

Elevating quality in infrastructure...

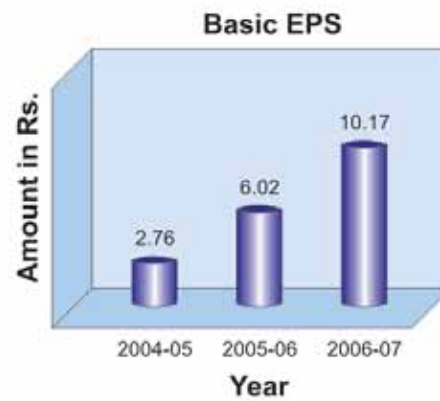
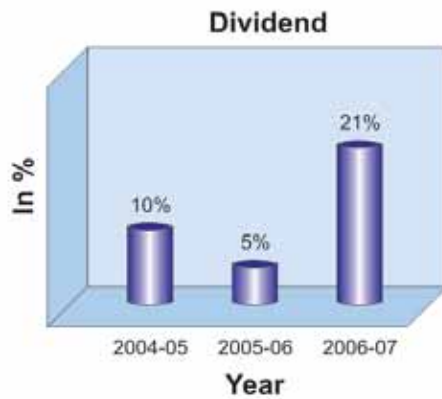
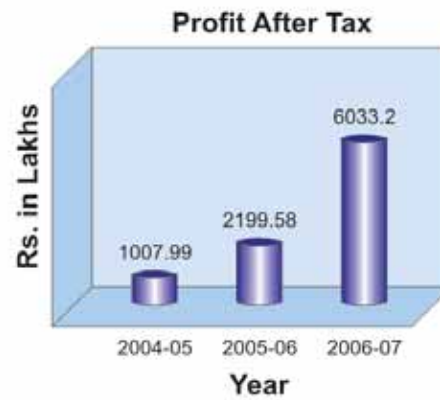
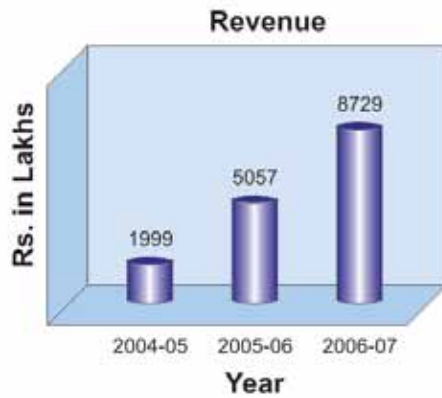


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BSEL Infrastructure Realty Limited

Performance at a Glance



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

BSEL Tech Park, Plot No. 39/5 & 39/5A,
Sector 30A, Vashi, Navi Mumbai - 400 705

REGISTRARS & SHARE TRANSFER AGENTS

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

AUDITORS

CA. Avinash Jain, Partner
Raju & Prasad, Chartered Accountants

ADVISORS

IDBI Capital Market Services Limited
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 USA

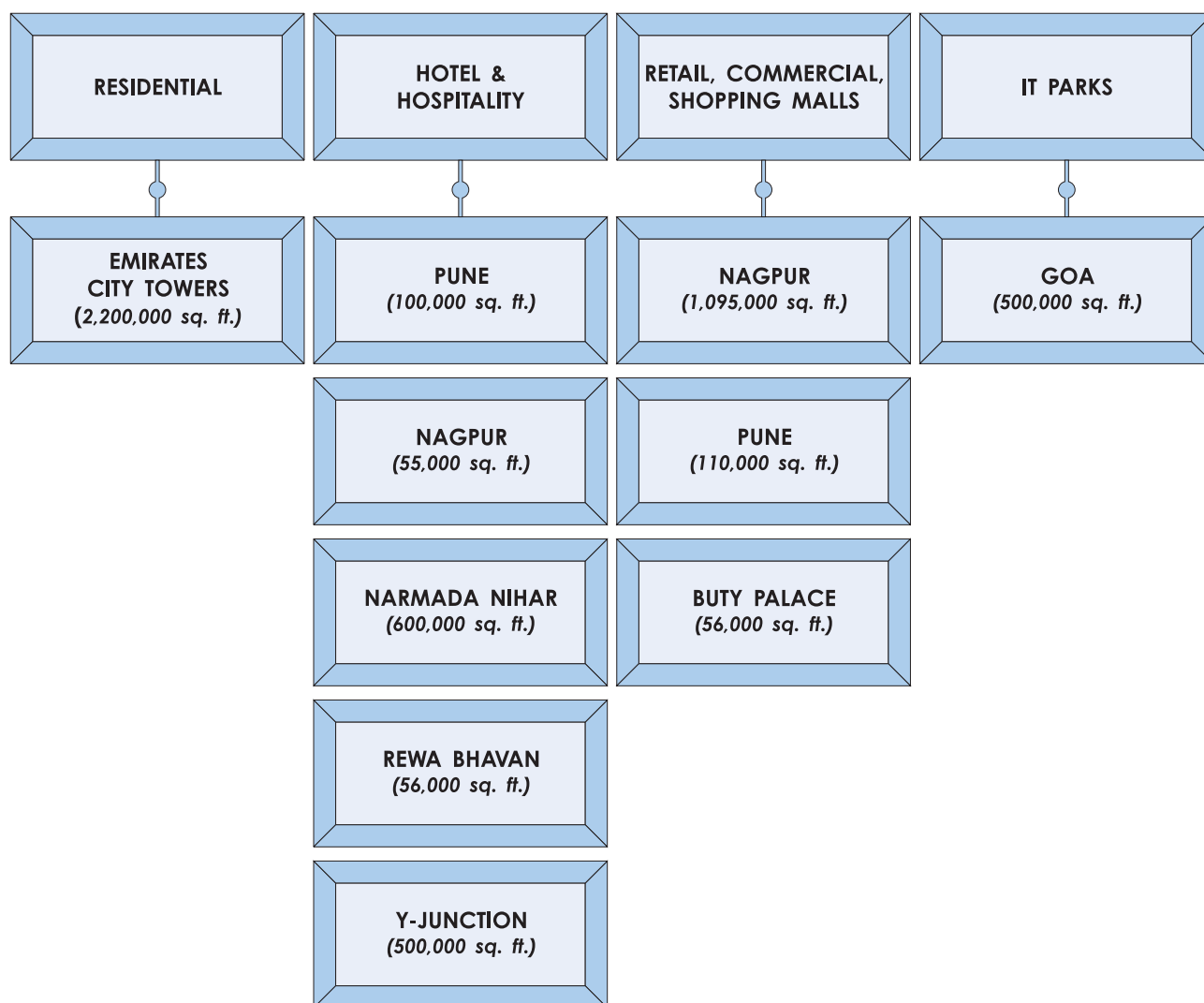
BANKERS

State Bank of India
ICICI Bank Limited
UTI Bank Limited
HABIB Bank, Dubai
Banco Efica
Mashreq Bank
Emirates Islamic Bank

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On-Going Projects at a Glance



All the lands are acquired in the name of the Company except for the Residential Project at UAE, which is in the name of 100% Wholly Owned Subsidiary of the Company i.e. BSEL Infrastructure Realty (FZE)

Apart from the above on-going development of 5.3 million sq. ft. during the year, Company has acquired another 6.5 million sq. ft. of developable area which will be planned for development at a later date.



Five minutes with the Chairman,

“Success, as they say, is the by-product of strong foundation and consistent improvement.”

Dear Shareholders,

It gives me immense pleasure to present the success story of your Company in form of this Annual Report for the year ended 31st March, 2007.

As we are already aware that, India has outpaced all other developed and developing economies by becoming second fastest growing economy of the world with consistent GDP growth of 9.2% in the fiscal 2006-07. This growth was firmly supported by development of world class infrastructure in the country. Government with its Public Private Partnership initiatives has adopted measures to promote investments in the infrastructure industry. Private sector is being encouraged through incentives, viability gap funding schemes etc. and the future is looking brighter as major investment requirements are expected to come from the private sector.

I am delighted to inform you that year 2006-07 was full of achievements and acquisitions in both land bank and financials. Growth has been achieved at 174% in terms of net profit after tax and stood at Rs. 6,033 Lacs and revenues grew by 72% and recorded at Rs. 8,728 lacs.

Net Profit of the Company consolidated with Wholly Owned Subsidiary has been recorded at Rs. 7,692 Lacs. Consolidated Total Income has been recorded at Rs. 16,495 Lacs.

Your company has focused to expand its horizon in Tier II and Tier III cities, areas that are currently experiencing strong growth and emerging as the new growth markets in the Indian real estate. With many ongoing bright projects including BSEL Narmada Nihar, a scenic hotel facility near Sardar Sarovar Dam, Six shopping malls with hospitality and commercial mix in Nagpur, Buty Palace, mall in prime commercial and market area in Nagpur, commercial and hotel project in Pune, an IT park in Goa will set the Company on high growth trajectory in future. BSEL has also entered into strategic alliances wherever required to fortify its foothold.

The Company is committed to share its success and growth with the members and in the month of January, 2007 has declared and paid an Interim Dividend at the rate of 21% on its paid up equity share capital.

Your company has now set its sights beyond our shores and we, with our Dubai arm BSEL Infrastructure Realty (FZE) has entered the global infrastructure space and acquired seven plots approximating 7.9 million sq. ft. in Ajman, Main Emirates City, UAE. One of the project currently under development, BSEL Pearl Tower is a 50 storied state-of-the-art architecture, with a lake view and having all the styles of modern architecture with flawless quality, a perfect blend of elegance and unparalleled beauty.

I am confident that these business developments during the forthcoming year will amply help us showcase the positive outcome of some of our key business plans which are currently being executed. Your company with human resource base blended with initiatives and strategic alliances ensure that it will continue to progress along the path of prosperity. The company has achieved commendable financial growth supported by diversified project mix and acquisition of land in strategic locations. These sound factors will not only facilitate clear future vision but will also provide a stable platform for assured consistency in growth.

I take this opportunity to thank my fellow Board Members for their wise counsel without whom long-term business strategies would not have been easily formulated. I would also like to thank our customers, bankers, investors, government authorities for their continued valuable support.

We believe that sweet fruit of success lies really not in the success itself but in the toil towards the articulated vision pursued with missionary zeal. The labour, the thinking, the innovation and networking that goes into this toil must first enrich all the stakeholders, associates and society as a whole of the present and future generation so that the toiling organisation achieves lasting success and satisfaction. I also wish to place on record my sincere gratitude to all our employees without whom BSEL's significant achievements would not have been possible. As demonstrated by this year's results, we remain confident in the future and look forward to delivering another year of robust performance and strong shareholder returns.

Let us all aspire and prosper together to fill the organization with the fruit of our credence.


Kirit Kanakiya
 Chairman



DIRECTORS & SENIOR MANAGEMENT

Directors

Mr. KIRIT KANAKIYA

CHAIRMAN - NON EXECUTIVE DIRECTOR

He is the driving force behind BSEL Infrastructure Realty Limited. He is a Chartered Accountant with more than twenty years of business experience. He also has experience in evaluating business projects in both India and abroad. He is a successful entrepreneur who has positioned BSEL in rapidly growing segments of India's infrastructure and real estate industry focusing the company primarily on second and third tier cities. He has the vision, business contacts and expertise to make BSEL a significant force focusing on IT Parks, Hospitality, Commercial and Retail developments.

Mr. DHARMENDRA RAICHURA

MANAGING DIRECTOR, CEO & CFO

He is Managing Director and in charge of BSEL's financial matters. He is a Chartered Accountant by profession. He has seven years experience in finance, accounting and auditing. In addition, he also possesses knowledge with respect to project financing, excise, Euro Issues and investment advising. He has successfully arranged funding for all the projects of the company from various banks and financial institutions. Apart from financing, he also looks out for new, fruitful and lucrative joint ventures. He is also responsible for monitoring the various project executions. In addition he is responsible for developing and maintaining BSEL's relationships with various Government Authorities.

Mr. VIJAY JAIN

INDEPENDANT DIRECTOR

He is a Non-Executive Independent Director of the Company. He is a Chartered Accountant by profession and has a varied experience in practice since the last 15 years. In his long stint profession, he has acquired vast expertise in the fields of taxation, consulting, auditing and supervision. The main areas of audit are company, banks and other tax audits. He is also the Chairman of the Audit Committee, Investor/ Shareholder Grievance Committee and Remuneration Committee. He guides the Company in matters of accounting and taxation bringing to use his vast experience.

Mr. ABBAS LAKDAWALLA

INDEPENDANT DIRECTOR

He is Non - Executive Independent Director, is a Qualified Company Secretary and a Law Graduate, having a total experience of over 34 years in various fields of Corporate Laws. In the year 1987, he entered into service sector by acting as a Registrar and Share Transer Agent and handled around 1.5 Lacs shareholders of various reputed Listed Companies and Public Issue Work with the objectives to seek listing of around 15 Companies. In the Year 1990, he started his Corporate Law Practice which is being perused till date. His presence enables the Company to strengthen its compliance function.

Mr. HITESH VORA

INDEPENDANT DIRECTOR

He is a Non - Executive Independent Director of the company. He has graduated in Information Technology and acquired post - graduate degrees in Basic Electronics, Instrument Mechanics and System Management. He has been associated with Computer Software Development for more than a decade and was closely associated with one of the first data conversion units in the country - M/s Ace Software Exports Limited. He has experience in the entire development of SGML / XML based data conversion business. He is heading the technical division of M/s Phoenix Consultants Private Limited, a Company which carries out data conversion job for several off-shore American Companies.

Senior Management

Ms. JAYA PARASHAR (VICE PRESIDENT - BUSINESS DEVELOPMENT)

Ms. Parashar is the Vice President - Business Development of the Company. She received her MBA from ITM, Mumbai. Ms. Parashar has expertise in infrastructure development as well as in IT, hospitality, professional education and advertising. Her responsibilities include establishing and maintaining BSEL's relationships with government officials, corporate alliances, project marketing and business development.

Ms. POOJA TYAGI (VICE PRESIDENT - SALES AND MARKETING)

Ms. Tyagi is Vice-President - Operations and Marketing at BSEL. She is a Master of Commerce with a post graduate qualification in MDBA. She has experience in the fields of marketing, project and strategic management. She is primarily responsible for developing and implementing the marketing strategies of the company which includes establishing relationships with various IPCs and Agents

Mr. PRAVIN GOEL (VICE PRESIDENT PROJECTS)

Mr. Goel is Vice-President in charge of Project Development at BSEL. He has Bachelors Degree in Civil Engineering from Aoudh University. He has more than 14 years experience in real estate and infrastructure project management.

He has worked in various projects involving the construction of multistoried commercial and residential buildings, campus environments and luxury hotels. Prior to BSEL he worked with B. E. Billemorla Ltd. and Prakash Construction

Mr. KAUSHAL KISHORE (VICE PRESIDENT - OPERATIONS)

Mr. Kaushal Kishore is Vice President - Operations and Project Manager and is responsible for BSEL's Project Development. He has passed his bachelor's of engineering in civil from Magadh University in Bodh - Gaya. He has more than 15 Years of experience in construction and Infrastructure development sector. His nature of responsibility mainly comprised of site supervision, quality control and operations management. He has worked with renowned architect Hafeez Contractor for a period of 14 Years.

Ms. PRIYA SINGHAL (COMPANY SECRETARY AND COMPLIANCE OFFICER)

Ms. Singhal is an Associate Member of the Institute of Company Secretaries of India, having an experience of more than four years. Her main sphere of responsibility includes all compliances with Registrar of Companies, SEBI, Stock Exchanges, Bankers and other government authorities. She also handles all the correspondence with the Shareholders and their greivences, various queries of current and potential investors, banks and the Registrar and Share Tranfer Agent of the Company.



DIRECTORS' REPORT

To The Members,

Your Directors take great pleasure in presenting their 12th Annual Report together with Audited Balance Sheet and Profit and Loss Account of BSEL Infrastructure Realty Limited for the year ended 31st March 2007.

1. FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	2006-07	2005-06
Profit Before Depreciation and Tax	6,772.59	2,476.19
Less: Depreciation	28.01	47.49
Profit Before Tax (PBT)	6,744.58	2,428.70
Provision for Taxation (Net)	711.38	229.12
Profit After Tax	6,033.20	2,199.58
Appropriations:		
Interim Dividend (@21%) including Dividend Tax	1,420.44	208.32
Transfer to General Reserve	625.00	250.00
Balance Carried to Balance Sheet	4,612.76	1,991.26
EPS (Basic & Diluted)	10.17	6.02

2. RESULTS FROM OPERATIONS

Total revenues earned during the year amounted to Rs. 8,729 Lacs as compared to that of Rs. 5,057 Lacs in the previous financial year. Improved operations for the current year resulted in increased profit before tax that gone up to Rs. 6,745 Lacs from Rs. 2,428 Lacs in the previous financial year, which reflects a growth of 178%. EPS has increased to Rs. 10.17 per share as compared to that of Rs. 6.02 in previous year. The Company continues its operations in hospitality, commercial, residential & industrial park projects. Efforts are continuing to augment the land bank that will take care of the growth requirements for the next few years.

