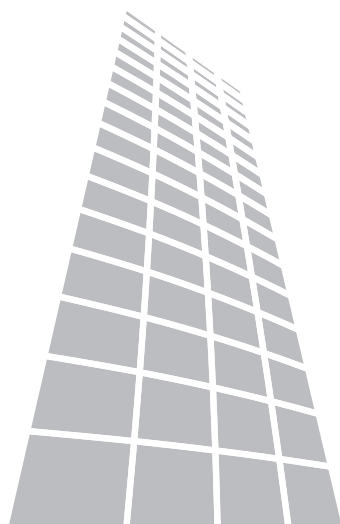


# **BSEL INFRASTRUCTURE REALTY LIMITED**

**18th Annual Report  
2012-2013**



**Bsel**

# BSEL INFRASTRUCTURE REALTY LIMITED

## BOARD OF DIRECTORS

Kirit R. Kanakiya	Non Executive Director
Disha Devrukhkar	Whole Time Director
Hitesh Vora	Non-Executive Independent Director
Dipal Muchhala	Non-Executive Independent Director

## COMPLIANCE OFFICER

Disha Devrukhkar

## REGISTERED OFFICE

737, 7th Floor, The Bombay Oil Seeds  
& Oil Exchange Premises Co.op Soc. Ltd.,  
The Commodity Exchange,  
Plot No. 2,3 & 4, Sector 19,  
Vashi, Navi Mumbai – 400 705

## UAE

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

## MALAYSIA

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

## REGISTRAR & SHARE TRANSFER AGENT

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

## AUDITORS

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

## ADVISORS

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

## REGISTRAR & DEPOSITORY FOR GDRs

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

## BANKERS

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

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## DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present their 18th Annual Report, to the members, on the business and operations of BSEL Infrastructure Realty Limited (hereafter referred to as 'BSEL') together with the Audited Annual Accounts for the financial year ended March 31, 2013.

### FINANCIAL HIGHLIGHTS OF BSEL INFRASTRUCTURE REALTY LTD.

(₹ In lacs)

Particulars	Consolidated		Standalone	
	2013	2012	2013	2012
<b>Year ended March 31</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Total Income</b>	<b>201.17</b>	<b>(1,934.38)</b>	<b>198.29</b>	<b>208.09</b>
Total Expenditure	(212.90)	(1,896.02)	(167.82)	(514.77)
<b>Profit before tax and Extraordinary Items</b>	<b>(11.73)</b>	<b>(3,830.40)</b>	<b>30.47</b>	<b>(306.68)</b>
Extraordinary Items	(2.65)	(24,141.43)	2.65	(1.51)
<b>Profit/(Loss) before tax</b>	<b>(14.38)</b>	<b>(27,971.83)</b>	<b>27.82</b>	<b>(308.19)</b>
Provision for tax (including deferred tax )	35.79	46.32	35.79	(35.34)
<b>Profit/(Loss) After Tax – Transferred to Balance Sheet</b>	<b>(50.17)</b>	<b>(27,925.51)</b>	<b>(7.97)</b>	<b>(272.85)</b>

### Review of Operations

Stand alone income for the year under review is ₹ 198.29 lacs and the stand alone net loss is ₹ 7.97 lacs. Your Company was able to minimize its loss as compared to the last year standalone loss. The company had to suffer with a consolidated loss of ₹ 50.17 Lacs due to its cautious approach with intention to maintain its liquidity position intact.

### Dividend

Directors of the Company are unable to declare any dividend for the Financial year ended on March 31, 2013 as company suffered with a loss in the financial year under consideration.

### Share Capital

The share capital of the Company remained unchanged during the year under review. The total Equity Share Capital of the Company is comprised of 82,616,840 Equity Shares of ₹ 10/- each.

### Global Depository Receipts

Outstanding Global Depository Receipts as on March 31, 2013 are 183,647. No conversion of GDRs into shares was noted during this financial year.

### Quality Assurance

The Company firmly believes in the pursuits of excellence in this ever growing infrastructure and realty sector. Our focus has been on providing consistently quality products and services to our clients.

### Subsidiaries

Ministry of Corporate Affairs (MCA) issued General Circular No. 2/2011 vide letter no. 51/12/2007-CL-III dated February 8, 2011, through which it granted a General Exemption to companies from attaching Directors' Report, Balance Sheet and Profit & Loss Account of subsidiaries to its Balance Sheet. The Conditions prescribed by the MCA, for availing exemption under this circular, have been fulfilled by your Company.

