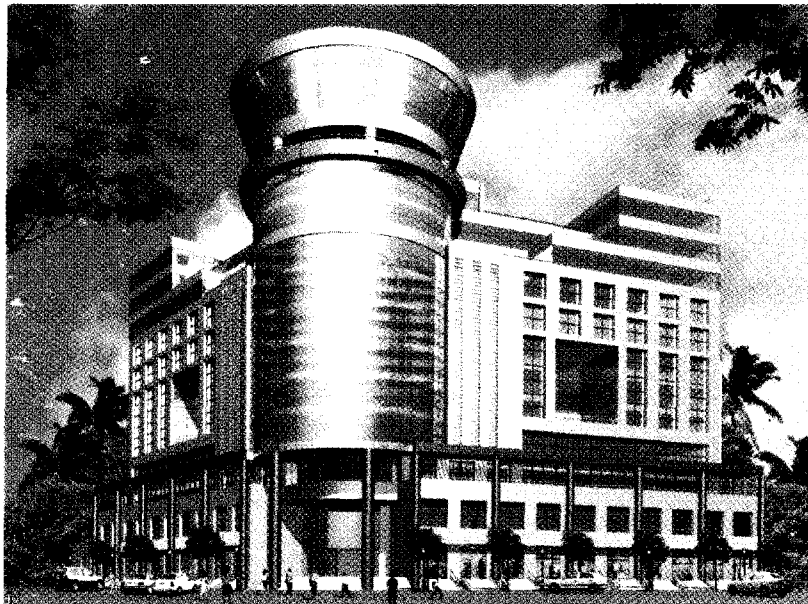




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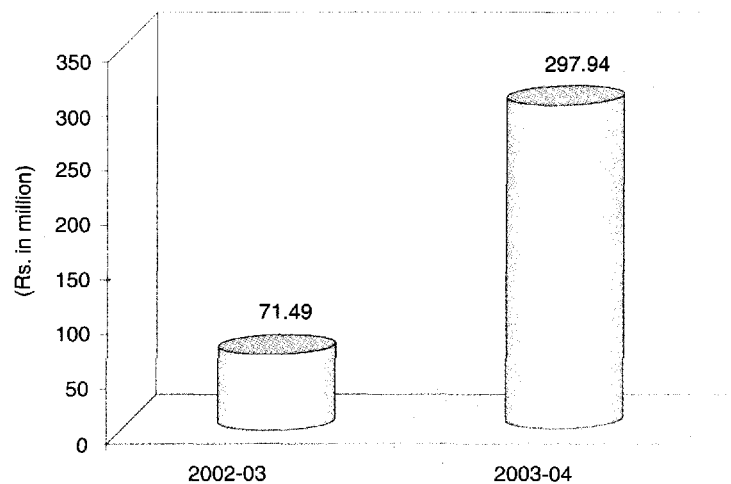
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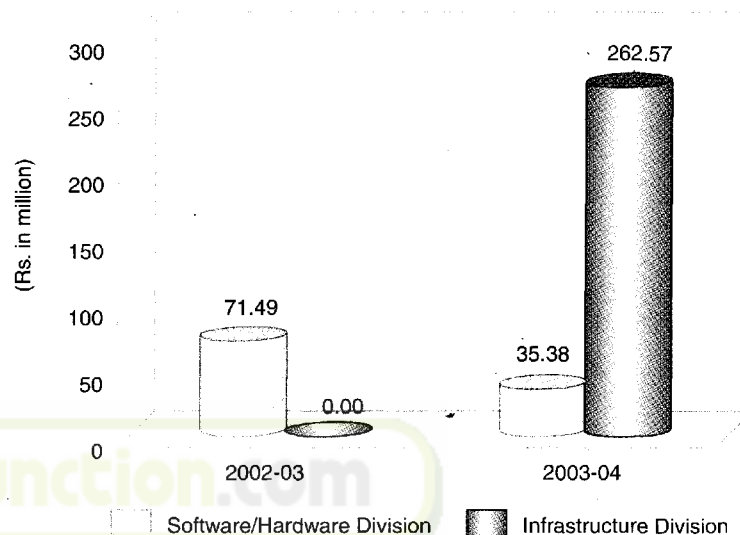
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Annual Report
2003-2004