The year under review was full of achievements for the Company whether it be growth in revenues, acquisitions of projects, land bank, marking global presence, your Company has made its presence felt everywhere. Your Company has always laid high standards and achieved them with time to spare. For detailed analysis of performance, please refer management's discussion and analysis section of this annual report.

3. CONSOLIDATED RESULT

Consolidated Net Profit, with its Wholly Owned Subsidiary BSEL Infrastructure Realty (FZE), has been recorded at Rs. 7,692.71 Lacs. Total Consolidated Income has been recorded at Rs. 16,495.62 Lacs with the EPS of Rs. 12.97.

4. DIVIDEND

An Interim Dividend @ 21 % was paid to the Members of the Company in January 2007. Total cash outflow for disbursement of dividend inclusive of corporate dividend tax amounted to Rs. 1,420 Lacs. The Management feels any further declaration of dividend will not be feasible, in order to meet the funds requirements and its deployment and hence feels necessary to conserve the resources. Hence the Interim Dividend already paid may be treated as final dividend for the Financial Year 2006-07.

6. CHANGE IN CAPITAL STRUCTURE & LISTING

GDR Issue

The Company successfully completed GDR issue of US\$ 20.5 Million constituting 22,780,000 Underlying Equity Shares which were issued against 2,278,000 GDRs. On 10th April, 2006 these GDRs were subsequently listed on Luxembourg Stock Exchange. The proceeds of the issue have been utilized for the purpose as mentioned in the Offering Circular.

Pursuant to issue of 22,780,000 Equity Shares above, the paid up share capital of the Company increased from Rs. 36,54,00,000/- to Rs. 59,32,00,000/-.

Increase in Authorised Share Capital

The Authorised Share Capital of the Company has been increased from Rs. 7,500 Lacs to Rs. 15,000 Lacs by the Members in the Extra Ordinary General Meeting of the Company held on June 6, 2007.

Preferential Allotment

Pursuant to the approval accorded by the members in Extra Ordinary General Meeting held on June 6, 2007, the Shareholders / Investor's Grievance Committee in their meeting held on June 12, 2007 has allotted 59,00,000 Equity Warrants at the price of Rs. 77/- each to the Promoters and their associate group on preferential basis. The Promoters have been given an option to convert the warrants into Equity Shares of Rs. 10/- each at a premium of Rs. 67/- per share. No warrants have been converted into Shares till date and therefore, there is no subsequent change in the capital.

Listing

The equity shares of your company are listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The GDR's of the Company are listed on the Luxembourg Stock Exchange. The Company has paid the necessary Listing Fees to the stock exchanges for the year 2007-08. Apart from that, the Company also provides all the information to the Luxembourg Stock Exchange.

7. QUALITY ASSURANCE

Your Company is an ISO 9001:2000 Company. The Company firmly believes in the pursuits of excellence to compete in this emerging and growing infrastructure and real estate market. Our focus has been on providing consistently quality products and services to our clients. We have maintained ISO 9001 certification since 2003.

8. SUBSIDIARY COMPANY AND ALLIANCES

BSEL Infrastructure Realty (FZE)

Your Company has incorporated a wholly owned subsidiary "BSEL Infrastructure Realty (FZE)" in UAE with an object of expanding the business activities internationally. This subsidiary is set up with the object of development of residential, commercial & retail properties in United Arab Emirates. During the period under review, the Subsidiary has earned handsome revenue of Rs. 7,767 Lacs. The Profit after Tax has been recorded at Rs. 1,659 Lacs. The Annual Report of the Subsidiary will be supplied on request by any member and/or investor of the Company. The statement pursuant to section 212 of the Companies Act, 1956, containing the details of the Company's subsidiary BSEL Infrastructure Realty FZE, forms a part of this Annual Report.

The Consolidated Financial Statements of the Company prepared in accordance with AS-21 as prescribed by The Institute of Chartered Accountants of India, forms a part of this Annual Report.

Strategic Alliances

During the year under review, Company has entered into strategic alliances with Unity Infraprojects Limited for development of Six Shopping Malls at various locations in Nagpur, and Industrial Park in Goa in a 50:50 Joint Venture. BSEL also in equal Joint Venuture with Kamat Hotels (India) Limited and Unity Infraprojects Limited is developing a hospitality and commercial project in Pune. BSEL with these strategic alliances, have incorporated separate entities for execution of each such project. Goa Tech Parks Private Limited has been incorporated in March 2007 with object of development of Industrial/ IT parks. BSEL holds 50% of share capital in the Company.

9. DEPOSITORY SYSTEMS

Your Company continues with an arrangement with National Securities Depository Limited (NSDL) and Central Depository System (India) Limited (CDSL) for dematerialization of Securities in accordance with the provisions of the Depositories Act, 1995 and members may avail of such facilities. With this, the members have an option / discretion to hold the demated shares with NSDL and / or CDSL

10. DIRECTORS

Considering the valuable contribution of Mr. Dharmendra Raichura during the year under review, he has been reappointed as Managing Director of the Company for a further Period of one year w.e.f. 30th June 2007, in the Extra Ordinary General Meeting held on June 6, 2007.

Mr. Hitesh Vora, Independent- Non Executive Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Your Directors recommends the approval for re-appointment of Mr. Hitesh Vora.

11. 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 31 March 2007, the applicable accounting standards have been followed.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2007 and of the profit or loss of the Company for the year ended 31st March, 2007.
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.

12. CORPORATE GOVERNANCE

Your Company is committed to maintain high standards of Corporate Governance. Pursuant to clause 49 of Listing Agreement with Stock Exchanges, a report on Management Discussion and Analysis, a report on Corporate Governance and Auditors certificate regarding compliance on Corporate Governance are provided hereinafter in a separate section in this Annual Report.

13. DEPOSITS

The Company has not accepted any deposits in terms of Section 58A of the Companies Act, 1956 and hence there was no outstanding deposit as as on 31st March 2007.

14. AUDITORS

M/s Raju and Prasad, Chartered Accountants, Statutory Auditors of the Company, will retire from their office at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the appointment, if reappointed.

The Board of Directors recommends the reappointment of M/s. Raju & Prasad, Chartered Accountants, as Statutory Auditors of the Company.

15. COMMENTS ON AUDITORS REPORT

With reference to the comments given by the Auditors in the Auditors Report on Accounts of the Company, the managements explanations have been suitably made in the Notes to Accounts of the Balance Sheet and Profit and Loss Account and are self explanatory.

16. PARTICULARS OF EMPLOYEES

As required by the provisions of sub-section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, no employee is drawing remuneration at or above the limits mentioned therein.

17. HUMAN RESOURCES MANAGEMENT AND EMPLOYEE RELATION

Employees are a vital asset of the Company. The Company has created a favorable work environment that encourages innovation and nurturing of commercial and managerial talents in its operations. The Company has schemes of bonus and incentives for employees generating revenue for the Company. The Company continues to have cordial relations with its employees.

18. **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 Board of Directors.) Rule, 1988 are as follows:

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings: Rs. 178,16,427/-

Foreign Exchange Outgo: Rs. 97,44,169/-

19. **ACKNOWLEDGMENTS**

The Directors sincerely appreciate the contributions made by all employees, associates 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' would also like to acknowledge the continued support of the company's shareholders.

For and on behalf of the Board

Place : Mumbai

Date : 09.08.2007


Kirit Kanakiya
 Chairman



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Concept of Corporate Governance

The Concept of Corporate Governance primarily hinges on complete transparency, integrity and accountability of the management with an increasingly greater focus on investor protection and public protection.

BSEL's Philosophy

BSEL believes that Corporate Governance is about commitment to values and ethical business conduct. It is about how an organisation is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. BSEL understands that good Corporate Governance helps to ensure that corporates take into account the interest of wide range of constituencies, and that their Board is accountable to the company and its Shareholders.

Compliance with the Code of Corporate Governance

The Compliance Report is prepared and given below in conformity with the mandatory requirements of the Listing Agreement with the Stock Exchanges.

2. BOARD OF DIRECTORS

2.1 Composition of Board of Director

BSEL's policy is to have optimum combination of Executive and Non - Executive Directors. The Board consists of five directors out of which four directors are Non - Executive. The Board believes that BSEL's current composition of Board of Directors have an appropriate mix and is in compliance with the laid down norms of Corporate Governance and Clause 49 of the Listing Agreement.

As per the provisions of the Listing Agreement, no director can act as a member of more than 10 committees and he cannot act as a Chairman of more than 5 Committees across all committees in which he is a director.

In terms of the Listing Agreement, none of the Directors of the company are members in more than 10 committees nor acted as a Chairman of more than five committees across all the committees in which they are directors.

The Composition of the Board and the details of their directorship as on 31st March, 2007 are herein given below.

2.2 Particulars of Directors and Number of other Board Committees in which he is a Member or Chairman

Name	Position & Category	Number of Directorship held in public companies	Number of other committee membership
Kirit R. Kanakiya	Chairman, Non - Executive Director	2	Nil
Dharmendra Raichura*	Managing Director, Executive Director	Nil	Nil
Abbas Lakdawalla*	Non - Executive Independent Director	Nil	Nil
Vijay Jain	Non - Executive Independent Director	Nil	Nil
Hitesh Vora	Non - Executive Independent Director	Nil	Nil

* Mr. Dharmendra Raichura was appointed as the Managing Director of the Company for a period of 1 year in the Board Meeting held on 30th June, 2006.

*Mr. Abbas Lakdawalla was appointed as a Non - Executive Independent Director in the Board Meeting held on 30th June, 2006.

Number of Board Meetings held and their dates

During the year under review 8 (Eight) Board Meetings were held, the dates of such meetings are (1) 15th April, 2006, (2) 30th June, 2006, (3) 14th July, 2006, (4) 3rd August, 2006, (5) 6th October, 2006, (6) 31st October, 2006, (7) 4th January, 2006 and (8) 22nd January, 2007.

The details of attendance of directors at Board Meetings and last Annual General Meeting held during the last year are provided as under.

Attendance of Directors at Board Meetings and in the last AGM

Sr. No.	Name of the Director	Number of Board Meeting Attended	Last AGM Attended
1.	Kirit R. Kanakiya	8	Yes
2.	Dharmendra Raichura	6	Yes
3.	Abbas Lakdawalla	3	Yes
4.	Vijay Jain	6	No
5.	Hitesh Vora	3	No
6.	Sheetal Patil*	2	NA
7.	Shashank Joshi*	2	NA

*Mr. Shashank Joshi and Ms. Sheetal Patil resigned on 30th June, 2006, from their respective offices of Managing Director and Non - Executive Independent Director i.e. before the date of previous Annual General Meeting and as such their Attendance in the Annual General Meeting is not applicable.

Particulars of Directors Appointment, Re-appointment and Cessation

Mr. Dharmendra Raichura was re-appointed as Managing Director of the Company in the Meeting of the Board held on 10th May 2007, for a further period of one year commencing from 30th June 2007 to 29th June 2008. The members of the Company, in their Extra-Ordinary General Meeting held on 6th June 2007 approved the appointment of Mr. Dharmendra Raichura for a further period of one year on such terms and conditions as agreed upon by the Company and Mr. Dharmendra Raichura.

Mr. Hitesh Vora will be the director to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board seeks his re-appointment.

3. AUDIT COMMITTEE**3.1 Brief Description of Terms of Reference**

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 the integrity and quality of the financial reporting.

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

- Ensuring compliances with Accounting Standards and Generally Accepted Accounting Principles (GAAP) adopted for preparation of individual and consolidated financial statements.
- Verifying that internal information gathering and control procedures are properly applied.
- Ensuring the quality and relevance of information provided to the shareholders of the company.
- Reviewing drafts of quarterly, half yearly and annual financial statements submitted to it by the Chairman of the Board before they are submitted to the Board of Directors.
- Reviewing drafts of management reports, activity and income tables and all accounts drawn up for specific purposes.
- Ensuring that the procedures comply adequately with relevant and financial institutions and stock exchanges.
- Meeting with the 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 plans of the company and providing suitable recommendations to the Board and the management.
- Analyse the system and procedures used to prepare the financial statements.
- Access the internal control system of the company and check that the procedures are driven towards transparency, accountability and accuracy.
- Reviewing Company's Risk Management Policies etc.

The Audit Committee also took on record all the material transactions of the Wholly Owned Subsidiary of the Company

3.2 Composition, Name of Members and Chairman

The Audit Committee is constituted in terms of Clause 49 of the Listing Agreement and consists of three directors all of them including the Chairman being Non - Executive Independent Director.

All the members of the committee are financially literate and have sound knowledge of accounting terms and possess the related financial management expertise.

None of the members of this committee receive any other remuneration or perquisites apart from the sitting fees for the meeting which are attended by them.

Five meetings of the Audit Committee were held during the year, the dates of which are (i) 15th April 2006 (ii) 14th July 2006 (iii) 31st October 2006 (iv) 4th January 2007 (v) 22nd January 2007.

Name of the Member	Designation	Number of Meetings	
		Held	Attended
Vijay Jain	Chairman	5	5
Hitesh Vora	Member	5	3
Abbas Lakdawalla [#]	Member	5	2
Sheetal Patil [*]	Member	1	1

^{*} Ms. Sheetal Patil, Non - Executive Director of the Company ceased w.e.f. 30th June 2006 and consequently ceased to be a member of the committee.

[#] Mr. Abbas Lakdawalla was appointed as a Non - Executive Independent director w.e.f. 30th June 2006 and also a member of the Audit Committee.

4. REMUNERATION COMMITTEE

4.1 Brief Description of Terms of Reference

The Remuneration Committee is constituted to recommend the remuneration of the Managing Director and other Executives and top management of the Company.

The Remuneration Committee met two times during the year (i) 30th June 2006 (ii) 4th January 2007.

Name of the Member	Designation	Number of Meetings	
		Held	Attended
Vijay Jain	Chairman	2	2
Hitesh Vora	Member	2	1
Abbas Lakdawalla [#]	Member	2	0
Sheetal Patil [*]	Member	1	1

^{*} Ms. Sheetal Patil, Non - Executive Director of the Company ceased w.e.f. 30th June 2006 and consequently ceased to be a member of the committee.

[#] Mr. Abbas Lakdawalla was appointed as a Non - Executive Independent director w.e.f. 30th June 2006 and also a member of the Audit Committee.

4.2 Remuneration Policy

Executive Directors and Top Management

The Remuneration of the Executives and other Top Management is recommended to the Board of Directors and the Shareholders of the Company.

The Remuneration Policy of the Company is in conformity with Sections 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956.

Non - Executive Directors

The Non - Executive Directors of the Company receive only sitting fees for the meetings attended by them.

Details of Remuneration to Non - Executive Independent Directors

The following are the details of sitting fees paid to the Non - Executive Directors of the company for the year ended 31st March 2007.

Sr. No	Name of the Director	Designation	Sitting Fees*
1.	Kirit Kanakiya	Chairman	32,000/-
2.	Vijay Jain	Independent	22,000/-
3.	Hitesh Vora	Independent	15,000/-
4.	Abbas Lakdawalla	Independent	15,000/-
5.	Sheetal Patil	Independent	2,000/-

*The Sitting Fees payable to the Directors for attending the meetings have been increased from Rs. 1000/- per meeting to Rs. 5000/- per Meeting w.e.f. 30.06.2006.

4.3 Shareholder's and Investor's Grievance Committee

Brief description of the terms of reference.

The Shareholder's and Investor Grievance's Committee has inter-alia the following duties.

- Transfer and Transmission of Shares
- Issuance of Duplicate Share Certificate as and when required
- Share holders grievances issues regarding non - receipt of Dividend - Interim and Final, Non - Receipt of Balance Sheet or Annual Report.
- All other general duties which come under the sphere of duties and activities.
- The Board has further diversified the scope of the committee in their meeting held on 8th June 2007, by delegating its powers to the committee for all the matters related to allotment and execution of preferential warrants to the promoters and their group.

Name of Non-Executive Director Heading the Committee

Mr. Vijay Jain, Non - Executive, Independent Director heads the Shareholders Committee and Ms. Priya Singhal, Company Secretary acts as the Secretary of the Committee.

Composition and Meetings held during the year

The composition of the Shareholder's / Investor Grievance's Committee and their attendance is as follows: Two meetings were held during the year on 30th June 2006 and 4th January 2007.

Name of the Member	Designation	Number of Meetings	
		Held	Attended
Vijay Jain	Chairman	2	2
Hitesh Vora	Member	2	2
Abbas Lakdawalla#	Member	0	0

Name and Designation of Compliance Officer

Ms. Priya Singhal, Member of the Institute of Company Secretaries of India, is the Company Secretary and Compliance Officer of the Company. Further, intimation has also been given both to Bombay Stock Exchange and National Stock Exchange that, investor's can now direct any of their compliant / query / doubt to the company secretary and compliance officer of the company at priya@bsel.com which can now be treated as a designated e-mail ID by the investor for the purpose of registering investor complaints and other follow up actions. The above e-mail ID is also mentioned in the company's official website www.bsel.com under sub-heading Investor Grievances / queries under the heading Investor Info.