BSEL is having three Wholly Owned Subsidiaries including step down subsidiaries named (I) BSEL Infrastructure Realty FZE (II) BSEL Infrastructure Realty Sdn. Bhd. and (III) BSEL Waterfront Sdn. Bhd. Balance Sheets, Profit & Loss accounts, Reports of the Directors and



Auditors will be made available upon request by any member on application and will also be kept for inspection at the Registered Office of your Company. The financial data of the subsidiaries has been furnished alongwith the statement pursuant to Section 212 of the Companies Act, 1956 forming part of the Annual Report. Also, pursuant to Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India and listing agreement, your Company has presented the consolidated financial statements which include the financial information relating to its subsidiaries and forms part of the Annual Report.

### **Depository Systems**

The Company continues with its arrangement with National Securities Depository Limited (NSDL) and Central Depository Services (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 demated shares with NSDL and / or CDSL.

### **Directors**

Mr. Dippal Muchhala was appointed as an Additional Non-Executive Director in the Board Meeting held on June 18, 2013. His appointment is further approved by members of the company in the ensuing Annual General Meeting which will be held on September 30, 2013.

Mr. Hitesh Vora, Non - Executive Director, retires at this annual general meeting by rotation and being eligible offers himself for reappointment. The board recommends the re-appointment of Mr. Hitesh Vora, as a Non-Executive Director of the Company.

Mr. Vijay Jain has resigned from Independent Director on December 20, 2012. The Board has duly accepted his resignation in their meeting held on December 27, 2012 and has relived him from his duties and responsibilities in the capacity of Independent Director.

### **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 under consideration the applicable Accounting Standards have been followed.
2. The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the Profit & Loss of the Company for the year under consideration.
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

### **Corporate Governance**

A detailed report on corporate governance is part of this annual report. Certificate of the statutory auditors of the Company regarding compliance with the provisions of corporate governance as stipulated in clause 49 of the listing agreement is also provided in the Corporate Governance Report.

### **Deposits**

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

### **Auditors**

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

### **Comments on Auditors' Report**

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

**Particulars of Employees**

AAs required by the provisions of 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.

**Conservation of energy, research & development, technology absorption, foreign exchange earnings and outgo**

Disclosure under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) 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:** There are no foreign exchange earnings during the year. Company has paid AED 10,500 to the Auditor of the Wholly Owned Subsidiary towards the Audit Fees for the year 2011-12.

**Acknowledgment**

The directors sincerely appreciate the contributions made by all employees and business associates who have supported the Company to stand firmly in the critical and challenging situations of emerged out of economic crisis. Your 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 other associated with the activities of the Company. Your directors would also like to acknowledge the continued support of the Company's shareholders.

**For and on behalf of the Board**

Place : Navi Mumbai  
Date : August 14, 2013

Sd/-  
**Disha Devrukhkar**  
**Whole Time Director**



## CORPORATE GOVERNANCE REPORT

### Corporate Governance - BSEL's Philosophy

Corporate governance has succeeded in attracting a good deal of public interest because of its apparent importance for the economic health of corporations and society in general. BSEL firmly recognises that observance of Corporate Governance is an integral part of an organisational system as it's a key for an indeed important harmonised relationship among stakeholders of the company. Keeping eye on this, BSEL endeavours to adopt infallible policies for corporate governance to be implemented in the interest of stakeholders which ultimately benefits to organisation even.

### Board of Directors

The Board of Directors, an apex body formed by the shareholders and entrusted with the responsibility to serve and protect the overall interests of stakeholders. Making allowance for this, BSEL always endeavoured to have righteous board panel composed of eminent personalities in various fields.

The company was having an optimum combination of directors as required by Listing Agreement as March 31, 2013. In the Board Meeting held on June 18, 2013, the Board appointed Mr. Dippal Muchhala as an Additional Non-Executive Director. Further, Mr. Vijay Jain, Non-Executive Independent Director, resigned from the office of the Director and the same was duly accepted by Board in their meeting held on December 27, 2012.