Sales

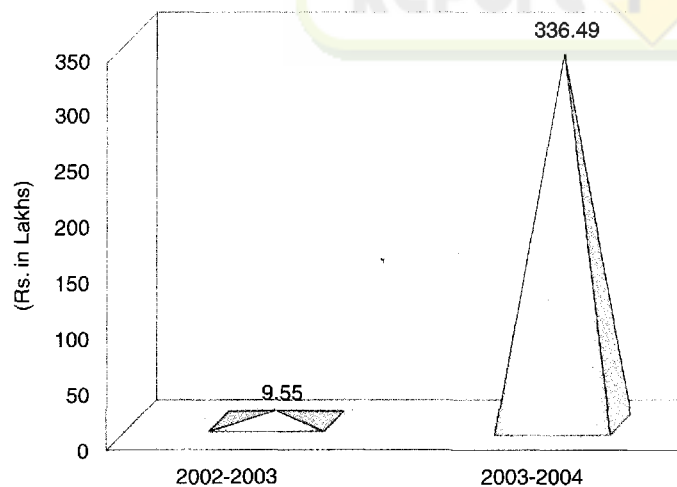


Financial Highlights - 2004

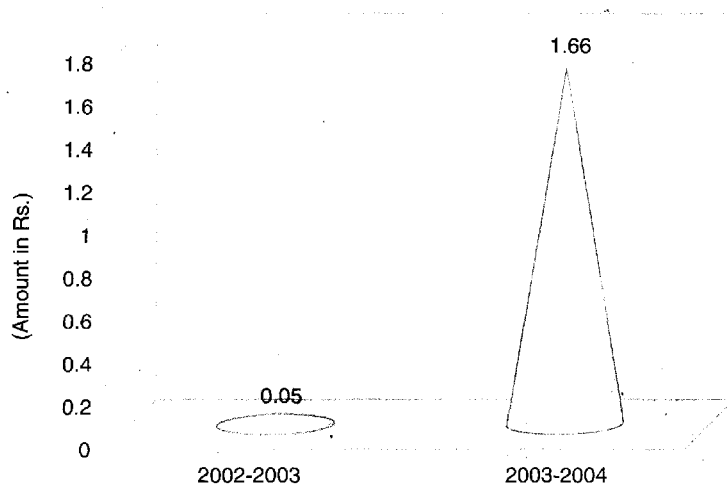
Revenue Breakup



Profit After Tax

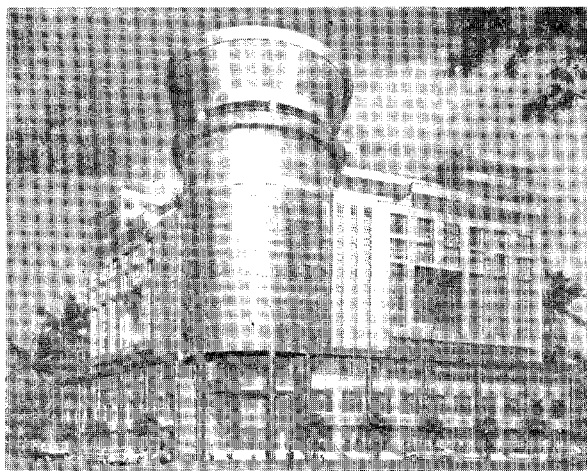


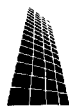
EPS



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BSL Infrastructure Realty Limited

BSEL INFRASTRUCTURE REALTY LIMITED

BOARD OF DIRECTORS

| | |
|-------------------------|-----------------------------------|
| Mr. Kirit R. Kanakiya | Chairman cum Managing Director |
| Ms. Pooja Tyagi | Executive Director |
| Mr. Dharmendra Raichura | Executive Director |
| Mr. Manish Kanakiya | Non-Executive Director |
| Mr. Hitesh Vora | Non-Executive Director |
| Ms. Sheetal Patil | Non-Executive Director |
| Mr. Vijay Jain | Non-Executive Director |

COMPANY SECRETARY

Ms. Divya Momaya

REGISTERED OFFICE

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

CORPORATE OFFICE

K-203, 2nd Floor,
Tower No. 6,
International Infotech Park,
Vashi, Navi Mumbai - 400 705.