Number of Shareholders Complaints Received so far, Number of them not solved to the Satisfaction of Shareholders and Number of Pending Complaints

Total of 8 (Eight) investor's complaints were received during the fiscal and none of them remain pending to be resolved or redressed as on 31st March 2007.

Also, NIL transfer requests and one demat request was pending on 31st March 2007.

4.4 GDR Committee

The Board had constituted a committee called as GDR Committee on 19th October 2005. The Broad role of the committee was to locate and appoint parties involved in GDR Issue and to decide the quantum of issue size, allot the underlined equity shares. The committee met 3 times during the year under review on 7th April, 2006, 10th April, 2006 and 12th April, 2006.

The Company listed its GDR's on Luxembourg Stock Exchange on 11th April, 2006. the additional capital was listed on Bombay Stock Exchange and National Stock Exchange on 23rd May, 2006 and subsequently the GDR committee was dissolved.

5. GENERAL BODY MEETING

Details of the Annual General Meetings of the Company held during the last three years.

Financial Year	Venue	Day & Date	Time	No. of Special Resolutions
2003-2004	BSEL Tech Park, Plot No. 39/5 & 39/5A, Sector 30A, Opp. Vashi Rly Stn, Vashi, Navi Mumbai	Monday, 20 September 2004	11.00 AM	NIL
2004-2005	Abbott Hotel, Sector 2, Vashi, Navi Mumbai- 400 003	Monday, 29th August, 2005	11.00 AM	04
2005-2006	Abbott Hotel, Sector 2, Vashi, Navi Mumbai- 400 003	Saturday, 9th September, 2006	11.00 AM	NIL

Whether any special resolution passed last year through postal ballot - details of voting pattern

No special resolutions were passed in the past one year through postal ballot.

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

No special resolutions are supposed to be passed in the ensuing Annual General Meeting through postal ballot.

6. DISCLOSURES

Disclosures on materially significant related party transaction that may have potential conflict with the interests of company at large

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 interests 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 Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets during the last three years

Neither any penalties were imposed on the Company for any non-compliance nor any strictures were imposed by stock exchange or SEBI nor by any other statutory authority on any matter related to capital markets during the last three years.

Whistle Blower Policy and Affirmation that no Personnel has been denied access to the Audit Requirement of the Clause

"Whistle Blower Policy" which provides for a mechanism for employees to report to the management about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics has been adopted by the company.

During the year under review, no personnel has been denied access to the members of Audit Committee or its Chairman.

Details of Compliance with Mandatory Requirement

The company has complied with all the mandatory requirement of Listing Agreement.

Disclosure of Accounting Treatment

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956

Other Pecuniary Relationship or Transactions of Non - Executive Directors

There are no such pecuniary relationships or transactions of Non - Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

Default of Payment of Principle or Interest on Deposits

The Company has never accepted any deposits, hence the question of default of payment of principle or interest does not arise.

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all the Board Members and the senior management of the company and the code has been posted on the website of the company under the heading "Corporate Governance". Annual declaration regarding the compliance with this code is obtained from every person covered by the code.

Compliance

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The details of these compliances have been provided in the relevant sections of this report.

Non - Mandatory Requirements

Board has constituted a remuneration committee and the terms of reference of this committee are given above under the head "Remuneration Committee"

7. MEANS OF COMMUNICATIONS**Financial Results**

The Quarterly / Half - Yearly / Yearly Financial Results of the company are published in all India editions of "The Economic Times", "Times of India", "Navbharat Times". Results are also published in "Maharashtra Times". The Annual Results were published in "Free Press Journal" English Newspaper and "Navshakti" Marathi (Vernacular) Newspaper

Any Website, where displayed

The Results, presentations and all other official news releases are also displayed at www.bse1.com. Disclosures relating to the listing agreement can also be viewed at www.bseindia.com & www.nseindia.com and also on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by SEBI in association with National Informatics Center (NIC) at www.sebiedifar.nic.in.

8. GENERAL SHAREHOLDER INFORMATION

- | | |
|--|--|
| • Date, Time of the AGM: | Tuesday, 25 th September 2007 at 10:00 a.m. |
| • Venue of the AGM | Abbott Hotel, Sector 2, Vashi, Navi Mumbai - 400 703 |
| • Financial Calendar (tentative and subject to change) | <ul style="list-style-type: none"> – Financial Year-April to March – First Quarter Results- Normally Third Week of July – Half yearly Results- Normally Third Week of October – Third Quarter Results- Normally Third Week of January – Results for the year ending 31st March- Normally May / June |
| • Dates of Book Closure | 21 st September 2007 to 25 th September 2007
(Both days inclusive) |
| • Registered Office | BSEL Tech Park, Plot No. 39/5 & 39/5A, Sector 30A,
Vashi, Navi Mumbai - 400705 |
| • Dividend Payment Date | N.A. |



- Listing on Stock Exchanges
 - Bombay Stock Exchange Limited (BSE)
 - National Stock Exchange of India Limited (NSE)

The Company has paid the Annual Listing Fees to both BSE & NSE upto date including Financial Year 2007-2008.

BSE: 532123
NSE: BSELINFRA
- Listing of GDRs
 - Stock Code of GDRs
 - Security Type

BSEInfR GDR ne
- Registrar & Share Transfer Agent

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

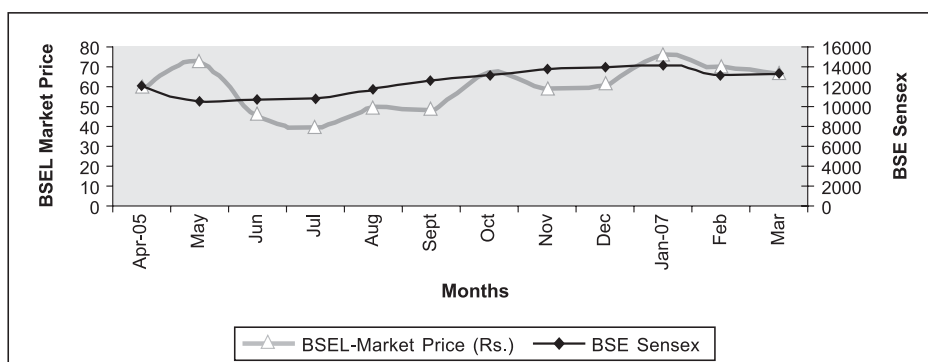
The Company has delegated its powers to effect the transfer of shares to the Registrar and Transfer Agents of the Company M/s Sharex Dynamic (India) Pvt. Ltd. Located at the address given above.
- Demat ISIN in NSDL & CDSL for Equity Shares

INE 395A01016
- **Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity**

As of March 31, 2007 outstanding GDR is 10,53,000, where each GDR represents 10 Equity Shares.

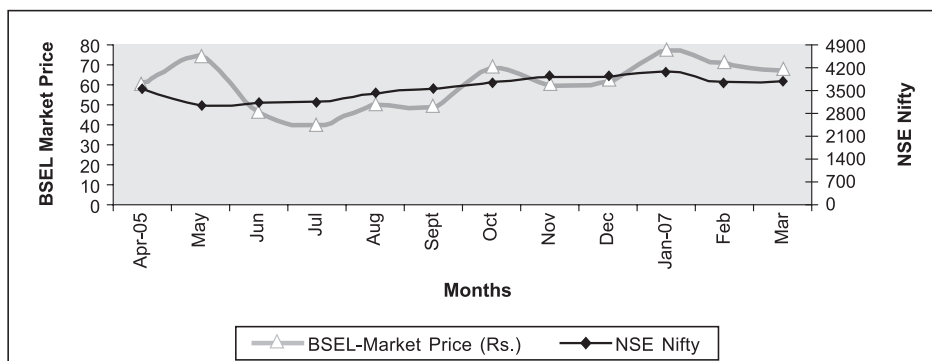
• **Market Price Data-High/ Low on Bombay Stock Exchange Limited during each month in the year 2006-2007**

Month	Apr-06	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan-07	Feb	Mar
BSEL-High	60.10	103.00	74.85	48.80	52.25	52.30	70.45	69.70	64.00	79.15	9.70	73.85
BSEL-Low	41.20	57.95	41.00	36.50	37.50	45.95	48.45	53.25	50.10	61.85	68.25	59.00
BSE Sensex	12042	10399	10609	10744	11699	12454	12962	13696	13787	14091	12938	13072



- **Market Price Data-High/ Low on National Stock Exchange of India Limited during each month in the year 2006-2007**

Month	Apr-06	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan-07	Feb	Mar
BSEL-High	60.00	101.65	74.50	49.00	52.25	52.40	70.8	69.80	59.10	79.25	99.60	73.90
BSEL-Low	40.75	57.60	40.60	35.30	37.40	46.00	47.1	53.55	49.60	61.85	68.25	59.00
NSE Nifty	3558	3071	3128	3143	3414	3588	3744	3955	3966	4083	3745	3822



- **Distribution Schedule as on 31st March 2007**

Shares of Nominal Value	Num of Holders	(%) of Holders	Total Amount	% of Total Amount
UPTO 100	13634	45.80	990069	1.67
101 to 200	5635	18.93	1041087	1.76
201 to 500	6191	20.80	2369185	3.99
501 to 1000	2424	8.14	2035669	3.43
1001 to 5000	1559	5.24	3480716	5.87
5001 to 10000	183	0.61	1366954	2.30
10001 to 100000	114	0.38	2790961	4.71
ABOVE 100000	31	0.10	45245359	76.27
TOTAL	29771	100.00	59320000	100.00

- **Dematerialization of shares and liquidity**

The Equity Shares of the Company are also traded in electronic form. As on 31st March 2007 - 5,92,08,658 equity shares or 99.81 % of the total paid up equity capital were held in electronic form with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). All the demat requests were generally processed and confirmed within 7 days of receipt.

9. SHAREHOLDING PATTERN AS ON 31ST MARCH 2007

	Category of Share Holder	No. of Share Holder	Total No. of Shares	Total No. of Shares in Demat	Total shareholding as a % of Total No. of Shares	
					% A + B	% A + B + C
A.	Shareholding of Promoter and Promoter Group					
	1. Indian					
	a. Individuals/ Hindu Undivided Family	5	72,57,569	72,57,209	14.88	12.23
	b. Central/State Government	0	0	0	0.00	0.00
	c. Bodies Corporate	13	1,53,84,773	1,53,84,233	31.53	25.94
	d. Financial Institution	0	0	0	0.00	0.00
	e. Any other	0	0	0	0.00	0.00
	SUB TOTAL (A)(1)	18	22642342	22641442	46.41	38.17
	2. Foreign					
	a. Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0.00	0.00
	b. Bodies Corporate	0	0	0	0.00	0.00
	c. Institutions	0	0	0	0.00	0.00
	d. Any other	0	0	0	0.00	0.00
	SUB TOTAL (A)(2)	0	0	0	0.00	0.00
	TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1) + (A)(2)	18	22642342	22641442	46.41	38.17
B.	Public Shareholding					
	1. Institution					
	a. Mutual Funds/UTI	3	850000	850000	1.74	1.43
	b. Financial Institutions/Banks	3	37190	37010	0.08	0.06
	c. Central/State Government	1	200	200	0.00	0.00
	d. Venture Capital Funds	0	0	0	0.00	0.00
	e. Insurance Companies	0	0	0	0.00	0.00
	f. Foreign Institutional Investor	6	8827055	8827055	18.09	14.88
	g. Foreign Venture Capital Investor	0	0	0	0.00	0.00
	d. Any other	0	0	0	0.00	0.00
	SUB TOTAL (B)(1)	13	9714445	9714265	19.91	16.38
	2. Non - Institutions					
	a. Bodies Corporate	902	4692520	4691260	9.62	7.91
	b. Individuals					
	i. Individual Share holders holding nominal capital up to Rs. 1 Lakh	28628	10021514	9912672	20.54	16.89
	ii. Individual Shareholders holding nominal capital in excess of Rs.1 Lakh	60	1397537	1397537	2.86	2.36
	c. Any other - Clearing Member	149	321642	321482	0.66	0.54
	SUB TOTAL (B)(2)	29739	16433213	16322951	33.68	27.70
C.	TOTAL PUBLIC SHAREHOLDING (C) = (B)(1) + (B)(2)	29752	26147658	26037216	53.59	44.08
	TOTAL (A) + (B)	29770	48790000	48678658	100	82.25
D.	Shares held by Custodians and against which Depository Receipts have been issued	1	10530000	10530000		17.75
	GRAND TOTAL (A) + (B) + (C)	29771	59320000	59208658		100

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

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

- a. I have reviewed the balance sheet and profit and loss account (consolidated and standalone) along with all its schedules and notes on accounts, as well as the cash flow statements 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 the 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 financial reporting for 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 of accounting policies during the year.

Place: Mumbai

Date: 28.06.2007



Dharmendra Raichura
(MD, 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, 2007

We have examined the compliance of conditions of Corporate Governance by BSEL Infrastructure Realty Limited, for the year ended as at 31st March, 2007, 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.

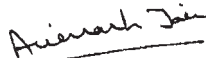
In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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 Jain

Partner

Membership No : 41689

Place : Mumbai

Date : 09.08.2007



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN INFRASTRUCTURE SCENARIO

Infrastructure in India is poised for a 'Golden Era' and this sector is on a strong growth path, buttressed by the rising GDP rates, improving demographics, favourable Purchase Power Parity, and the increasing impact of the IT/ITES in the organised retail sectors, supported by strong Foreign Direct Investment (FDI) and portfolio inflows. It is estimated that there will be an annual addition of 2.3 billion square feet (sq ft) of residential space, 61 million sq ft of office space, and 25 million sq ft of retail space. This is likely to result in a 33% increase in total constructed area over the next five years and would require real estate investments of USD 91.5 billion or 6.8% of GDP annually. An increase in the construction of hotels could also further strengthen the industry's robust growth profile. With changing customer preferences for large well-planned houses in modern complexes, the sector is likely to grow at an even faster pace.

The residential segment forms 91% of overall real estate activity in India and it is by far the largest segment in the country. It is expected that investments in the residential segment will increase at 18% Compound Annual Growth Rate (CAGR) to USD 107 billion by the financial year of 2011. This calculation is made on the basis that investments in the real estate sector grew by 22% in the financial year of 2006 to USD 46.6 billion. This growth rate is likely to translate into an annual requirement of 2.6 billion square feet in the urban areas in the financial year of 2011, as against 1.8 million square feet in the financial year of 2006.

The next largest segment is commercial space, with 80% of the demand arising from the IT/ITES sector. This is a far higher demand in comparison to the international averages, on account of the higher share of outsourcing to India and the lack of a highly developed industrial market.

The other growth driver in the construction sector is the growing organised retail segment. Currently, India has 66 million sq ft of organised retail space. India's total retail market is likely to grow at a CAGR of 6.5% over the coming years.

BSEL OVERVIEW

BSEL is always planning to enhance its presence in the industry by venturing into newer strategic locations, which would ensure the potential for growth in the area of development the Company is reputed for. We have ventured into activities and have also identified future areas where we can fully benefit from the experience and expertise of our team. During the year the Company has grown manifold with respect to additions in our land bank under development and financials.

FINANCIAL PERFORMANCE

The Company has grown tremendously over a period of years and also has shared the same with its members in the form of dividend. Following is the Financial Performance Chart portraying the same:

	(Rs. in Lacs)		
Financial Snapshot	March 2005	March 2006	March 2007
Income	1950	4596	7842
Operating Profit (OP)	1108	2430	6759
OP Margin (%)	57%	53%	86%
Profit After Tax	1028	2200	6033
Net Profit Margin (%)	51%	44%	77%
EPS	2.8	6.0	10.17
Return on Equity (%)	21%	32%	30%
Dividend (%)	10%	5% (Interim)	21% (Interim)
Return on Capital Employed (%)	19%	23%	26%

Share Capital

During the year under review, the Company allotted 2,27,80,000 underlying equity shares by way of issue of 22,78,000 GDRs. So, the paid up share capital of the Company increased to Rs. 59,32,00,000 divided into 5,93,20,000 equity shares of Rs. 10 each as against Rs. 36,54,00,000 divided into 3,65,40,000 equity shares of Rs. 10 each as on 31st March 2006.

The Company in its Extra Ordinary General Meeting held on 6th June 2007, increased its Authorised Share Capital from Rs. 7,500 Lacs to Rs. 15,000 Lacs. Members also approved the Preferential Allotment of 59,00,000 Equity Warrants to the Promoters and their group. However no warrant has been converted till date and hence paid up share capital stands unchanged.

▪ **Reserves & Surplus**

The Reserves & Surplus as on 31st March, 2007 stood at Rs. 14,379 Lacs as compared to Rs. 3,159 Lacs as on 31st March, 2006.

