Related Parties and Nature of Relationship :

- (a) Nature of Relationship :- Associate Concerns
(b) Name of the Parties:-

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

4. Subsidiaries and Joint Ventures :-

a) Wholly Owned Subsidiary/Sub-Subsidiaries

1. BSEL Infrastructure Realty FZE

b) Sub-Subsidiaries

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

c) Joint Venture

1. P P Shoppers Mall and Hotel Private Ltd.
2. D G Malls and Multiplex Pvt. Ltd.
3. S B Concept Hotel Malls Pvt. Ltd.
4. G P Concept Hotel and Mall Private Limited
5. Goa Tech Parks Pvt. Ltd.
6. J P Shopping Mall and Hotel Private Limited
7. S B Shopping Mall and Hotel Pvt. Ltd.
8. B W Highway Star Pvt. Ltd.
9. BSEL Unity Joint Venture

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

(Rs. in Lacs)

Particulars	Key Management Personnel	Joint Ventures & Associate Concern	Total
Managerial Remuneration	8.25	—	8.25
Investments	—	168.61	168.61
Loans and Advances Taken	—	50.59	50.59
Loans and Advances Given	8.09	2,967.68	2,975.77
Guarantee and Security Given	—	4,712.44	4,712.44
Receivable	—	119.00	119.00

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

11. Earning Per Share

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

(Rs. in Lacs)

Particulars	Current Year 2008-2009	Previous Year 2007-2008
A. Net Profit after Tax	4,063.51	11,208.42
Add : Excess provision and refund of taxes of earlier years (Net)	—	—
Net Profit for calculation of earning per share (Numerator)	4,063.51	11,208.42
B. Weighted average number of equity shares (Denominator) (Nos.)	8,261.68	8,261.68
C. Basic and diluted earning per share (A-B) (In Rupees)	4.92	17.25
D. Nominal value per equity share (In Rupees)	10.00	10.00

12. Forfeiture of Preferential Share Warrants

The share application money of Rs. 45,430,000/- was received from promoters for allotment of 5,900,000 preferential share warrants have been forfeited. These warrants have not been converted by the promoters within the statutory period of eighteen months and so the right to exercise these warrants have been lapsed.

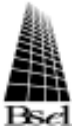
13. Consolidated Financial Statements

Criteria for preparation of Consolidated Financial Statements:

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

Principles of Consolidation:

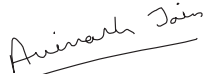
- The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits and losses as per Accounting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




- iv) The Consolidated Financial Statements comprises the net assets and operating results of the entities referred to above made upto 31st March, each year. All inter-Company balances transactions and realised profits have been eliminated upon consolidation
14. **Dues to Small Scale Industrial Undertakings**
Due to Micro, Small, Medium Enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous Year Rs. Nil). This information has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
There is no amounts due and outstanding to be credited to Investor Education Protection Fund.
15. **Employees Benefits**
a) **Defined Contribution Plans**
The Group's Contribution paid/ payable during the year towards provident fund is charged in the profit and loss account every year
b) **Defined Benefit Plan**
The provisions of Gratuity, as explained to us, will be provided in respect of employees as and when they become eligible under the payment of Gratuity Act, 1972.
For BSEL Infrastructure Realty FZE: Employees Termination Benefits are provided for as per SAIF Zone Regulations
16. **Provision for Doubtful Debts**
Debtors includes dues from Microcity India Limited of Rs. 11,563,701/- (Previous Year Rs. 11,563,701/-) which is outstanding for more than six months and the same is classified as doubtful. Company has filed a suit to recover the same and management is of opinion that it will be recovered in full, therefore no provision has been made in the books of accounts.
For subsidiary and sub-subsidiaries: Bad Debts are written off as and when they arise.
17. **Prior Period Items**
Prior period items having material impact on the financial affairs of the company have been disclosed.
18. **Financial Instruments**
i) **Exchange Rate Risk :**
Since substantial portion of the transactions are designated in AED or in USD to which AED is fixed, there is no material exchange rate risk.
ii) **Credit Risk:**
Financial assets, which potentially expose the company to concentrations of credit risk comprise principally trade debtors. The company's bank balances are placed with high credit quality financial institutions.
iii) **Interest Rate Risk:**
Fixed Deposits and Bank facility (overdraft) are at floating rates at level.
iv) **Fair Value:**
As at the balance sheet date, the carrying amount of cash and bank balances, debtors and creditors approximated their fair value.
19. There is no employee employed for full or part of the year drawing Salary of Rs. 2 Lacs per month or more.
20. Contingent liability which can be reasonably ascertained are provided for if it is in the opinion of the Company the future outcome of the same may be detrimental to the company.
21. All the loans and advances (Assets) and current assets and current liabilities are subject to confirmation from the respective parties.
22. Balance of unpaid dividend account as at 31st March, 2009 is Rs. 1,368,693/-.
23. Other additional information pursuant to Schedule VI Part II of the Companies Act, 1956 are not applicable to the Company.

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants


CA. Avinash T. Jain
Partner

For BSEL INFRASTRUCTURE REALTY LIMITED


Kirit R. Kanakiya
Chairman


Dharmendra Raichura
Managing Director


Priya Singhal
Company Secretary

Place : Mumbai
Date : 30.06.2009

II. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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

a. Revenue Recognition

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

b. Fixed Assets

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

c. Inventories

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

d. Borrowing Costs

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

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

e. Deferred Tax

Pursuant to the Accounting Standard (AS-22) on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India having been made mandatory, the Company has evaluated the various elements of tax computation to determine whether any deferred tax asset or liability needs to be recognized. Since, the income of the infrastructure division of the company is exempted u/s. 80 IA sub section 4 (iii) of the Income Tax Act, 1961, no deferred tax assets or liability arises and no provisions are made thereof.