MAIN BANKERS

State Bank of India

OTHER BANKERS

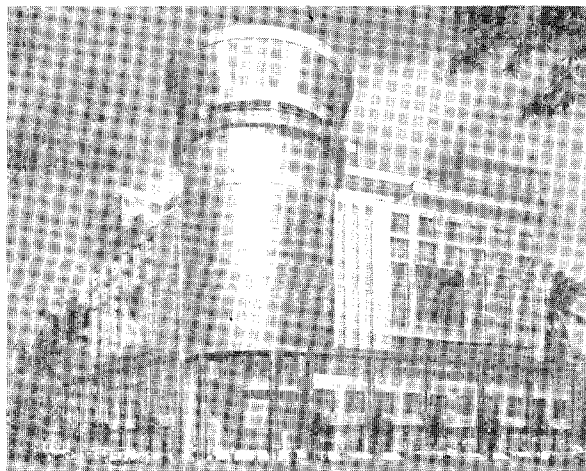
UTI Bank Limited
Punjab National Bank
ICICI Bank Limited

AUDITORS

M/S Raju and Prasad
Chartered Accountants

REGISTRARS & SHARE TRANSFER AGENTS

Sharex (India) Pvt. Ltd.
17-B, Dena Bank Building,
2nd floor, Horniman Circle, Fort,
Mumbai-400 001



NOTICE OF THE ANNUAL GENERAL MEETING:

Notice is hereby given that the Ninth Annual General Meeting of the Members of BSEL Infrastructure Realty Limited will be held on Monday, the 20th day of September 2004 at 11.00 A.M. at BSEL Tech Park, Plot No. 39/5 & 39/5A, Opp. Vashi Railway Station, Sector-30A, Vashi, Navi Mumbai- 400705 to transact the following business:

Ordinary Business:

1. To consider and adopt the Balance Sheet as at 31 March 2004, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To re-appoint a Director in place of Hitesh Vora who retires by rotation and being eligible offers himself for re-appointment.
3. 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. M/s. Raju & Prasad, Chartered Accountants, the retiring Auditors, being eligible, offer themselves for reappointment.

Special Business:

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

"RESOLVED THAT Manish Kanakiya, who was appointed as an Additional Director by the Board of Directors as on 01 September 2003, in accordance with Article 133 of the Articles of Association of the Company and who holds office as a Director under Section 260 of the Companies Act, 1956, up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from members proposing his candidature for the office of Directors, be and is hereby appointed as a Non-executive Director of the Company liable to retire by rotation."

5. **To consider and, if thought fit, to pass, with or without modification, the following resolution, as a Ordinary Resolution:**

"RESOLVED THAT Sheetal Patil, who was appointed as an Additional Director by the Board of Directors as on 20 January 2004, in accordance with Article 133 of the Articles of Association of the Company and who holds office as a Director under Section 260 of the Companies Act, 1956, up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from members proposing her candidature for the office of Directors, be and is hereby appointed as a Non-executive Director of the Company liable to retire by rotation."

6. **To consider and, if thought fit, to pass, with or without modification, the following resolution, as a Ordinary Resolution:**

"RESOLVED THAT Vijay Jain, who was appointed as an Additional Director by the Board of Directors as on 23rd February 2004, in accordance with Article 133 of the Articles of Association of the Company and who holds office as a Director under Section 260 of the Companies Act, 1956, up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from members proposing his candidature for the office of Directors, be and is hereby appointed as a Non-executive Director of the Company liable to retire by rotation."