▪ **Secured/Unsecured Loans**

During the year under review, the company has made pre-payment of Term Loan of Rs. 217 Lacs to UTI Bank Ltd. The Company has not taken any other Term Loan apart from availing Overdraft Facility of Rs. 500 Lacs and Performance Guarantee of Rs. 300 Lacs from UTI Bank Ltd. Outstanding balance of Secured Loans is Rs. 2,581 Lacs. The Company has timely paid off all the installments. The unsecured loans as on 31st March, 2007 is NIL.

▪ **Fixed Assets**

Fixed Assets as on 31st March, 2007 is Rs. 427 Lacs which includes office premises at various locations in Mumbai/ Navi Mumbai.

▪ **Investments**

The Company has made investment of Rs. 3,786 Lacs in Wholly Owned Subsidiary of the Company in UAE, BSEL Infrastructure Realty (FZE). Investments as on 31st March, 2007 stood at Rs. 4,061 Lacs as compared to that of Rs. 1,438 Lacs on 31st March, 2006.

▪ **Net Current Assets**

Net Current Assets of the Company as on 31st March, 2007 increased to Rs. 18,403 Lacs from Rs. 6,860 Lacs.

▪ **Cash and Cash Equivalents**

Net Cash and Cash Equivalents as on 31st March, 2007 is Rs. 2,537 Lacs. The Company during the year has maintained the liquidity adequately along with investing the surplus fund to get the reasonable returns on it. During the year Company has not taken any term loan but has made pre payment of Term Loan of Rs. 217 Lacs to UTI Bank Ltd.

OPERATIONAL PERFORMANCE

During the year under review, the Company earned revenue from the sale of premises in BSEL Tech Park and lease rentals from properties at BSEL Tech Park and International Infotech Park (IIP) located in Vashi, Navi Mumbai. Total Income from Operations accounted during the year under review was Rs. 7,842.46 Lacs. Moreover the year proved to be a success in acquiring new fruitful project. The Company with its subsidiary has achieved new heights which are detailed below:

(Rs. in Lacs)

Operational Highlights	Standalone	Consolidated
Income from Operations	7,842	15,322
Other Income	886	1,172
Total Income	8,728	16,494
Less Total Expenditure	1,700	7,746
Profit Before Tax for the Year	7,028	8,748
Less Interest	242	300
Less Depreciation	28	31
Less Prior Period Items (Income)/ Expenses	13	13
Profit Before Tax (PBT)	6,744	8,404
Provision for Taxation (Net)	711	711
Profit After Tax	6,033	7,692



COMPLETED PROJECTS

● BSEL Tech Park



BSEL Tech Park, situated in Navi Mumbai, is a Rs. 1,500 million venture and has been certified as an ISO 9001:2000 Project. BSEL Tech Park is registered with the Secretariat for Industrial Assistance, Government of India under "The Industrial Park Scheme-2002". The project is approved by the Government of Maharashtra as a 'Private Technology Park', and is the first Private Technology Park in Navi Mumbai.

BSEL Tech Park is a 12 storied structure housing ultra modern professional offices, and restaurants. It has an underground car parking designed to house 200 vehicles. The interiors are plush and well designed to provide ample room within and between each section. Office sections have pre-provided areas for recreation and open terraces which have multiple applications. Each of its amenities is well protected from all elements including earthquakes, through innovative designs. The premises also boast of pioneering technologies such as automated fire fighting and security systems. Connectivity is made effortless through pre-equipped broadband connections and a range of communication systems for the office areas. Shuttling between the sections in the building is simplified through 7 high speed elevators.

- Total saleable area = 3,00,000 square feet (approx)
- Income Tax Benefits U/S 80-IA
- Project appraised and approved by UTI, ICICI, SBI, SVC Bank for Consumer Loans

● International Infotech Park (IIP)

International Infotech Park is developed by City Industrial and Development Corporation (CIDCO). BSEL initially purchased eight ready made office space from CIDCO and part of the area has been sold out to the various customers. At present the Company owns five ready made office space leased out to various organisations which are paying substantial lease rentals.

- Best Location in Navi Mumbai- Vashi Railway Station Complex
- All the facilities are in the vicinity like shopping, business, and recreation
- Well maintained complex
- 10 feet height with big lobbies and high speed elevators and good balconies and terraces

● Kharghar Project

The Kharghar project is a residential complex, which was completed in 2006 comprising of 7 storied residential flats, located in Kasturi Villa, Kharghar, Navi Mumbai, with a total area of 14,600 square feet. The project is developed by Sagar Enterprises- a well known real estate developer in Navi Mumbai. The project has been completely sold off.

ONGOING PROJECTS

● IT Park Project in Goa

Overview of Goa

Goa is emerging as an IT destination as a number of initiatives are being taken up by the state government for the same. As a result, the real estate market in the region has picked up pace considerably in the past year. The state is attempting to project itself as an IT Hub in addition to its established status as a major tourist destination popular for its silvery white sands and golden beaches. The state has recently taken steps to set up an advanced 46-acre IT centre called Rajiv Gandhi IT Habitat at Dona Paula in which expected to attract around Rs. 500 Crores investments.

BSEL in Goa



BSEL in Joint Venture with Unity Infraprojects Ltd., has been allotted land, for developing an IT Park at Rajiv Gandhi IT Habitat at Dona Paula, Goa. This IT park will be developed at an area of 40,000 square meters which will yield total saleable area of around 1,000,000 sq. ft. in which BSEL's share is 5,00,000 sq. ft. Presently construction plans are under finalization. The project is expected to be completed by 2010. The IT park will have a creative environment for high-end electronics, research and development, information technology and other service industries and will also provide the required impetus in the form of electronic hardware manufacturing, and hardware-related research and development

facilities to complement the software technology strength.

The government of Goa has proposed a number of plans to develop the state's infrastructure and thereby attract investment in various sectors. With setting up of Rajiv Gandhi IT Habitat and SEZs, an increasing number of job opportunities will be created which will further enhance the economic condition of the region.

- **Retail and Commercial Projects in Nagpur**

Overview of Nagpur

Nagpur, besides being an industrial city, is a key business and administrative centre in Maharashtra and spreads over an area of approximately 253 sq km. Nagpur is undergoing major transformation and this is evident from the improving infrastructure of the city, increasing focus of the local government on city development and the positive changes in the real estate sector of the city.

The local authorities of the city is changing the history of the city by making a various expansion plans in the city like MADC is allotting various lands for SEZ and Cargo Hubs. Nagpur Improvement Trust is planning around six mega township projects in various locations in the outskirts of the city while the Nagpur Municipal Corporation has plans to develop shopping malls on BOT model and earn revenue through lease rentals. With excellent infrastructure in place, a proactive local government and growing momentum in the real estate sector, Nagpur is expected to attract considerable investments in the near future.

BSEL in Nagpur

Where it is difficult to have a square feet of land in the Central Nagpur, BSEL has managed to get allotted 2,000,000 sq. ft. plus of area to be developed in the heart of the city. BSEL presently has Shopping Malls and Commercial Mix projects in the City, the details are as follows:

- **Buty Palace**

A state-of-the Art Mall to be developed over 352,880 sq. ft. in Nagpur. The mall is situated in the prime commercial and market area of Sitabuldi which is located in the heart of the city of Nagpur. Aesthetically designed, the mall will have facilities for shopping, entertainment including a restaurant. BSEL has entered into MOU with Gigeo Constructions Private Limited for 56,000 sq. ft. area on ground and first floor of this project. The mall will be operational by December, 2007.

- **Six Shopping Malls, Commercial and Hotel Projects in Nagpur**

BSEL in 50:50 Joint Venture with Unity Infraprojects Ltd. has been awarded land for development of six shopping malls in Nagpur by Nagpur Municipal Corporation on BOT basis. Total area under development is approximately 23,00,000 sq. ft. out of which BSEL's share is 11,25,000 sq. ft. All the projects are located in the excellent locations of the city so as to cater the needs of the entire city, three among them are located in the heart of the city such as Water works, Sitabuldi and Gokulpeth area in Nagpur and three are with in 4-5 km range of the heart of the city such as Danaganj, Jaripatka and Panchpaoli.

Malls will comprise of star category hotels, multiplex cinemas, retail, fun and entertainment zones and commercial



Danaganj



Jari Patka

spaces. Given the excellent infrastructure in place and growing momentum in the real estate sector, the Company is confident of generating higher returns from these projects. The projects are expected to be completed by 2010.

- **Commercial and Hotel Project in Pune**

Pune
Overview of Pune

As a premier IT/ITES destination in Maharashtra, Pune has become the second home for most IT/ITES companies. The overall development of city has attracted big companies to set up SEZ, cyber city, IT development centers etc. The city is also well known for its educational establishments and manufacturing capabilities. By satisfying the pre requisite for a developed city, quality infrastructure and pleasant weather only adds to the attractiveness of the place.

BSEL in Pune


BSEL to grab the opportunity has joined hands with Unity Infraprojects Limited and Kamat Hotels (India) Limited in equal joint venture and has been awarded a project for constructing, operating and maintaining a hotel and a commercial project on 60 years renewable concessional agreement at Shivchhatrapati Sports Complex, Balewadi, Pune. The Project has been awarded to the joint venture by the Executive Committee of the 3rd Commonwealth Youth Games 2008 & Director, Sports & Youth Services, Maharashtra. The project is in one kilometer radius of Hinjewadi which is a landmark IT hub of the city.

The total land for the project is 6 acres. The project will be developed in phases. Under first phase luxurious hotel with all the ultramodern facilities having an elegant atrium, and grand ambience. The project involves the development of three hotels within one hotel, having a combination of 5 star category hotel with a brand name of "Orchid" with 86 rooms, a 4 star hotel with a brand name "Lotus Suites" comprising of 118 rooms and a 3 star hotel having a brand name "Kamat's" with 203 rooms. All the three hotels will be managed under the roof of Kamat Hotels (India) Limited, one of the leading ecofriendly hotel group. The hotel project is expected to be completed by August 2008.

- **Hotel and Hospitality Projects in Gujarat**

- **BSEL Narmada Nihar, Gujarat**

BSEL Narmada Nihar is located at 80 kms from Baroda Airport and 5 Kms from Sardar Sarovar Dam is a scenic hotel facility on 56,121 sq. mtrs. of land, set amidst the picturesque environs of Sardar Sarovar Dam surrounded by rolling hills, valleys, lakes, canals and the gently flowing Narmada herself. BSEL has acquired first mover advantage to provide astounding facility to 1.5 lakh tourist visiting Kevadia every year. At BSEL Narmada Nihar we are developing 260 hotel rooms of four star category with a club house and a restaurant. The total developable area is 603,000 sq. ft. The project is expected to be complete by December 2007.



- **Y Junction, Gujarat**



The project is located near to the commercial capital of the state of Gujarat i.e. Ahmedabad. The project is a proposed scenic development on first branch of Narmada Canal, been envisaged as a convenient gateway for experiencing the rejuvenating essence of water, will be beautified by landscaped gardens, fountain park, aqua rain bath, swimming pool, multi-cuisine restaurants and herbal spa centres. The project is under planning stage, while the land of 25 acres has been awarded.

- **Rewa Bhavan, Kevadia, Gujarat**

This project is located near to BSEL Narmada Nihar, which will house 50 luxurious 5 star category rooms with all ultra modern amenities.

- **Residential Project in Ajman, UAE**

Overview of UAE

The real estate market in UAE is experiencing a huge increase in property acquisitions, construction and rentals

driven by a continuing growth in demand. According to market estimates, investments in the real estate of UAE is expected to reach USD 65 billion over the next seven years, which is greater than the value achieved over the last 20 years. The real estate component of the GDP showed a CAGR of 14.4% during the period of 2001-2004.

Ajman

Ajman, the smallest emirate of all the seven emirates of UAE, is witnessing a real estate boom. Ajman was always perceived as an ideal get away from the tiring city to enjoy the natural serenity of clean and sunny beaches with resort hotels. Ajman has many historical landmarks such as mosques of various architectural eras etc. Thus, the emirate of Ajman is renowned for its architectural splendour, hence visited by many tourists and visitors.

BSEL in UAE



BSEL through its Wholly Owned Subsidiary, BSEL Infrastructure Realty FZE, has acquired seven plots at Emirates City at Ajman, which will have development of 7.9 million sq. ft. of residential towers which will be divided into seven residential towers. Each tower will have showrooms on the ground floor, car parkings from 1st to 6th floor for 700 car parks, 7th floor as a podium floor, residential flats of 800 sq. ft. to 2,000 sq. ft. from 8th to 48th floor, 49th floor will house swimming pool and health club and other amenities.

The project will be developed in two phases, of which first phase will have total area of 2.2 million sq. ft. and expected to be completed by 2009.

The project will be completed under the supervision of renowned Architect & Project Management Consultancy Firm Adnan Saffarni. Adnan Saffarni's firm has 7 decades of experience in UAE and completed variety of projects like residential & commercial towers, shopping malls, villas and universities. Adnan Saffarni have also completed a landmark project Al-Zaher Palace, of His Highness Sheik Rashed Al Noeimi, which was printed on the first currency of UAE, a fifty Dirham bank note.

PROJECTS IN PIPELINE

- **Industrial Park In Madhya Pradesh**
- **Golf Course at Navi Mumbai**
- **Borkhar Township**
- **BMC Market Project, Tardeo**
- **Kevadia Project, Gujarat**

OPPORTUNITIES, KEY STRENGTHS AND INITIATIVES

BSEL ventures wherever opportunity beckons thereby emerging winners in practically all sectors of development, then, be it a hospitality project, or commercial project or IT project or retail project, the Company has forayed into all of them within a short span of four years and is geared up to capitalize on them.

- **Quality projects and construction**

BSEL always has never compromised on quality of the projects. Aesthetics combined with sophistication are hallmarks of all BSEL projects.

- **Strong Alliances**

Keenly worked-out strategy of partnering with peers and competitors has enabled BSEL to grab the best of the projects in the sector it desired to venture in. Few examples of the recent strategic associations of the Company are

1. 50:50 Joint Venture with Unity Infraprojects Limited
2. Joint Venture with Kamat Hotels (India) Limited i.e. Orchid Group of Hotels
3. Consortia with architects such as Adnan Saffirini, Hafeez Contractor, Reza Kabul, Pathki & Associates and Nitin Killawalla



- **Experienced and dedicated management team**

The Company has an experienced, well-qualified and dedicated management team and are expert in their respective fields. A combination of youth and experience brains results in bringing the best in everyone and eventually making the projects a success.

The Company provides its staff with extensive training that encourages professional excellence.

- **Strategic Location**

BSEL has always followed the strategy of identifying prime locations which plays a significant role in making the projects successful. The projects like in Goa, the Government of Goa is initiating steps to make the state IT Hub, BSEL in JV with Unity has been allotted land of approximating 10.00 Lac sq. ft. Similarly BSEL Narmada Nihar Hotel with service apartment project is 5 kms from Sardar Sarovar Dam, a tourist destination.

- **Financial Soundness**

Success of any Infrastructure project largely depends on fool-proof cash-flow management. BSEL with its large investor base, sound financial tie-ups, attracting foreign fund inflow through GDRs, planned stock investments etc. has ensured continuous flow of funds required for managing and completing the projects well on time, without compromising on quality.

- **First Mover Advantage**

The foresight of the Company has always resulted in BSEL as first mover advantage like its signature project BSEL Tech Park, was first of its kind in Navi Mumbai, got outstanding response and even attracted other developers. Analyzing the emerging markets is not just about financials but can be grouped as economic, political and competitive-marketing factors i.e. overall growth can be considered. At BSEL, the Management actively identifies low cost opportunities in fast growing locations and with its pro-efficient team, turn these opportunities into results.

- **Aggressive Execution**

The Company has always with its pro activeness and dedicated team has aggressively executed the projects. Timely execution of projects reflects proper management and ensures the clients the promised services.

RISK/ CHALLENGES

Every successful business is the result of managing the risk. Your Company has a pro-active management who identifies the risk in advance, assess their impact, and implement & mitigate plans. An evaluation of BSEL's risk exposure as perceived by the management is given below.

- **Business**

The construction and development sector may be affected by factors such as changes in global and domestic economies, changes in local market conditions, excess supply or reduced demand for houses and associated services, competition in the industry, changes in interest rates, the availability of finance and other natural and social factors. Since demand for houses is affected by economic growth in India and the world, a domestic or global recession could lead to a downturn in the industry. Such adverse developments in the cities where projects of the Company are located or in the industry at large could negatively impact profitability and financial conditions of the Company. The horizon of BSEL being not limited to any one city or state has assured itself to be safe from such adverse regional problems.

- **Financial**

Our results of operations, and the purchasing power of our real estate customers, are substantially affected by prevailing interest rates and the availability of credit in the Indian economy. There can be no assurance that variations in interest rates and interest rate policy employed by RBI will not adversely affect our financial condition and results of operations.