For sub-subsidiaries : Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

f. Cash Flow Statement

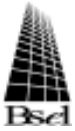
Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating financing and investing activities of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

g. Use of Estimates

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

h. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is



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

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

2. DEPRECIATION

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

Furniture & Fixtures	- 6 Years
Computer Equipments	- 3 Years

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

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

3. INVESTMENT

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

4. PROVIDENT FUND

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

5. SEGMENT ACCOUNTING POLICIES

The Company has only one segment of operation i.e. infrastructure activity in local market. So segment wise income/ expenditure/assets and liabilities are not presented.

6. OTHER ACCOUNTING POLICIES

Other accounting policies are consistent with generally accepted accounting policies.

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants

CA. Avinash T. Jain
Partner

For BSEL INFRASTRUCTURE REALTY LIMITED

Kirit R. Kanakiya
Chairman

Dharmendra Raichura
Managing Director

Priya Singhal
Company Secretary


Place : Mumbai
Date : 30.06.2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Current Year 2008-09	Previous Year 2007-08
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	413,091,040	1,143,206,723
Adjustments for :		
Miscellaneous expenses Written Off		
Depreciation	6,050,924	2,835,980
Other Income	(50,240,457)	(48,772,666)
Operating profits before working capital changes	368,901,507	1,097,270,037
Adjustments for :		
Sundry Debtors	(732,342,737)	(2,107,065,071)
Deposits (Assets) Loans & Advances	(188,783,794)	(171,606,097)
Inventories	239,336,183	(1,259,821,744)
Provision for Tax	(6,740,000)	(22,365,000)
Trade Payable and other liabilities	(1,761,502,310)	1,909,428,718
Net cash from operating activities	(2,081,131,151)	(554,159,157)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Reserve for Foreign Currency Translation	541,165,303	(70,764,618)
Sale/(Purchase) of investment	85,554,102	(326,919,724)
Sale/(Purchase) of fixed assets	9,070,082	2,785,147,084
Net cash from investing activities	635,789,486	2,387,462,742
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital & Premium (adjusted)	3,898,295	1,463,346,477
Share Warrants	—	45,430,000
Other Income	50,240,457	48,772,666
Dividend including dividend tax	—	(48,328,786)
Other Unsecured Loans	—	(1,951,950,000)
Loan from bank	(53,654,043)	(83,694,554)
Net cash from financing activities	484,709	(526,424,197)
Net increase/(decrease) in cash & cash equivalent	(1,444,856,955)	1,306,879,388
Cash & cash equivalent opening balance	1,594,333,033	287,453,645
Cash & cash equivalent closing balance	149,476,078	1,594,333,033

For BSEL INFRASTRUCTURE REALTY LIMITED

Place : Mumbai
Date : 30.06.2009


Kirit R. Kanakiya
Chairman

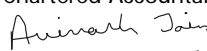

Dharmendra Raichura
Managing Director


Priya Singhal
Company Secretary

AUDITORS' CERTIFICATE

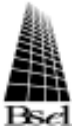
We have examined the attached consolidated cash flow statement of M/S. BSEL INFRASTRUCTURE REALTY LIMITED, for the year ended 31st March 2009. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchanges and is based on and in agreement with the corresponding balance sheet of the Company covered by our report of even date to the Members of the Company.

For RAJU & PRASAD
Chartered Accountants



CA. Avinash T. Jain
Partner
Membership No. 41689

Place : Mumbai
Date : 30.06.2009



Additional information pursuant to Part IV of Schedule VI of the Companies Act, 1956

I. REGISTRATION DETAILS

CIN	:	L99999MH1995PLC094498
State Code Number	:	11
Balance Sheet Date	:	31.03.2009

II. CAPITAL RAISED DURING THE YEAR

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

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

Total Liabilities	:	4,443,850
Total Assets	:	4,443,850

SOURCES OF FUNDS

Paid Up Capital	:	826,168
Reserves & Surplus	:	3,490,322
Secured Loan	:	104,667
Unsecured Loan	:	NIL

APPLICATION OF FUNDS

Net Fixed Assets	:	20,558
Investments	:	676,454
Net Current Assets	:	3,724,147
Misc. Expenditure	:	NIL
Accumulated Losses	:	NIL

IV. PERFORMANCE OF COMPANY

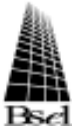
Turnover	:	104,057
Total Expenditure	:	95,981
Profit Before Tax	:	57,883
Profit After Tax	:	51,144
Earning Per Share	:	0.01
Dividend Rate (%)	:	NIL

V. GENERIC NAME OF PRINCIPAL PRODUCT OF THE COMPANY

(As per monetary terms)

Item Code No.	:	—
Product Description	:	Infrastructure Activity

NOTES



NOTES

BSEL Kahraman, UAE

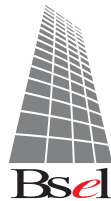


BSEL Fayrooz, UAE



BSEL Almas, UAE





BSEL Infrastructure Realty Limited

Registered Office:

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Above Vashi Railway Station, Vashi, Navi Mumbai- 400 705.
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