BSEL Infrastructure Realty Limited

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

2. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting, is given below and forms part of the Notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 15th September 2004 to 20th September 2004 (both days inclusive) in connection with the Annual General Meeting.
4. 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 (India) Private Limited

(Unit: BSEL Infrastructure Realty Limited)

17-B, Dena Bank Building, 2nd Floor,

Horniman Circle, Fort,

Mumbai- 400 001

Tel: (022) 22702485, Fax: (022) 22641349

Contact Person: T. Sashikumar

By Order of the Board of Directors

Place : Navi Mumbai

Date : 31.07.2004

Divya Momaya

Company Secretary

Registered Office:

BSEL Tech Park,

Plot No. 39/5 & 39/5A,

Opp. Vashi Railway Station,

Sector-30A, Vashi,

Navi Mumbai- 400 705.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

The following Explanatory Statements set out all the material facts relating to the business mentioned in the accompanying notice dated 31 July 2004.

Item No. 4:

Manish Kanakiya was appointed as an Additional Director of the Company on 01st September 2003. According to the provisions of Section 260 of the Companies Act, 1956 read with Article 133 of the Articles of Association of the Company, he holds office only upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from some of the Members of the Company proposing his appointment as Director under the provisions of Section 257 of the Companies Act, 1956 along with requisite deposit.

Manish Kanakiya is a Diploma holder in Computer Technology having varied experience of more than two years in computer software development. The Board considers that his wide and varied experience would indeed strengthen and broad base the Board of the Company and hence propose the resolution for shareholders' approval.

The Board commends the resolution for your adoption.

Item No. 5:

Sheetal Patil was appointed as an Additional Director of the Company on 20th January 2004. According to the provisions of Section 260 of the Companies Act, 1956 read with Article 133 of the Articles of Association of the Company, she holds office only upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from some of the Members of the Company proposing her appointment as Director under the provisions of Section 257 of the Companies Act, 1956 along with requisite deposit.

Sheetal Patil is a Qualified Cost & Works Accountant having varied experience in Accounting, Auditing and income tax related matters for various listed, public and private companies.

In addition, she has a vast knowledge and exposure in the field of Cost Management & Cost Control, Budgeting, Variance Analysis, Project Feasibility Analysis etc. The Board considers that her wide and varied experience would indeed strengthen and broad base the Board of the Company.

The Board commends the resolution for your adoption.

Item No. 6:

Vijay Jain was appointed as an Additional Director of the Company on 23 February 2004. According to the provisions of Section 260 of the Companies Act, 1956 read with Article 133 of the Articles of Association of the Company, he holds office only upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from some of the Members of the Company proposing his appointment as Director under the provisions of Section 257 of the Companies Act, 1956 along with requisite deposit.

Vijay Jain aged about 44 years, is the Chartered Accountant by profession and has a varied experience in practice since past 12 years. In his long stint profession, he has acquired the vast expertise in the fields of taxation, consulting, auditing and supervision. The main areas of audit are company, Banks and other tax audits.

The Board considers that his wide and varied experience would indeed strengthen, professionalise and broad base the Board of the Company.

The Board commends the resolution for your adoption.

Memorandum of Interest:

Manish Kanakiya may be regarded as interested in the resolution under Item No. 4.

Sheetal Patil may be regarded as interested in the resolution under Item No. 5.

Vijay Jain may be regarded as interested in the resolution under Item No. 6.

Except as stated above, none of the Directors is interested in any of the above proposals other than to the extent of their shareholdings in BSEL Infrastructure Realty Limited.

By Order of the Board of Directors

Place : Navi Mumbai

Date : 31.07.2004

Registered Office:

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

Divya Momaya
Company Secretary



BSEL Infrastructure Realty Limited

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Ninth Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the year ended 31st March 2004.