- **Political**

Political instability or changes in the policies of the Government of India could further delay liberalisation of the Indian economy and adversely affect economic conditions in India generally, which could consequently affect

Company's business and prospects in particular. However BSEL has always maintained better & fruitful relations with all the governmental authorities.

HUMAN CAPITAL

Human Resource Development is of paramount importance in every organization. The Company has a team of able and experienced professionals. The Company believes that it will manage to achieve substantial growth with a lean organization structure.

INTERNAL CONTROL SYSTEM

The Company has a professional and adequate internal control system and procedure commensurate with the size of organization and nature of business. This provides adequate safeguards and effective monitoring of the transactions. All areas of the Company's operations are covered by such internal control systems. A qualified and independent Audit Committee of the Board, comprising all independent directors of the Company, reviews the adequacy of internal controls.

FORWARD LOOKING STATEMENT

Statements in this Management Discussion and Analysis of financial condition and result of operation of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities' laws and regulations, Forward-looking statements are based on certain assumptions and expectations of future events.

Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include change in governmental regulations and policies, tax laws, interest rates, economic development within the country and such other factors.

The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India. Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows.

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

(Amount in Rs.)

1	Name of the Subsidiary Company	BSEL Infrastructure Realty (FZE)
2	Financial Year of the Subsidiary Company	31st March 2007
3	Date from which it became Subsidiary Company	14th February 2006
4	Extent of Holding Company's interest in the Subsidiary Company at the end of Financial Year of the Subsidiary Company	100%
5	Net aggregate amount of profit/ loss of the Subsidiary Company not dealt with in the Holding Company's account (concerning the members of the Holding Company) - For the Current Year - For the Previous Year	165,951,773 Nil
6	Net aggregate amount of profit/ loss of the Subsidiary Company dealt with in the Holding Company's account (concerning the members of the Holding Company) - For the Current Year - For the Previous Year	Nil Not Applicable
7	Additional Information U/S 212 (5)	Not Applicable
8	Capital	378,616,739
9	Reserves	165,951,773
10	Total Assets	3,362,874,647
11	Total Liabilities	3,362,874,647
12	Total Income	776,657,221
13	Total Expenditure	610,705,448
14	Profit After Taxation	165,951,773
15	Proposed Dividend	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, 2007 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 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, 2007, and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2007 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 explanation 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, **subject to Note No.9 due to which profits are understated to the extent of Rs. 4,13,811/-**
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.
 - (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

Avinash Jain

CA. Avinash Jain

Partner

Membership No. 41689

Place : Mumbai

Date : 28.06.2007

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

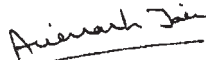
- I.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials. The 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 granted secured or unsecured loans to one company to the tune of rupees eighty eight crores ninety two lacs, which is covered in the register maintained under section 301 of the Act.
 - (b) The Company has 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 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 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 taken Secured/Unsecured loans from one company of rupees two crores, covered in the register maintained under section 301 of the Companies Act, 1956.
 - (f) The Company has 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 explanation 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 arrangements 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 arrangements 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 explanation 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 explanation 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 explanation given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute.
- 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 dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') proper records have been maintained of the transactions and contracts and timely entries have been made therein; also the shares, securities, debentures and other securities have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.
- XV. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 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 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 raised USD 20,502,000 from GDR issue and the proceeds of the issue are utilized as per the purpose mentioned in the Offering Circular.
- 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



CA. Avinash Jain

Partner

Membership No. 41689

Place : Mumbai

Date : 28.06.2007

**BALANCE SHEET AS AT 31ST MARCH, 2007**

Particulars	Schedule	Current Year 2006-2007	Previous Year 2005-2006
SOURCES OF FUNDS :			
SHARE HOLDERS FUNDS			
SHARE CAPITAL	A	593,200,000	365,400,000
RESERVES AND SURPLUS :	B	1,437,915,400	315,935,194
		<u>2,031,115,400</u>	<u>681,335,194</u>
SECURED LOANS FROM BANK	C	258,127,978	263,999,994
UNSECURED LOANS		-	-
		<u>258,127,978</u>	<u>263,999,994</u>
		<u>2,289,243,378</u>	<u>945,335,188</u>
APPLICATION OF FUNDS :			
FIXED ASSETS :	D	42,723,633	115,501,630
INVESTMENT :	E	406,163,950	143,831,575
CURRENT ASSETS LOANS & ADVANCES			
(a) Inventories	F	401,061,478	110,200,000
(b) Sundry Debtors	G	243,824,108	358,041,678
(c) Cash & Bank Balance	H	253,763,460	189,236,136
(d) Loans & Advances	I	977,493,126	140,455,893
		<u>1,876,142,172</u>	<u>797,933,707</u>
Less : Current Liabilities & Provisions	J	35,786,377	111,931,724
NET CURRENT ASSETS		<u>1,840,355,795</u>	<u>686,001,983</u>
		<u>2,289,243,378</u>	<u>945,335,188</u>
NOTES TO THE ACCOUNTS	R		

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants

CA. Avinash Jain
Partner

For BSEL INFRASTRUCTURE REALTY LIMITED

Kirit R. Kanakiya
Chairman

Dharmendra Raichura
Managing Director

Priya Singhal
Company Secretary

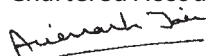
PLACE: Mumbai
DATE : 28.06.2007

PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2007

Particulars	Schedule	Current Year 2006-2007	Previous Year 2005-2006
INCOME :			
Income from Operations	K	784,246,078	482,224,690
Miscellaneous Income	L	88,665,099	23,501,075
Increase / (Decrease) in closing stock		290,861,478	(65,509,000)
		1,163,772,655	440,216,765
EXPENDITURE :			
Direct Expenses	M	410,501,786	126,543,233
Indirect Expenses	N	50,363,081	56,440,134
Interest	O	24,247,636	9,455,882
Depreciation		2,801,572	4,749,373
Total Expenditure		487,914,076	197,188,622
Operating Profit		675,858,579	243,028,142
Less: Donation	P	61,100	226,000
Total Income before adjustments		675,797,479	242,802,142
Less: Prior Period Items	Q	2,220,692	(68,247)
Profit Before Tax		673,576,787	242,870,389
Less: Provision for Taxation			
Fringe Benefit Tax		256,500	297,263
Income Tax		70,000,000	22,614,838
PROFIT AFTER TAX		603,320,287	219,958,288
Less : Interim Dividend including Dividend Tax		142,044,023	20,832,368
BALANCE CARRIED FORWARD TO BALANCE SHEET		461,276,264	199,125,920
NOTES TO THE ACCOUNTS	R		

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants



CA. Avinash Jain
Partner

For BSEL INFRASTRUCTURE REALTY LIMITED



Kirit R. Kanakiya
Chairman



Dharmendra Raichura
Managing Director



Priya Singhal
Company Secretary

PLACE: Mumbai
DATE : 28.06.2007

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007**

Particulars	Current Year 2006-2007	Previous Year 2005-2006
SCHEDULE: "A"		
SHARE CAPITAL		
1. Authorised Capital		
7,50,00,000 Equity Shares of Rs.10/- each	750,000,000	750,000,000
(Previous year 5,00,00,000 Equity Shares of Rs. 10/- each)		
2. Issued, Subscribed and Paid Up :		
5,93,20,000 Equity Shares of Rs. 10/- each fully paid up	593,200,000	365,400,000
(P.Y. 3,65,40,000 Equity Shares of Rs. 10/- each fully paid up)		
(of the above, 2,63,90,000 Equity Shares (P.Y. 2,63,90,000 Equity Shares) were issued as fully paid up Bonus Shares by way of Capitalisation of Reserves)		
	593,200,000	365,400,000
SCHEDULE : " B "		
RESERVES & SURPLUS		
A. General Reserves		
Opening Balance	87,640,000	62,640,000
Add : Transferred from P. & L. Account	62,500,000	25,000,000
	150,140,000	87,640,000
B. Profit and Loss Account :		
As per last year	228,295,194	54,169,274
Add : Profit/(Loss) for the year	461,276,264	199,125,920
Less: Transfer to General Reserve	62,500,000	25,000,000
Capital Reserve	(29,772,130)	-
	597,299,328	228,295,194
C. Share Premium	690,476,072	-
	690,476,072	-
	1,437,915,400	315,935,194

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

Particulars	Current Year 2006-2007	Previous Year 2005-2006
SCHEDULE: "C"		
SECURED LOANS		
Term Loan from State Bank of India	120,858,166	150,000,000
Primary Charges		
Mortgage of 11th and 12th Floor of Project BSEL Tech Park at Plot No. 39/5 & 39/5A, Sector 30A, Vashi, Navi Mumbai (Repayment due in next one year = Rs. 330 Lacs)		
Term Loans from UTI Bank Limited	87,862,632	113,999,994
Bank Overdraft from UTI Bank	49,407,180	-
Primary Charges		
Mortgage of unit no. G101/G102/T451 at IIP, Vashi Railway Station Complex, Vashi, Navi Mumbai (Repayment due in next one year = Rs. 24.46 Lacs)		
	258,127,978	263,999,994

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

SCHEDULE : "D"

FIXED ASSETS

Description	Rate of Depreciation	Cost as on 01.04.2006	Additions	Deletion	Cost as on 31.03.07	Depreciation upto 31.03.06	Depreciation for the year	Total Depreciation	W.D.V. as on 31.03.07	W.D.V. as on 31.03.06
Air Condition	4.75%	567,373	-	-	567,373	465,411	6,269	471,680	95,693	101,962
Computers	33.33%	53,942,918	261,453	-	54,204,371	52,763,641	534,447	53,298,088	906,283	1,179,277
Furniture & Fixture	16.67%	10,280,436	-	-	10,280,436	8,931,083	282,586	9,213,669	1,066,767	1,349,353
Office Equipment	4.75%	1,029,184	368,560	-	1,397,744	210,021	54,035	264,056	1,133,688	819,163
Office Premises - IIP	1.63%	107,411,127	-	67,932,504	39,478,623	2,331,548	1,659,504	3,991,052	35,487,571	105,079,579
Office Premises - Bombay Oilseed	1.63%	1,885,000	-	-	1,885,000	15,994	30,724	46,718	1,838,282	1,869,006
Vehicles	9.50%	925,650	1,122,700	-	2,048,350	466,892	115,256	582,148	1,466,202	458,758
Machinery For Construction	4.75%	2,500,000	-	2,102,512	397,488	278,737	118,751	397,488	-	2,221,263
Capital Work In Progress- For Projects		2,423,269	-	2,423,269	-	-	-	-	-	2,423,269
ASSETS AT KEVADIA PROJECT:										
Office Equipment	4.75%	-	52,755	-	52,755	-	-	-	52,755	-
Vehicle	9.50%	-	38,714	-	38,714	-	-	-	38,714	-
Furniture	16.67%	-	637,678	-	637,678	-	-	-	637,678	-
TOTAL		180,964,957	2,481,860	72,458,285	110,988,532	65,463,327	2,801,572	68,264,899	42,723,633	115,501,630
PREVIOUS YEAR		166,574,563	38,313,834	21,999,885	182,888,512	62,637,510	4,749,373	67,386,883	115,509,630	103,937,053

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

Particulars	Current Year 2006-2007		Previous Year 2005-2006	
	No. of Shares	Amount	No. of Shares	Amount
SCHEDULE : “ E ”				
INVESTMENTS (AT COST)				
Long Term Investments				
A. In Shares (Quoted)				
T.V. Today	-	-	443,303	18,110,218
Essar Steel Limited (P.Y. Mkt. Value Rs. 19,926,470)	-	-	3,224,593	93,780,877
J.P. Hydro Limited (P.Y. Mkt. Value Rs. 94,964,264)	-	-	140,095	13,363,890
Gangotri Textile Ltd. (C.Y. Mkt. Value Rs. 24,655,831)	978,406	27,547,211	-	-
	<u>978,406</u>	<u>27,547,211</u>	<u>3,807,991</u>	<u>125,254,985</u>
B. In Shares (Unquoted)				
Investment in Subsidiary Company				
BSEL Infrastructure Realty (FZE)	-	378,616,739	-	18,576,590
	<u>-</u>	<u>378,616,739</u>	<u>-</u>	<u>18,576,590</u>
	<u>978,406</u>	<u>406,163,950</u>	<u>3,807,991</u>	<u>143,831,575</u>

SCHEDULE : “ F ”**INVENTORIES****Finished Goods Inventories**

Opening Stock	110,200,000	175,709,000
Add: Addition/Purchase/Consumption/Sale During the year	(110,200,000)	(65,509,000)
Less : Consumption/Sales During the year	-	-
Total Finished Goods Stock (A)	<u>-</u>	<u>110,200,000</u>

Work In Progress of Land, Building & Construction work at Various Projects

Nagpur- Buty Palace	171,070,010	-
Nagpur- Six Shopping Malls	65,788,054	-
Gujarat- Narmada Nihar	48,857,785	-
Gujarat- Y Junction	25,117,950	-
Gujarat-Reva Bhavan	27,558,450	-
Goa- IT Parks	29,866,678	-
Pune -Balewadi	31,802,551	-
Other Projects	1,000,000	-
Total WIP Stock (B)	<u>401,061,478</u>	<u>-</u>
Closing Stock (A + B)	<u>401,061,478</u>	<u>110,200,000</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007**

Particulars	Current Year 2006-2007	Previous Year 2005-2006
SCHEDULE : " G "		
SUNDRY DEBTORS		
A. Consider Good		
Less than six months	232,260,407	344,299,207
More than six months	-	2,178,770
	<u>232,260,407</u>	<u>346,477,977</u>
B. Consider Doubtful		
More than six months	11,563,701	11,563,701
(Refer Note No. 18 of Schedule R: Notes to Accounts)	<u>11,563,701</u>	<u>11,563,701</u>
	<u>243,824,108</u>	<u>358,041,678</u>
SCHEDULE : " H "		
CASH AND BANK BALANCE		
Cash in hand	4,776,539	4,843,610
Bank Balance with Schedule Banks		
Balance in Current Account	230,202,135	17,001,107
Balance in Fixed Deposit	<u>18,784,786</u>	<u>167,391,419</u>
	<u>253,763,460</u>	<u>189,236,136</u>
SCHEDULE : " I "		
LOANS, ADVANCES AND DEPOSITS		
Deposits		
Deposit for Lease Premises	4,790,000	6,875,000
Deposit with New Bombay Petroleum	-	1,000,000
Deposit with BMC	2,200,000	2,200,000
Short Term Deposits	-	106,333,950
Deposit with Energy Charges of BSEL Tech Park	2,500,000	-
Other Misc Deposits	784,695	668,630
Other Deposits for Kevadia Projects	365,000	-
IT-Goa EMD	2,000,000	-
SSNNL-EMD-Kevadia	10,000,000	-
Nagpur Municipal Corporation -EMD	<u>15,000,000</u>	<u>-</u>
	<u>37,639,695</u>	<u>117,077,580</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

Particulars	Current Year 2006-2007	Previous Year 2005-2006
SCHEDULE : "I"		
Current Assets		
Prepaid Expenses	95,651	130,734
Rent Receivable	-	2,215,920
Creative Construction Co.	1,500,000	-
Advance to Kasturi Developers	30,073,000	-
Advance against Property (Gorkap)	3,030,000	-
T.D.S in advance for F. Y. 2006-2007	11,304,550	4,505,644
Advance to WOS	889,203,942	684,267
Advance for Imprest	124,517	191,215
Advance to Staff	214,500	646,142
Advance for Purchase of Land/Property	2,335,734	13,695,159
Advance for Investment/Expenses	-	1,309,232
Advance to Suppliers/Contractors	1,073,516	-
Westerngeco International Ltd.	898,021	-
	<u>939,853,431</u>	<u>23,378,313</u>
	<u>977,493,126</u>	<u>140,455,893</u>

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

Provisions		
Provision for Expenses	1,560,004	1,977,327
Provision for Liabilities	-	800,983
PT/Cess/VAT	242,057	328,587
Provision for Income Tax	20,010,000	9,000,000
T.D.S. -Mumbai	215,197	1,628,991
Deposit against various Leased Properties	4,176,965	31,576,335
Retention Money-Mumbai	924,903	3,883,064
Advance for the Sale of Properties	5,280,000	57,310,000
Short Term Credit-SBI	-	35,959
Deposit for Society Formation	178,930	133,930
Other Liabilities	1,208,962	216,964
	<u>33,797,018</u>	<u>106,892,140</u>
SUNDRY CREDITORS	1,989,359	5,039,584
	<u>1,989,359</u>	<u>5,039,584</u>
	<u>35,786,377</u>	<u>111,931,724</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007**

Particulars	Current Year 2006-2007	Previous Year 2005-2006
SCHEDULE : "K"		
SALES		
Sale of Units	722,095,190	459,172,823
Business Centre Income	62,150,888	23,051,867
	784,246,078	482,224,690