### Information Placed Before the Board

- Operating and financial plans for its review, modifications and necessary approvals;
- Quarterly results and half yearly statement of Assets and Liabilities of the Company;
- Minutes of meetings of Audit Committee and other committees of the Board;
- The information on recruitment and remuneration of senior officers just below the Board level;
- Changes in Board of Directors and Management of the Company including core management of subsidiary;
- Change in Registered Office of the Company;
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Details about dividend data;
- General notices of interest of directors;
- Details of Investment made by the Company and plans for further investment;
- Opportunities available for Raising funds, if required, for the operations of the Company.

The Board met 5 (Five) times during the year under review and the dates of such meetings are as follows:

(1) May 30, 2012; (2) August 14, 2012; (3) November 12, 2012; (4); December 27, 2012; (5) February 12, 2013.

The below given detailed table describes about attendance of Directors at Board Meetings and Annual General Meeting held during the last financial year. Further, it also provides with shareholding in and details of Memberships and Chairmanships of Committees of BSEL and also about the Directorships in other companies.

Name of Directors	Kirit R. Kanakiya	Vijay Jain	Hitesh Vora	Disha Devrukhkar	Dipal Muchhala
Category	Promoter Director, Non-Executive Chairman	Non-Executive Independent Director	Non-Executive Independent Director	Whole Time Director	Non-Executive Independent Director
Date of appointment	April 1, 1998	February 23, 2004	August 31, 2001	December 28, 2011	June 18, 2013
Directorship in other companies	2	0	0	0	0
Chairmanship / Membership in committees of Board of other companies	0	0	0	0	0
No. of Board meetings attended	5	3	4	5	NA
Attendance at last AGM	YES	NO	YES	YES	NA
No. of shares held as on March 31, 2013	4,942,180	NIL	6,500	NIL	900
Director Identification Number	00266631	00594901	00342768	05156891	06628759

**Notes:**

1. Mr. Dipal Muchhala was appointed as Additional Non-Executive Director on the Board of the Company in the Board Meeting held on June 18, 2013. His appointment is subject to approval of members in the ensuing Annual General Meeting.
2. None of the independent directors have any pecuniary interest or relationship with the Company apart from sitting fees that they are entitled to receive.
3. The Directorship does not include directorship in private companies / foreign companies.
4. None of the directors is member of more than ten committees and has acted as chairman in more than five committees at any point of time.

**Audit Committee****Brief description of terms of reference**

To oversee and direct the financial reporting system along with the disclosure process of the Company, it has constituted Audit committee of three Directors on the Board and is chaired by an Independent Director; thereby the Company is complying with the terms of Clause 49 (II) (A) of the Listing Agreement and Section 292A of the Companies Act, 1956.

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

- Ensuring compliances with Accounting Standards and Generally Accepted Accounting Principles (GAAP) adopted for preparation of individual and consolidated financial statements;
- 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 managements 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 statutory auditors to discuss the compliances by the Company of various accounting standards, recommending their appointment and fixation of their remuneration;
- Discuss and study the working plan of the Company and providing suitable recommendations to the board and the management;
- Reviewing the utilisation / application of the proceeds of the funds raised through issue of securities;
- Analyse the system and procedures used to prepare the financial statements;
- Access the 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.

**Composition, name of members and chairperson**

In compliance with provisions of Listing Agreement, the audit committee is comprised of three directors and is chaired by the independent director of the Company. The details of composition of the meeting have been provided hereunder.

Sr. No.	Name of the Member	Designation	No. of Meetings Attended
1.	Mr. Vijay Jain	Chairman	2
2.	Mr. Dipal Muchhala	Chairman	NA
3.	Mr. Hitesh Vora	Member	3
4.	Mr. Kirit Kanakiya	Member	4

**Meetings and attendance during the Year**

During the year, four meetings of audit committee were held, the dates thereof and attendance therein are as described hereunder meetings of audit committee: (1) May 30, 2012; (2) August 14, 2012; (3) November 12, 2012; (4) February 12, 2013.

**Remuneration Committee****Brief description of terms of reference**

The remuneration committee has been formed with an intention to direct and guide the Board in framing its Remuneration policy, compensation structure viz., monetary and non-monetary benefits to be paid to the Executive Directors including Whole Time Director and the top management of the Company. It also undertakes to review the same from time to time.



The details of composition of Remuneration Committee and attendance at meetings of the remuneration committee are as follows:

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

Committee met twice in the year under consideration. The meeting were held on (1) May 30, 2012; and (2) November 12, 2012.

#### Remuneration policy

The remuneration policy in respect of remuneration to Executive Directors and top management of the Company of the Company is in conformity with section 198, 269, 309, 310 and schedule XIII of the Companies Act, 1956.