1. FINANCIAL OVERVIEW

(Rs. In Lacs)

| Particulars | Year Ended 31 March 2004 | Year Ended 31 March 2003 |
|------------------------------------|-----------------------------|-----------------------------|
| Profit before Depreciation and Tax | 378.84 | 63.23 |
| Less: Depreciation | 9.60 | 47.77 |
| Profit Before Tax | 369.24 | 15.46 |
| Less: Provision for Taxation | 32.75 | 5.91 |
| Profit After Tax | 336.49 | 9.55 |

2. COMPANY'S BUSINESS GROWTH AND PROSPECTS

The Year under Review was one of the excellent years in the history of BSEL because of the outstanding response received to its First Sophisticated Technology Park- "BSEL Tech Park", at Vashi, Navi Mumbai. During the year, your company also got the Prestigious Status of ISO "9001-2000" Certification for its on-going project.

Further, this project of Rs. 60.00 Crores has been appraised and financed by State Bank of India to the tune of Rs. 10.00 Crores.

Under Software segment, the company's main thrust during the year was to sale the piled stock of software and at the same time the company is also in the process of reviving its software business under the roof of software division of the company.

In the infrastructure activity, your company is confident to bag many bigger infrastructure projects in the near future. BSEL TECH PARK, its first venture, is a state of the art facility located strategically right opposite the Vashi Railway Station. As known to all, the project is a highly sophisticated Tech Park and commercial complex comprising of basement, ground floor and 12 floors admeasuring about 25,000 square feet area per floor. Revolving Restaurant on the top is the added attraction of this Techno-commercial hub. The BSEL Tech Park is to be developed as a premium complex and will primarily cater to the needs of Multi-national Companies (MNCs) and Big Corporate Houses.

The Construction of Tech Park is in the advance stage of Completion and is expected to be completed by February 2005.

The Project has been registered with the Secretariat for Industrial Assistance, Government of India under "The Industrial Park Scheme-2002". Further, the project is approved by the Government of Maharashtra as a Private Technology Park, which is the first Private Technology Park in entire Navi Mumbai. Further, Your Company also received the Fresh Certificate of Incorporation from the ROC, Maharashtra for changing the name of the Company to BSEL Infrastructure Realty Limited so as to reflect the true nature of business activity.

Management believes that with the improvement in market demand, boost in net sales recognition and through incessant cost control efforts, your company would accomplish even better performance and turnaround in the financial year 2004-05.

3. DIVIDEND

As the company is looking forward to take bigger projects in the immediate future, your directors wish to use the funds for such projects and express their inability to recommend payment of dividend for the year ended 31st March 2004.

4. DIRECTORS

Alpa Hakani ceased to be a Director of the Company with effect from 01st September 2003 due to her other pre-occupations. Shashank Joshi ceased to be a Director of the Company with effect from 20th January, 2004

due to his other pre-occupations. The Board placed on record its appreciation of the valuable services rendered by Alpa Hakani and Shashank Joshi during their tenure as Directors of the Company.

Dilip Kanakiya was appointed as the Additional Non-Executive Director of the company with effect from 01st September 2003 and resigned from the Board with effect from 14th May 2004 due to his other pre-occupations.

Manish Kanakiya was appointed an Additional Non-Executive Director of the Company with effect from 01st September 2003. Sheetal Patil was appointed an Additional Non-Executive Director of the Company with effect from 20th January 2004. Vijay Jain was appointed an Additional Non-Executive Director of the Company with effect from 23rd February 2004. Pursuant to Section 260 of the Companies Act, 1956, these directors retire at the conclusion of the ensuing Annual General Meeting. The Company has received notices in writing under Section 257 of the Companies Act, 1956, along with the requisite deposit proposing their candidature for the office of Directors of the Company. Your Directors recommend their appointment as Directors vide resolution no. 4, 5 & 6 respectively, of the notice of the Ninth Annual General Meeting.

A brief profile of Manish Kanakiya, Ms Sheetal Patil and Vijay Jain is provided elsewhere in this Annual Report as Additional Information.

Dharmendra Raichura & Pooja Tyagi were appointed as the Additional Directors by the Board in their meeting held on 23rd February 2004 and then appointed as Executive Directors for a term of one year from 23rd February 2004 to 22nd February 2005, by the shareholders in their Extra-Ordinary General Meeting held on 25th March, 2004.