SCHEDULE : "L"		
MISCELLANEOUS INCOME		
Interest on Fixed Deposit	19,489,189	669,068
Interest on Income Tax Refund	96,484	-
Dividend Received	58,500	698,276
Office Rent	-	225,000
Other Misc. Income	1,653,410	52,328
Gain/(Loss) on F & O	8,588,684	8,670,660
Gain/(loss) On Sale of Shares	58,778,833	13,185,743
	88,665,099	23,501,075

SCHEDULE : "M"		
DIRECT EXPENSES		
BSEL Tech Park	9,440,309	126,543,233
Buty Palace	171,070,010	-
Six Shopping Malls	65,788,054	-
Narmada Nihar	48,857,785	-
Y- Junction	25,117,950	-
Rewa Bhavan	27,558,450	-
IT Park at Goa	29,866,678	-
Hotel Project At Balewadi	31,802,551	-
Other Projects	1,000,000	-
	410,501,786	126,543,233

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

Particulars	Current Year 2006-2007	Previous Year 2005-2006
SCHEDULE : "N"		
INDIRECT EXPENSES		
Advertisement	3,680,863	1,709,519
AGM / EGM Exps.	14,500	-
Air Condition Hire Charges	220,464	296,401
Audit Fees	100,000	65,000
Bank Charges	1,360,375	295,418
Board Meeting Fees	93,000	24,000
Books & Periodicals	28,195	115,555
Brokerage & Commission	2,464,639	1,375,378
Business Promotion	560,057	1,035,512
Cess paid	63,286	158,341
Conveyance Charges	332,601	364,915
Computer Softwares	56,171	124,146
Delay Payment Charges	56,242	-
Demat Charges	12,149	64,832
Electricity Charges	1,423,931	6,538,519
GDR Issue Expenses	8,552,635	-
Hire Charges	21,600	940,820
Insurance	299,864	575,690
Internet Exp.	46,536	114,922
Labour Welfare Fund	3,835	764
Legal and Professional fees	3,040,252	7,151,533
Legal Expenses	358,445	500,000
Loan Disbursement Exp.	250,612	3,424,240
Listing Fees	339,942	84,750
Loss on Sale of Machinery	1,370,667	-
Maintainance charges	1,951,257	3,312,520
M.D.'s Perquisites - H.R.A	-	4,500
M.D.'s Remuneration	765,000	1,569,000
Membership Fees & Subscription Fees	140,033	30,000
Motor Car Expenses	519,000	691,521
Misc. Exp.	43,279	10,686
Office Expenses	309,896	315,960
Onsite Desiging Studio	400,000	980,000
Postage & Telegram	301,477	278,459
Printing & Stationery	1,256,114	1,232,771
Rent paid	387,958	1,767,100
Rent, Rates & Taxes	7,064,588	5,162,252
Repairs & Maintainance	1,550,416	3,347,160
ROC Filling Fees	17,610	1,261,300
Salaries & Wages	4,652,665	4,206,862
Security Service Charges	6,600	205,873
Service Tax	1,330,111	1,394,717
Share Transfer Charges	87,642	110,540
Transportation Charges	92,671	34,450
ESIC Paid	22,974	21,197
Bonus, Ex-Gratia & Incentive Paid	583,701	452,761
Provident Fund Paid	88,862	70,486
Staff Welfare	507,620	468,420
Security Transaction Tax & Other Charges on Shares	1,376,178	1,327,074
Telephone Expenses	885,906	872,179
Tender Fees	94,000	15,250
Travelling Exp. Including Foreign Travel	1,042,993	1,848,690
Water Charges	108,816	473,397
Website Expenses	24,853	14,754
	50,363,081	56,440,134

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007**

Particulars	Current Year 2006-2007	Previous Year 2005-2006
SCHEDULE : "O"		
INTEREST		
Interest on Overdraft - UTI	156,907	-
Interest on Term Loan - SBI	12,993,835	9,455,882
Interest on Term Loan - UTI	11,096,894	-
	<u>24,247,636</u>	<u>9,455,882</u>
SCHEDULE : "P"		
OTHER EXPENSES		
Donation	61,100	226,000
	<u>61,100</u>	<u>226,000</u>
SCHEDULE : "Q"		
PRIOR PERIOD ITEMS		
Excess Sales Booked	-	521,220
Excess Provision for Electricity Bill	-	(589,467)
Short provision made for Interest on UTI Loan-2005-06	1,339,560	-
Income Tax of Previous Year	881,132	-
	<u>2,220,692</u>	<u>(68,247)</u>

SCHEDULE "R"**I. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2007****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. 699.76 Lacs (Previous Year:- purchase net fixed assets of Rs. 163.14 Lacs) from its gross block.

4. Loans and Advances

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

5. Auditors Remuneration

(Amount in Rs.)

Details	Current Year 2006-07	Previous Year 2005-06
Audit Fees	60,000.00	35,000.00
Tax Audit Fees	25,000.00	15,000.00
Income Tax	10,000.00	10,000.00
Other Services	5,000.00	5,000.00
Service Tax	12,240.00	7,956.00
TOTAL	1,12,240.00	72,956.00

The auditors fees will be provided on annual basis.

6. Turnover

(Rs. in Lacs)

Divisions	Current Year 2006-07	Previous Year 2005-06
Sale of Constructed Premises	7842.46	4822.24
TOTAL	7842.46	4822.24

7. Revenue from Construction Contracts

(Rs. in lacs)

Sr. No.	Particulars	2006-07	2005-06	2004-05
01.	Initial Amount of Expected Revenue from the Contract	10,500.00	7,846.30	7,846.30
02.	Variation	4,000.00	2,653.70	Nil
03.	Total Contract Revenue	14,500.00	10,500.00	7,846.30
04.	Certified Contract Costs incurred till date	7,000.00	7,000.00	4,999.00
05.	Contract Cost to be incurred	Nil	Nil	1,001.00
06.	Total Contract Cost	7,000.00	7,000.00	6,000.00
07.	Stage of Completion	100%	100%	83.32%
08.	Revenue Recognition	14,500.00	10,500.00	6,538.32
09.	Revenue Recognized on the Basis of Actual Bookings	14,500.00	8,847.00	4,481.76

Note: Revenue from the contract is recognized by reference to the costs incurred during the year and measured by the proportion that costs incurred upto the reporting date bear to the estimated total costs of the contract.

8. Foreign Exchange

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

9. Depreciation

The Company has provided a sum of Rs. 28,01,572/- (Previous Year Rs. 47,49,371/-) towards depreciation on its assets as per its accounting policy. Depreciation accounted as per Schedule XIV of The Companies Act, 1956 on Straight-line basis comes to Rs. 23,87,761/-. Hence the Company's Profit is understated to the extent of Rs. 4,13,811/- due to consistency in the depreciation policy.

10. Current Tax

The Company has estimated the current tax charge of Rs. 7,00,00,000/- (Previous Year Rs. 2,05,00,000/-) is based on the earnings for the year ended 31st March 2007.

11. Earning/Expenditure in Foreign Currency

Earning :- Rs. 1,78,16,427/- (Previous Year:- NIL)

Expenditure :- Rs. 97,44,169/- (Previous Year:- Rs. 6,49,373)

12. Additional Disclosures in Pursuant to Schedule VI Part II

(Amount in Rupees)

Income Related Disclosures	Current Year 2006-07	Previous Year 2005-06
Other Incomes:-		
Interest on Fixed Deposits	1,94,89,189	6,69,068
Interest on Income Tax Refund	96,484	NIL
Gain / (Loss) on Sale of Shares	5,87,78,833	1,31,85,743
Gain / (Loss) on Sale on F & O	85,88,684	86,70,660
Other Misc. Income	16,53,410	52,328
Dividend Received	58,500	6,98,276

Expenses Related Disclosures	Current Year 2006-07	Previous Year 2005-06
Remuneration to Managing Director	7,65,000	15,69,000
Perquisites to Managing Director	NIL	4,500
Salary and Bonus to Staff	52,36,366	46,59,623
Travelling and Conveyance	13,75,594	22,13,605
Rent	3,87,958	17,67,100
Telephone Expenses	8,85,906	8,72,179
Legal & Professional Expenses	30,40,252	71,51,533
Printing & Stationary	12,56,114	12,32,771
Advertisement Expenses	36,80,863	17,09,519
Office Expenses	3,09,896	3,15,960
Repairs & Maintenance	19,51,257	33,47,160
Power & Fuel	14,23,931	65,38,519
Rent, Rates and Taxes	70,64,588	51,62,252
Brokerage & Commission Charges	24,64,639	13,75,378
Auditors Remuneration:-		
Statutory Audit Fees	60,000	35,000
Tax Audit Fees	25,000	15,000
Income Tax Matters Consultancy Fees	10,000	10,000
Other Services	5,000	5,000
Service Tax	12,240	7,956
Bank Charges and Commission	13,60,375	2,95,418
Books & Periodicals	28,195	1,15,555

13. Related Party Disclosures

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

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

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

2. Key Management Personnel :

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

3. Other Related Parties and Nature of Relationship :

(a) Nature of Relationship:- Associate Concerns

(b) Name of the Parties:-

- | | |
|---|--|
| a. Beachcraft Investment & Trading Co. Pvt. Ltd., | b. Blackmore Investment & Trading Co. Pvt. Ltd., |
| c. Consistent Packagers Pvt. Ltd., | d. Pleasant Packaging Co. Pvt. Ltd., |
| e. Poornima Commercial Pvt. Ltd., | f. Pravara Commercial Pvt. Ltd., |
| g. Relaxed Packagers Pvt. Ltd., | h. Sentosa Investment & Trading Co. Pvt. Ltd., |
| i. Timberhill Engineers Pvt. Ltd., | j. Yogi Sung-Won (India) Limited. |
| k. Reshma Plastics Pvt. Ltd., | l. Total Network Solution Limited |
| m. Paschim Food Industry Limited | n. Contact Consultancy Services Pvt. Ltd., |
| o. Stock Watch Securities Pvt. Ltd., | p. Stock Watch |
| q. Contact Consultancy Services (FZE) | |

4. Subsidiaries:-

- (a) Nature of Relationship: - Wholly Owned Subsidiary
(b) Name of the Parties:- BSEL Infrastructure Realty (FZE)

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	Relatives	Other related Parties	Subsidiaries	Total
Purchase of Materials/Services	0.00	0.00	0.00	0.00	0.00
Sales	0.00	0.00	0.00	0.00	0.00
Managerial Remuneration	7.65	0.00	0.00	0.00	7.65
Salary & Professional fees	0.00	0.00	0.00	0.00	0.00
Loans and Advances Given/(taken)	0.00	0.00	0.00	8892.04	8892.04
Receivable/(Payables)	0.00	0.00	536.00	0.00	536.00

14. 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 2006-07	Previous Year 2005-06
A. Net Profit after Tax	6033.20	2199.58
Add: Excess Provision and refund of taxes of earlier years (Net)	0.00	0.00
Net Profit for calculation of Earning per share (Numerator)	6033.20	2199.58
B. Weighted Average Number of Equity Shares (Denominator)(Nos.)	5932	3654
C. Basic and diluted Earning Per Share (A-B) (In Rupees)	10.17	6.02
D. Nominal Value per Equity Share (In Rupees)	10.00	10.00

15. Events Occurring after Balance Sheet Date

The Company has issued warrants representing 59,00,000 equity shares of Rs. 10 each to the promoters on 12th June 2007 at Rs. 77/- per share.

16. 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.

17. Dues to Small Scale Industrial Undertakings

As on 31.03.2007 the company had Rs. NIL outstanding dues to Small Scale Undertakings (Previous Year. : Rs. NIL).

18. Provision for Doubtful Debts

Debtors includes dues from Microcity India Limited of Rs. 1,15,63,701/ (Previous Year Rs. 1,15,63,701/-), 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.

19. Prior Period Items

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

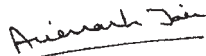
- 20.** Expenditure on employees in respect of salary not less than Rs. 6,00,000/- per annum or Rs. 50,000/- per month when employed for the part of the year Rs.16.55 Lacs as given below (Previous year Rs. 20.69 Lacs)

Name	Salary Paid during year	Contribution To PF	Incentives	Total
Shashank Joshi Managing Director	6,00,000	Nil	Nil	6,00,000
Sonali Chawda GM - Legal	3,00,000	Nil	Nil	3,00,000
Manju Tripathi Head - Finance	4,10,417	Nil	Nil	4,10,417
Chandrashekhar Ogle GM - Land	3,45,194	Nil	Nil	3,45,194
Total	16,55,611			16,55,611

- 21.** 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.
- 22.** 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.
- 23.** All the Loans and Advances (Assets) and Current Assets and Current Liabilities are subject to confirmation from the respective parties.
- 24.** Balance of Unpaid Dividend Account as at 31st March, 2007 is Rs. 3,75,197/-
- 25.** 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 Jain
Partner

For BSEL INFRASTRUCTURE REALTY LIMITED



Kirit R. Kanakiya
Chairman



Dharmendra Raichura
Managing Director



Priya Singhal
Company Secretary

PLACE: Mumbai

DATE : 28.06.2007

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 in 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 Infrastructure project is recognized on the basis of AS-7 Construction Contracts (Revised). Considering the progress of the work, Architects have estimated the stage of completion of 100% upto the reporting date. However, the company has followed a conservative accounting practice while considering the sales classification and it has recognized the sales on the basis of actual bookings.

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 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 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.

2. DEPRECIATION

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

Furniture & Fixtures	- 6 Years
Computer Equipments	- 3 Years

3. INVESTMENT

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

4. LOANS TO COMPANIES/FIRMS

There are no loans given by the Company.

5. PROVIDENT FUND

Benefits of Provident Fund are received by the eligible employees, which is defining contribution plan. Both the employees and the Company make monthly contribution to this Provident Fund equal to specified percentage of the covered employees salary.

6. SEGMENT ACCOUNTING POLICIES

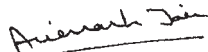
The company has only one segment of operation i.e. Infrastructure Activity in Local Market. So segment wise Income/Expenditure/Assets and Liabilities are not presented.

7. 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 Jain
Partner

For BSEL INFRASTRUCTURE REALTY LIMITED



Kirit R. Kanakiya
Chairman



Dharmendra Raichura
Managing Director



Priya Singhal
Company Secretary

PLACE: Mumbai
DATE : 28.06.2007

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007**

Particulars	Current Year 2006-07	Previous Year 2005-06
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	673,576,787	242,870,389
Adjustments for :-		
Depreciation	2,801,572	4,749,373
Other Income	(88,665,099)	(46,102,356)
Operating profits before working capital changes	587,713,260	201,517,406
Adjustments for :-		
Sundry Debtors	114,217,570	(91,865,063)
Deposits (Assets) Loans & Advances	(837,037,233)	(94,504,568)
Inventories	(290,861,478)	65,509,000
Provision for Tax	(70,256,500)	(22,912,101)
Trade Payable and other liabilities	(76,145,347)	39,277,943
Net cash from operating activities	(572,369,728)	97,022,617
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of investment	(262,332,375)	(142,900,093)
Sale/(Purchase) of fixed assets	69,976,425	(16,313,950)
Net cash from investing activities	(192,355,950)	(159,214,043)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital & Premium (adjusted)	888,503,942	-
Other Income	88,665,099	46,102,356
Dividend including dividend tax	(142,044,023)	(20,832,368)
Other Unsecured Loans	-	-
Loan from Bank	(5,872,016)	196,820,638
Net cash from financing activities	829,253,002	222,090,626
Net increase/(decrease) in cash & cash equivalent	64,527,324	159,899,200
Cash & Cash equivalent opening balance	189,236,136	29,336,936
Cash & Cash equivalent closing balance	253,763,460	189,236,136

For BSEL INFRASTRUCTURE REALTY LIMITED

Kirit R. Kanakiya
Chairman**Dharmendra Raichura**
Managing Director**Priya Singhal**
Company Secretary**PLACE :** Mumbai
DATE : 28.06.2007**AUDITORS' CERTIFICATE**

We have examined the attached Cash Flow Statement of M/S. BSEL INFRASTRUCTURE REALTY LIMITED, for the year ended 31st March, 2007. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with the 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 Jain**
Partner**Place :** Mumbai
Date : 28.06.2007**Membership No. : 41689**

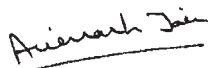
AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors

BSEL INFRASTRUCTURE REALTY LIMITED

1. We have audited the attached consolidated Balance Sheet of BSEL Infrastructure Realty Limited ("The Company") and its subsidiary (The Company and its Subsidiary constitute "The Group") as at 31st March, 2007 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 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 Financial Statements of Subsidiary since inception have been audited by M/s Jitendra Chartered Accountants- Dubai, UAE, 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 on consideration of report of M/s Jitendra Chartered Accountants- Dubai, UAE, 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 in conformity with the accounting principles generally accepted in India, **subject to the Note No. 9 due to which the profits of the company are understated to the extent of Rs. 4,13,811/-.**
 - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2007.
 - (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 Jain
Partner
Membership No. 41689
Place : Mumbai
Date : 28.06.2007