Persuant to Article 149 & 150 of Articles of Association of Company, Hitesh Vora is to retire by rotation of the Annual General Meeting and is eligible for reappointment. A brief profile of Hitesh Vora is provided elsewhere in this Annual Report.

During the year, the main thrust of the Board of Directors was to professionalise the Board by way of restructuring and appointed the professional independent directors and executive directors on the Board whose professional experience would enable the Board to take efficient strategic decisions.

5. AUDITORS

M/s. Raju & Prasad, Chartered Accountants retire at the conclusion of the Annual General Meeting. They have revealed their willingness to continue as Auditors if re-appointed. The Company has received a certificate from them to the effect that their appointment, if made, will be within the prescribed limits under section 224(1B) of the Companies Act, 1956. Members are requested to appoint Auditors and fix their remuneration.

6. DEPOSITORY SYSTEMS

Your Company continues with an arrangement with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for dematerialization of your Company's Securities in accordance with the provisions of the Depositories Act 1995, which is fully operational and members may avail of such facilities. With this, the Members have the option /discretion to hold their Demat shares in the Company through the National Securities Depository Limited or the Central Depository Services (India) Limited.

7. CORPORATE GOVERNANCE

The Company has complied with all the recommendations of the Corporate Governance Code as provided in Clause 49 of the Listing Agreement. A Report on Corporate Governance along with the Certificate from the Auditors confirming the compliance with the conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is given as Annexure to this Report.

A Management Discussion & Analysis Report also accompanies this Report of the Directors.

8. INTERNAL CONTROL SYSTEMS

Your Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording its operations in all material respects and guard against any misuse or loss of company assets. The Company has an internal audit team with professionally qualified financial personnel, which conduct periodic audits of all businesses to maintain a proper system of checks and control.

9. DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors' confirm that:-



BSEL Infrastructure Realty Limited

- In the preparation of the annual accounts for the financial year ended 31 March 2004, the applicable accounting standards have been followed.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2004 and of the profit or loss of the Company for the year ended 31st March, 2004.
- 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.
- The Directors have prepared the annual accounts for the year under review on a going concern basis.

10. STATUTORY INFORMATION

A. DEPOSITS

The Company did not accept any deposits from the public and the provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company.

B. PERSONNEL

None of the employees of the Company come under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

C. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

a) Conservation of Energy

The operations of your company are not energy intensive as company is not engaged in manufacturing activity and your company is not under the list of industries which should furnish information in form A (Rule-2). However, the company has taken adequate measures to conserve the energy in regular operations at its site and offices.

b) Technology Absorption

No technology has been developed and no technology has also been imported by way of foreign collaboration.

c) Foreign Exchange Earnings and Outgo

During the year the Company has not incurred any expenditure in foreign currency. The Foreign Exchange earned during the year is Rs.273.64 Lacs on cash basis and Rs.342.55 Lacs on accrual basis.

11. LISTING

The shares of your Company are listed at The Stock Exchange, Mumbai and National Stock Exchange of India. The listing fees for the year 2004-2005 have been paid by the Company.

12. ACKNOWLEDGMENTS

BSEL is progressively gaining caliber in quality & cost benchmarks and aims to build shareholder value and sustain its performance track record. Your Directors look forward to the future with confidence.

Your Directors wish to place on record its appreciation for the wholehearted and sincere co-operation and able guidance and support, the company received from all concerned including, Banks, Stock Exchange Authorities, SEBI, Government and Semi- Government Bodies of the Central and State Government and also for the unstinted support extended by you, the shareholders.

Your directors also wish to place on record their appreciation for the good efforts put in by the employees of the Company who through their commitment, co-operation, support and elegant work have enabled the Company to achieve rapid growth.

For & on behalf of the Board

Place: Navi Mumbai

Date : 31.07.2004

Kirit R. Kanakiya

Chairman cum Managing Director