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007**

Particulars	Schedule	Consolidated with WOS
SOURCES OF FUNDS :		
SHARE HOLDERS FUNDS :		
SHARE CAPITAL	A	593,200,000
RESERVES AND SURPLUS :	B	1,580,902,722
		<u>2,174,102,722</u>
LOAN FUNDS:	C	
SECURED LOANS FROM BANK		258,127,978
UNSECURED LOANS		1,951,950,000
		<u>2,210,077,978</u>
		<u>4,384,180,700</u>
APPLICATION OF FUNDS :		
FIXED ASSETS :	D	2,830,856,102
INVESTMENT :	E	27,547,211
CURRENT ASSETS LOANS & ADVANCES		
(a) Inventories	F	942,054,322
(b) Sundry Debtors	G	243,883,258
(c) Cash & Bank Balance	H	287,453,645
(d) Loans & Advances	I	88,289,184
		<u>1,561,680,409</u>
Less : Current Liabilities & Provisions	J	35,903,022
NET CURRENT ASSETS		<u>1,525,777,387</u>
		<u>4,384,180,700</u>
NOTES TO THE ACCOUNTS	R	

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants

CA. Avinash Jain
Partner
For BSEL INFRASTRUCTURE REALTY LIMITED
Kirit R. Kanakiya
Chairman

Dharmendra Raichura
Managing Director

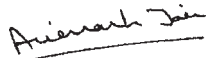
Priya Singhal
Company Secretary
PLACE: Mumbai**DATE :** 28.06.2007

CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2007

Particulars	Schedule	Consolidated with WOS
INCOME :		
Income from Operations	K	1,532,281,868
Miscellaneous Income	L	117,286,530
Increase / (Decrease) in closing stock		831,854,322
		2,481,422,720
EXPENDITURE :		
Direct Expenses	M	1,550,249,354
Indirect Expenses	N	56,175,622
Interest	O	29,993,656
Depreciation		3,193,737
Total Expenditure		1,639,612,369
Operating Profit		841,810,352
Less: Donation	P	61,100
Total Income before adjustments		841,749,252
Less: Prior Period Items	Q	2,220,692
Profit Before Tax		839,528,560
Less: Provision for Taxation		
Fringe Benefit Tax		256,500
Income Tax		70,000,000
PROFIT AFTER TAX		769,272,060
Less : Interim Dividend including Dividend Tax		142,044,023
BALANCE CARRIED FORWARD TO BALANCE SHEET		627,228,037
NOTES TO THE ACCOUNTS	R	

As per our Report of Even Date

For RAJU & PRASAD
Chartered Accountants



CA. Avinash Jain
Partner

For BSEL INFRASTRUCTURE REALTY LIMITED


Kirit R. Kanakiya
Chairman



Dharmendra Raichura
Managing Director



Priya Singhal
Company Secretary

PLACE: Mumbai
DATE : 28.06.2007

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007**

Particulars	Consolidated with WOS
SCHEDULE : " A "	
SHARE CAPITAL	
1. Authorised Capital	
7,50,00,000 Equity Shares of Rs.10/- each	750,000,000
(Previous year 5,00,00,000 Equity Shares of Rs. 10/- each)	
2. Issued, Subscribed and Paid Up :	
5,93,20,000 Equity Shares of Rs. 10/- each fully paid up	593,200,000
(P.Y. 3,65,40,000 Equity Shares of Rs. 10/- each fully paid up)	
(of the above, 2,63,90,000 Equity Shares (P.Y. 2, 63,90,000 Equity Shares) were issued as fully paid up Bonus Shares by way of Capitalisation of Reserves)	
	593,200,000
SCHEDULE : " B "	
RESERVES & SURPLUS	
A. General Reserves	
Opening Balance	87,640,000
Add : Transferred from P. & L. Account	62,500,000
	150,140,000
B. Profit and Loss Account :	
As per last year	228,295,194
Add : Profit/(Loss) for the year	627,228,037
Less: Transfer to General Reserve	62,500,000
Capital Reserve	(52,736,581)
	740,286,650
C. Share Premium	690,476,072
	690,476,072
	1,580,902,722

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007

Particulars	Consolidated with WOS
SCHEDULE: "C"	
SECURED LOANS	
Term Loan from State Bank of India	120,858,166
Primary Charges	
Mortgage of 11th and 12th Floor of Project BSEL Tech Park at Plot No. 39/5 & 39/5A, Sector 30A, Vashi, Navi Mumbai (Repayment due in next one year = Rs. 330 Lacs)	
Term Loans from UTI Bank Limited	87,862,632
Bank Overdraft from UTI Bank	49,407,180
Primary Charges	
Mortgage of unit no. G101/G102/T451 at IIP, Vashi Railway Station Complex, Vashi, Navi Mumbai (Repayment due in next one year = Rs. 24.46 Lacs)	
	258,127,978
UNSECURED LOAN	1,951,950,000
Unsecured Loans pertains to the outstanding payments towards the Plots of land at Ajman - UAE to R-Holding for which the Post Dated Cheques (PDCs) have been issued.	
	1,951,950,000

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007 **SCHEDULE : "D"** **FIXED ASSETS**

Description	Rate of Depreciation	Cost as on 01.04.2006	Additions	Deletion	Cost as on 31.03.07	Depreciation upto 31.03.06	Depreciation for the year	Total Depreciation	W.D.V. as on 31.03.07	W.D.V. as on 31.03.06
Air Condition	4.75%	567,373	-	-	567,373	465,411	6,269	471,680	95,693	101,962
Computers	33.33%	53,942,918	261,453	-	54,204,371	52,763,641	534,447	53,298,088	906,283	1,179,277
Furniture & Fixture	16.67%	10,280,436	-	-	10,280,436	8,931,083	282,586	9,213,669	1,066,767	1,349,353
Office Equipment	4.75%	1,029,184	368,560	-	1,397,744	210,021	54,035	264,056	1,133,688	819,163
Office Premises- IIP	1.63%	107,411,127	-	67,932,504	39,478,623	2,331,548	1,659,504	3,991,052	35,487,571	105,079,579
Office Premises - Bombay Oilseed	1.63%	1,885,000	-	-	1,885,000	15,994	30,724	46,718	1,838,282	1,869,006
Vehicles	9.50%	925,650	1,122,700	-	2,048,350	466,892	115,256	582,148	1,466,202	458,758
Machinery For Construction	4.75%	2,500,000	-	2,102,512	397,488	278,737	118,751	397,488	-	2,221,263
Capital Work In Progress- For Projects		2,423,269		2,423,269					-	2,423,269
ASSETS AT KEVADIA PROJECT:										
Office Equipment	4.75%	-	52,755	-	52,755	-	-	-	52,755	-
Vehicle	9.50%	-	38,714	-	38,714	-	-	-	38,714	-
Furniture	16.67%	-	637,678	-	637,678	-	-	-	637,678	-
TOTAL		180,964,957	2,481,860	72,458,285	110,988,532	65,463,327	2,801,572	68,264,899	42,723,633	115,501,630
FIXED ASSETS AT WOS										
Computer	50%	-	74,529	-	74,529	-	37,265	37,265	37,265	-
Furnitures & Fixtures	50%	-	709,800	-	709,800	-	354,900	354,900	354,900	-
Capital WIP			2,787,740,305	-	2,787,740,305	-	-	-	2,787,740,305	-
Total			2,788,524,634	-	2,788,524,634	-	392,165	392,165	2,788,132,469	-
GRAND TOTAL CURRENT YEAR		180,964,957	2,791,006,494	72,458,285	2,899,513,166	65,463,327	3,193,737	68,657,064	2,830,856,102	115,501,630

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007

Particulars	Current Year 2006-2007	
	No. of Shares	Amount
SCHEDULE : "E"		
INVESTMENTS (AT COST)		
A) LONG TERM INVESTMENTS :		
In Shares (Quoted)		
T.V. Today	-	-
Essar Steel Limited (P.Y. Mkt Value Rs. 19,926,470)	-	-
J.P. Hydro Limited (P.Y. Mkt Value Rs. 94,964,264)	-	-
Gangotri Textile Ltd. (C.Y. Mkt Value Rs. 24,655,831)	978,406	27,547,211
	<u>978,406</u>	<u>27,547,211</u>
B) INVESTMENT IN SUBSIDIARY :		
In Wholly Owned Subsidiary	-	-
	<u>-</u>	<u>-</u>
	<u>978,406</u>	<u>27,547,211</u>
SCHEDULE : "F"		
INVENTORIES		
Finished Goods Inventories		
Opening Stock		110,200,000
Add: Addition/Purchase During the year		540,992,844
Less : Consumption/Sales During the year		110,200,000
Finished Goods Stock (A)		<u>540,992,844</u>
Work In Progress of		
Land, Building & Construction work at Various Projects		
Nagpur- Buty Palace		171,070,010
Nagpur- Six Shopping Malls		65,788,054
Gujarat- Narmada Nihar		48,857,785
Gujarat- Y Junction		25,117,950
Gujarat-Reva Bhavan		27,558,450
Goa- IT Parks		29,866,678
Pune -Balewadi		31,802,551
Other Projects		1,000,000
WIP Stock (B)		<u>401,061,478</u>
Closing Stock (A + B)		<u>942,054,322</u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007**

Particulars	Consolidated With WOS
SCHEDULE : " G "	
SUNDRY DEBTORS	
A. Consider Good	
Less than six months	232,319,557
More than six months	-
	<u>232,319,557</u>
B. Consider Doubtful	
More than six months	11,563,701
(Refer Note No. 18 of Schedule R: Notes to Accounts)	<u>11,563,701</u>
	<u>243,883,258</u>

SCHEDULE : " H "	
CASH AND BANK BALANCE :	
Cash in hand	4,778,433
Bank Balance with Schedule Banks	
Balance in Current Account	263,890,426
Balance in Fixed Deposit	18,784,786
	<u>287,453,645</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007

Particulars	Consolidated with WOS
SCHEDULE : " I "	
LOANS, ADVANCES AND DEPOSITS :	
DEPOSITS	
Deposit for Lease Premises	4,790,000
Deposit with New Bombay Petroleum	-
Deposit with BMC	2,200,000
Short Term Deposits	-
Deposit with Energy Charges of BSEL Tech Park	2,500,000
Other Misc Deposits	784,695
Other Deposits for Kevadia Projects	365,000
IT-Goa EMD	2,000,000
SSNNL-EMD-Kevadia	10,000,000
Nagpur Municipal Corporation -EMD	15,000,000
	<u>37,639,695</u>
CURRENT ASSETS	
Prepaid Expenses	95,651
Rent Receivable	-
Creative Construction Co.	1,500,000
Advance to Kasturi Developers	30,073,000
Advance against Property (Gorkap)	3,030,000
T.D.S in advance for F. Y. 2006-2007	11,304,550
Advance to WOS	-
Advance for Imprest	124,517
Advance to Staff	214,500
Advance for Purchase of Land/Property	2,335,734
Advance for Investment/Expenses	-
Advance to Suppliers/Contractors	1,073,516
Westerngeco International Pvt Ltd.	898,021
	<u>50,649,489</u>
	<u>88,289,184</u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007**

Particulars	Consolidated with WOS
SCHEDULE : "J"	
CURRENT LIABILITIES AND PROVISIONS :	
PROVISION	
Provision for Expenses	1,560,004
Provision for Liabilities	-
PT/Cess/VAT	242,057
Provision for Income Tax	20,010,000
T.D.S. -Mumbai	215,197
Deposit against various Leased Properties	4,176,965
Retention Money-Mumbai	924,903
Advance for the Sale of Properties	5,280,000
Short Term Credit-SBI	-
Deposit for Society Formation	178,930
Other Liabilities	1,230,966
	<u>33,819,022</u>
SUNDRY CREDITORS	2,084,000
	<u>2,084,000</u>
	<u>35,903,022</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

Particulars	Consolidated with WOS
SCHEDULE : "K"	
SALES	
Sale of Units	1,470,130,980
Business Centre Income	62,150,888
	1,532,281,868
SCHEDULE : "L"	
MISCELLANEOUS INCOME	
Interest on Fixed Deposit	19,489,189
Interest on Income Tax Refund	96,484
Dividend Received	58,500
Office Rent	-
Other Misc. Income	1,653,410
Gain/(Loss) on F & O	8,588,684
Gain/(loss) on Sale of Shares	58,778,833
Interest Income	1,424,438
Project Investment Income	27,196,993
	117,286,530
SCHEDULE : "M"	
DIRECT EXPENSES	
Project Expenses	
BSEL Tech Park	9,440,309
Buty Palace	171,070,010
Six Shopping Malls	65,788,054
Narmada Nihar	48,857,785
Y- Junction	25,117,950
Rewa Bhavan	27,558,450
IT Park at Goa	29,866,678
Hotel Project at Balewadi	31,802,551
Other Projects	1,000,000
WOS -Purchase of Materials	1,137,413,970
WOS -Other Direct Expenses	2,333,598
	1,550,249,354

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007**

Particulars	Consolidated with WOS
SCHEDULE : "N"	
INDIRECT EXPENSES	
Advertisement	3,680,863
AGM / EGM Exps.	14,500
Air Condition Hire Charges	220,464
Audit Fees	100,000
Bank Charges	1,360,375
Board Meeting Fees	93,000
Books & Periodicals	28,195
Brokerage & Commission	2,464,639
Business Promotion	560,057
Cess paid	63,286
Conveyance Charges	332,601
Computer Softwares	56,171
Delay Payment Charges	56,242
Demat Charges	12,149
Electricity Charges	1,423,931
GDR Issue Expenses	8,552,635
Hire Charges	21,600
Insurance	299,864
Internet Exp.	46,536
Labour Welfare Fund	3,835
Legal and Professional fees	3,832,685
Legal Expenses	358,445
Loan Disbursement Exp.	250,612
Listing Fees	339,942
Loss on Sale of Machinery	1,370,667
Maintainance Charges	1,951,257
M.D.'s Perquisites - H.R.A	-
M.D.'s Remuneration	765,000
Membership Fees & Subscription Fees	140,033
Motor Car Expenses	519,000
Misc. Exp.	5,063,387
Office Expenses	309,896
Onsite Designing Studio	400,000
Postage & Telegram	301,477
Printing & Stationery	1,256,114
Rent paid	387,958
Rent, Rates & Taxes	7,064,588
Repairs & Maintainance	1,550,416
ROC Filling Fees	17,610
Salaries & Wages	4,652,665
Security Service Charges	6,600
Service Tax	1,330,111
Share Transfer Charges	87,642
Transportation Charges	92,671
ESIC Paid	22,974
Bonus, Ex-Gratia & Incentive Paid	583,701
Provident Fund Paid	88,862
Staff Welfare	507,620
Security Transaction Tax & Other Charges on Shares	1,376,178
Telephone Expenses	885,906
Tender Fees	94,000
Travelling Exp. Including Foreign Travel	1,042,993
Water Charges	108,816
Website Expenses	24,853
	56,175,622

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

Particulars	Consolidated with WOS
SCHEDULE : "O"	
INTEREST	
Interest on Overdraft - UTI	156,907
Interest on Term Loan - SBI	12,993,835
Interest on Term Loan - UTI	11,096,894
Interest On Unsecured Loans	5,746,020
	29,993,656
SCHEDULE : "P"	
OTHER EXPENSES	
Donation	61,100
	61,100
SCHEDULE : "Q"	
PRIOR PERIOD ITEMS	
Excess Sales Booked	-
Excess Provision for Electricity Bill	-
Short provision made for Interest on UTI Loan-2005-06	1,339,560
Income Tax of Previous Year	881,132
	2,220,692

**SCHEDULE "R"****CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2007****1. Previous period'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.

BSEL Infrastructure Realty Limited holds 100% shares of BSEL Infrastructure Realty (FZE).

3. Fixed Assets

During the year, the Company purchased net fixed assets of Rs. 27185.48 lacs (Previous Year:- purchase net fixed assets of Rs. 163.14 lacs) in 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 advance to the local authorities such as NMMC / MSEB / CIDCO / Fire Brigade etc.

5. Auditors Remuneration

(Amount in Rs.)

Details	Current Year 2006-07	Previous Year 2005-06
Audit Fees	60,000.00	35,000.00
Tax Audit Fees	25,000.00	15,000.00
Income Tax	10,000.00	10,000.00
Other Services	5,000.00	5,000.00
Service Tax	12,240.00	7,956.00
TOTAL	1,12,240.00	72,956.00

6. Turnover

(Amount in Lacs)

Divisions	Current Year 2006-07	Previous Year 2005-06
Sale of Constructed Premises	15,322.81	4822.24
TOTAL	15,322.81	4822.24

7. Revenue from Construction Contracts

(Rs. in lacs)

Sr. No.	Particulars	2006-07	2005-06	2004-05
01.	Initial Amount of Expected Revenue from the Contract	10,500.00	7,846.30	7,846.30
02.	Variation	4,000.00	2,653.70	Nil
03.	Total Contract Revenue	14,500.00	10,500.00	7,846.30
04.	Certified Contract Costs Incurred Till date	7,000.00	7,000.00	4,999.00
05.	Contract Cost To be incurred	Nil	Nil	1,001.00
06.	Total Contract Cost	7,000.00	7,000.00	6,000.00
07.	Stage of Completion	100%	100%	83.32%
08.	Revenue Recognition	14,500.00	10,500.00	6,538.32
09.	Revenue Recognized on the Basis of Actual Bookings	14,500.00	8,847.00	4,481.76

Note: Revenue from the contract is recognized by reference to the costs incurred during the year and measured

by the proportion that costs incurred upto the reporting date bear to the estimated total costs of the contract.

8. Foreign Exchange

Income and Expenses in foreign currency are converted at rates prevailing as on the date of the transaction.

9. Depreciation

The Company has provided a sum of Rs. 31,93,736/- towards depreciation on its assets as per its accounting policy. Depreciation accounted as per Schedule XIV of The Companies Act, 1956 on Straight-line basis comes to Rs. 27,79,925/-. Hence the Company's Profit is understated to the extent of Rs. 4,13,811/- due to consistency in the depreciation policy.

10. Current Tax

The company has estimated the current tax charge of Rs. 7,00,00,000/-(Previous Year Rs. 2,05,00,000/-) is based on the earnings for the year ended 31st March 2007.

11. Additional Disclosures in Pursuant to Schedule VI Part II

(Amount in Rupees)

Income Related Disclosures	Current Year 2006-07	Previous Year 2005-06
Other Incomes:-		
Interest on Fixed Deposits	1,94,89,189	6,69,068
Interest on Income Tax Refund	96,484	NIL
Gain / (Loss) on Sale of Shares	5,87,78,833	1,31,85,743
Gain / (Loss) on Sale on F & O	85,88,684	86,70,660
Other Misc. Income	16,53,410	52,327
Dividend Received	58,500	6,98,276
Expenses Related Disclosures:-	Current Year 2006-07	Previous Year 2005-06
Remuneration to Managing Director	7,65,000	15,69,000
Perquisites to Managing Director	NIL	4,500
Salary and Bonus to Staff	52,36,366	46,59,623
Travelling and Conveyance	13,75,594	22,13,605
Rent	3,87,958	17,67,100
Telephone Expenses	8,85,906	8,72,179
Legal & Professional Expenses	38,32,685	71,51,533
Printing And Stationary	12,56,114	12,32,771
Advertisement Expenses	36,80,863	17,09,519
Office Expenses	3,09,896	3,15,960
Repairs & Maintenance	15,50,416	33,47,160
Power & Fuel	14,23,931	65,38,519
Rent, Rates and Taxes	70,64,588	51,62,252
Brokerage & Commission Charges	24,64,639	13,75,378
Auditors Remuneration:-		
Statutory Audit Fees	60,000	35,000
Tax Audit Fees	25,000	15,000
Income Tax Matters Consultancy Fees	10,000	10,000
Other Services	5,000	5,000
Service Tax	12,240	7,956
Bank Charges and Commission	13,60,375	2,95,418
Books & Periodicals	28,195	1,15,555

12. Related Party Disclosures

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

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

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

2. Key Management Personnel :

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

3. Other Related Parties and Nature of Relationship :

(a) Nature of Relationship:- Associate Concerns

(b) Name of the Parties:-

a. Beachcraft Investment & Trading Co. Pvt. Ltd.,	b. Blackmore Investment & Trading Co. Pvt. Ltd.,
c. Consistent Packagers Pvt. Ltd.,	d. Pleasant Packaging Co. Pvt. Ltd.,
e. Poornima Commercial Pvt. Ltd.,	f. Pravara Commercial Pvt. Ltd.,
g. Relaxed Packagers Pvt. Ltd.,	h. Sentosa Investment & Trading Co. Pvt. Ltd.,
i. Timberhill Engineers Pvt. Ltd.,	j. Yogi Sung-Won (India) Limited.
k. Reshma Plastics Pvt. Ltd.,	l. Total Network Solution Limited
m. Paschim Food Industry Limited	n. Contact Consultancy Services Pvt. Ltd.,
o. Stock Watch Securities Pvt. Ltd.,	p. Stock Watch
q. Contact Consultancy Services (FZE)	

4. Subsidiaries:-

(a) Nature of Relationship: - Wholly Owned Subsidiary

(b) Name of the Parties:- BSEL Infrastructure Realty (FZE)

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	Relatives	Other related Parties	Subsidiaries	Total
Purchase of Materials/Services	0.00	0.00	0.00	0.00	0.00
Sales	0.00	0.00	0.00	0.00	0.00
Managerial Remuneration	7.65	0.00	0.00	0.00	7.65
Salary & Professional fees	0.00	0.00	0.00	0.00	0.00
Loans and Advances Given/(taken)	0.00	0.00	0.00	8892.26	8892.26
Receivable/(Payables)	0.00	0.00	536.00	0.00	536.00

13. Earning Per Share

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

(Rs. in Lacs)

Particulars	Current Year 2006-07	Previous Year 2005-06
A. Net Profit after Tax	7692.71	2199.58
Add: Excess Provision and refund of taxes of earlier years (Net)	0.00	0.00
Net Profit for calculation of Earning per share (Numerator)	7692.71	2199.58
B. Weighted Average Number of Equity Shares (Denominator)(Nos.)	5932	3654
C. Basic and diluted Earning Per Share (A-B) (In Rupees)	12.97	6.02
D. Nominal Value per Equity Share (In Rupees)	10.00	10.00

14. Events Occurring after Balance Sheet Date

The company has issued warrants representing 59,00,000 equity shares of Rs. 10 each to the promoters on 12th June 2007 at Rs. 77/- per share.

15. Consolidated Financial Statements**Criteria for Preparation of Consolidated Financial Statements:**

- (a) 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.
- (b) 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:-

- (i) 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.
- (ii) The difference between the costs of investments in the subsidiary company and the net assets is recognized in the financial statements as Capital Reserves/Goodwill upon consolidation.
- (iii) 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.

16. Dues to Small Scale Industrial Undertakings

As on 31.03.2007 the company had Rs. NIL outstanding dues to Small Scale Undertakings (Previous Year:- Rs. NIL).

17. Provision for Doubtful Debts:

Debtors includes dues from Microcity India Limited of Rs. 1,15,63,701/- (Previous Period Rs. 1,15,63,701/-), 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.

BSEL Infrastructure Realty (FZE):- Bad debts are written off as and when they arise.

18. Prior Period Items

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

19. Expenditure on employees in respect of salary not less than Rs. 6,00,000/- per annum or Rs. 50,000/- per month when employed for the part of the period Rs.16.55 Lacs as given below (Previous year Rs. 20.69 Lacs).

Name	Salary Paid during year	Contribution To PF	Incentives	Total
Shashank Joshi Managing Director	6,00,000	Nil	Nil	6,00,000
Sonali Chawda GM - Legal	3,00,000	Nil	Nil	3,00,000
Manju Tripathi Head - Finance	4,10,417	Nil	Nil	4,10,417
Chandrashekhar Ogle GM- Land	3,45,194	Nil	Nil	3,45,194
Total	16,55,611			16,55,611



21. 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.
22. 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.
23. All the Loans and Advances (Assets) and Current Assets and Current Liabilities are subject to confirmation from the respective parties.
24. Balance of Unpaid Dividend Account as at 31st March, 2007 is Rs. 3,75,197/-
25. 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 Jain

Partner

For BSEL INFRASTRUCTURE REALTY LIMITED

Kirit R. Kanakiya

Chairman

Dharmendra Raichura

Managing Director

Priya Singhal

Company Secretary

PLACE: Mumbai

DATE : 28.06.2007

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 in 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 Infrastructure Division is recognized on the basis of AS-7 Construction Contracts (Revised). Considering the progress of the work, Architects have estimated the stage of completion of 100% upto the reporting date. However, the company has followed a conservative accounting practice while considering the sales classification and it has recognized the sales on the basis of actual bookings.

The percentage completed accounting method is used for projects under construction.

BSEL Infrastructure Realty (FZE) income is accounted on accrual basis.

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 period 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 period in which they are incurred.

e. Deferred Tax

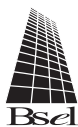
Pursuant to the Accounting Standard (AS-22) on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India having been made mandatory, the Company has evaluated the various elements of tax computation to determine whether any deferred tax asset or liability needs to be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

In accordance with Accounting Standard, the assets are reviewed for impairment at each year end. An impairment loss is recognized in the statement of Income if the carrying amount of an assets 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 is charged on pro-rata basis for assets purchased / sold during the year. The management's estimate of useful life for various fixed assets is 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. Cost is depreciated over the estimated useful lives on straight line basis at the following rates :-

Computer 50% per annum

Furniture and Fixtures 50% per annum

3. INVESTMENT

Current investments are stated at lower of cost and fair value. 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 defining contribution plan. Both the employees and the Company make 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 Jain

Partner

For BSEL INFRASTRUCTURE REALTY LIMITED

Kirit R. Kanakiya

Chairman

Dharmendra Raichura

Managing Director

Priya Singhal

Company Secretary

PLACE: Mumbai

DATE : 28.06.2007

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

Particulars	Consolidated with WOS
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net profit before tax & extraordinary items	839,528,560
Adjustments for :-	
Depreciation	3,193,737
Other Income	(117,286,530)
Operating profits before working capital changes	725,435,767
Adjustments for :-	
Sundry Debtors	(243,883,258)
Deposits (Assets) Loans & Advances	(88,289,184)
Inventories	(942,054,322)
Provision for Tax	(70,256,500)
Trade Payable and other liabilities	35,903,022
Net cash from operating activities	(583,144,475)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Sale/(Purchase) of investment	(27,547,211)
Sale/(Purchase) of fixed assets	(2,830,856,102)
Net cash from investing activities	(2,858,403,313)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Share Capital & Premium (adjusted)	1,259,592,902
Other Income	117,286,530
Dividend including dividend tax	142,044,023
Other Unsecured Loans	1,951,950,000
Loan from Bank	258,127,978
Net cash from financing activities	3,729,001,433
Net increase/(decrease) in cash & cash equivalent	287,453,645
Cash & Cash equivalent opening balance	-
Cash & Cash equivalent closing balance	287,453,645

For BSEL INFRASTRUCTURE REALTY LIMITED


Kirit R. Kanakiya
Chairman



Dharmendra Raichura
Managing Director



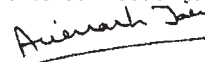
Priya Singhal
Company Secretary

PLACE : Mumbai
DATE : 28.06.2007

AUDITORS' CERTIFICATE

We have examined the attached Consolidated Cash Flow Statement of M/S. BSEL INFRASTRUCTURE REALTY LIMITED, for the year ended 31st March, 2007. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with the 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 Jain
Partner

Membership No. : 41689

Place : Mumbai
Date : 28.06.2007



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

I. REGISTRATION DETAILS

Registration Number	:	94498
State Code Number	:	11
Balance Sheet Date	:	31.03.2007

II. CAPITAL RAISED DURING THE YEAR

Public Issue (Issue through the prospectus)	:	22,780,000
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	:	Rs. 2289243
Total Assets	:	Rs. 2289243

SOURCES OF FUNDS

Paid Up Capital	:	Rs. 593200
Reserves & Surplus	:	Rs. 1437916
Secured Loan	:	Rs. 258127
Unsecured Loan	:	Rs. NIL

APPLICATION OF FUNDS

Net Fixed Assets	:	Rs. 42724
Investments	:	Rs. 406164
Net Current Assets	:	Rs. 1840355
Misc. Expenditure	:	NIL
Accumulated Losses	:	NIL

IV. PERFORMANCE OF COMPANY

Turnover	:	Rs. 1163773
Total Expenditure	:	Rs. 487914
Profit Before Tax	:	Rs. 673577
Profit After Tax	:	Rs. 603320
Earning Per Share	:	Rs. 10.17
Dividend Rate (%)	:	21% (Interim Dividend)

V. GENERIC NAME OF PRINCIPAL PRODUCT OF THE COMPANY

(As per monetary terms)

Item Code No.	:	---
Product Description	:	Infrastructure Activity

NOTICE OF THE ANNUAL GENERAL MEETING:

Notice is hereby given that the Twelfth Annual General Meeting of the Members of BSEL Infrastructure Realty Limited will be held on Tuesday, the 25th day of September 2007 at 10.00 A.M. at Abbott Hotel, Sector 2, Vashi, Navi Mumbai- 400 703 to transact the following business:

Ordinary Business:

1. To consider and adopt the Balance Sheet as at 31 March 2007, the Profit & Loss Account for the year ended on that date and the reports of Board of Directors and Auditors thereon.
2. To approve payment of Interim Dividend.
3. To appoint Director in place of Mr. Hitesh Vora who is liable to retire by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 21st September 2007 to Tuesday, 25th September 2007 (both days inclusive) in connection with the Annual General Meeting.
4. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
5. The Members are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any, to the Registrars and Share Transfer Agent of the Company at the following address:
Sharex Dynamic (India) Private Limited
(Unit: BSEL Infrastructure Realty Limited)
Unit No. 1, Luthra Industrial Premises,
Safed Pool, Andheri-Kurla Road,
Andheri (East),
Mumbai - 400 072
Tel: (022) 2851 5606/44, Fax: (022) 2851 2885
6. Shareholders who have not encashed the dividend warrants so far are requested to make their claim to the company's Registrars and Share Transfer Agents at the above mentioned address.

Registered Office:

BSEL Tech Park, Plot No. 39/5 & 39/5A,
Sector 30A, Opp. Vashi Railway Station Complex,
Vashi, Navi Mumbai- 400 705

Dated : 09.08.2007

**By order of the Board of Directors
For BSEL Infrastructure Realty Ltd.**



**Priya Singhal
Company Secretary**



NOTES

[illegible]

BSEL INFRASTRUCTURE REALTY LIMITED
Registered Office: BSEL Tech Park, Plot No. 39/5, 39/5A, Sector 30A,
Vashi, Navi Mumbai - 400 705

ATTENDANCE SLIP

Twelfth Annual General Meeting - September 25, 2007

Regd. Folio No./DP ID/ Client ID

No. of Shares held

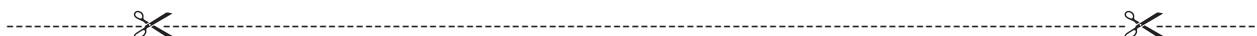
I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the TWELFTH ANNUAL GENERAL MEETING of the Company at Abbott Hotel, Sector 2, Vashi, Navi Mumbai- 400703 on Tuesday, the 25th day of September 2007 at 10.00 a.m.

.....
 Name of the member / Proxy
 (IN BLOCK LETTERS)

.....
 Signature of member / proxy

*Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.
 Members are requested to bring their copies of the Annual Report to the meeting.*



BSEL INFRASTRUCTURE REALTY LIMITED
Registered Office: BSEL Tech Park, Plot No. 39/5, 39/5A, Sector 30A,
Vashi, Navi Mumbai - 400 705

PROXY FORM

Regd. Flio No./DP ID/ Client ID

I/We.....of..... in the district of
 being a member / members of the Company hereby appoint..... of
 in the district of or failing him/herof
 in the district of..... as my / our proxy to vote for me / us on my / our behalf at the TWELFTH ANNUAL GENERAL MEETING of the Company to be held at Abbott Hotel, Sector 2, Vashi, Navi Mumbai - 400 703 on Tuesday, the 25th day of September 2007 at 10.00 a.m. and at any adjournment(s) thereof.

Signed this.....day of2007

Affix Re.1.00
 Revenue Stamp

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



Bsel
**Pearl
Tower**



**Rs. 4,500/-
per sq. ft.**

**15%
per annum
Guaranteed
Return**

Salient Features:

- ✧ UAE family residence visa for buyers
- ✧ 100% free hold ownership property
- ✧ G+06 parking floors + podium floor + 40 floors + services floors + health club + pool-floor
- ✧ Earthquake resistant design
- ✧ High speed elevators and round the clock security
- ✧ Panoramic view from every apartment
- ✧ Elegant, Luxurious and Royal Living
- ✧ Affordable rates

Amenities:

- ✧ 1,2 & 3 bedroom apartments of 800 sq. ft to 2,000 sq. ft.
- ✧ Centralized air-conditioning in the entrance, passages and apartments
- ✧ Covered car parking
- ✧ High efficiency area with adequate back-up power through D.G. sets





BSEL Infrastructure Realty Limited

BSEL Tech Park, Plot No. 39/5 & 39/5A, Sector 30A, Vashi, Navi Mumbai - 400 705
Tel. : + 9122 6512 3123 / 6795 5000 • Fax : + 9122 2781 2411 • E-mail : info@bsel.com