#### Details of Remuneration to all Directors

The non-executive directors of the Company receive only sitting fees for the meetings attended by them. The Whole - Time Director of the Company receives a salary from the Company for his services to the Company.

The details of remuneration paid to all the directors are as follows:

Sr. No	Name of the Director	Category	Remuneration	Nature of Remuneration
1.	Mr. Kirit R. Kanakiya	Chairman, Non-executive director	₹ 25,000	Sitting Fees
2.	Mr. Hitesh Vora	Non-executive, independent director	₹ 20,000	Sitting fees
3.	Mr. Vijay Jain	Non-executive, independent director	₹ 15,000	Sitting fees
4.	Ms. Disha Devrukhkar	Whole Time Director	₹ 1,69,123	Salary including perquisites

#### Shareholders' and Investors' Grievances Committee

The scope of Shareholders' and investors' grievances committee expands to the redressal of shareholders' and investors' grievances received directly at the office of the Company or to the R&T Agent or through other regulatory authority like stock exchange, SEBI, etc. The committee, in concert with the Registrar and Transfer Agent of the Company, M/s Sharex Dynamic (India) Pvt. Ltd. undertakes transfer and transmission of the shares of the company, issuance of duplicate share certificate, renewal of dividend warrants, issuance of fresh dividend warrant or pay orders as the case may be, resolving all other issues regarding shareholders' and investors' grievances.

The composition of committee and details of attendance of committee meetings are described in following chart:

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

Shareholders' and investors' grievances committee met once in May 30, 2012 in the financial year under consideration.

#### Name and Designation of the Compliance Officer

Ms. Disha Devrukhkar is acting as a Compliance Officer of the Company. The email ID of the compliance officer is [investorgrievance@bsel.com](mailto:investorgrievance@bsel.com) has been designated for the purpose of registering investor's complaints and other follow up actions.

#### Number of Shareholders' Complaints Received

The Company received 2 (two) complaints during the financial year and all the complaints were duly resolved to the satisfaction of the shareholders. No complaints were pending to be resolved at the end of the year.



**General Body Meeting****Location and Time of the Last 3 Annual General Meetings**

Financial Year	Venue	Day and Date	Time	No. of Special Resolutions
2009-2010	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703	Thursday, September 30, 2010	09.30 AM	NIL
2010-2011	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703	Friday , September 30, 2011	10.00 AM	1(one)
2011-2012	Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703	Friday, September 28, 2012	09.30 AM	1(one)

- Details of special resolutions passed at last 3 AGMs are provided in the chart above.
- No special resolution has been passed through postal ballot during year under consideration.
- The Company does not propose any special resolution to be passed through postal ballot.

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

As per the Listing Agreement, the Company needs to disclose the transactions in which its promoters, directors or the management, their subsidiaries or relatives have potential conflict of the interest.

Details of such materially significant transactions are forming part of the accounts in accordance with the provisions of Accounting Standard 18.

**Details of non-compliance by the Company, penalties, and strictures imposed on the Company by stock exchange, SEBI or any other statutory authority in the past 3 Years**

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

**Code of Conduct:**

The code of conduct of the Company sets out the policies, procedures, ethics and standards as to the Directors' Board as well as top management of the Company. The code of conduct laid down for Board and management of the Company has been made available on website of the Company [www.bsel.com](http://www.bsel.com).

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

**Policy for Prohibition of Insider Trading:**

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

All disclosures, as required by these regulations, have been made from time to time and the Company has complied with the requirements of these regulations.

**Means of Communication****Newspapers wherein Financial Results normally published**

During the Financial year ended on March 31, 2013, the Quarterly Financial Results of the Company and Half yearly Assets and Liability Statement were published in all India editions of "Business Standard" and "Mumbai Lakshadeep".



### Any website where displayed

The results, presentations and all other official news releases are displayed at the Companies' website: [www.bsel.com](http://www.bsel.com) alongwith the websites of the Stock Exchanges: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

### General Shareholder Information

<b>Date, Time of AGM</b>	Monday, September 30, 2013 at 9.30 A.M.
<b>Venue of AGM</b>	Hotel Abbott, Sector 2, Vashi, Navi Mumbai - 400 703.
<b>Financial Year</b>	2012-2013
<b>Date of Book Closure</b>	Wednesday, September 25, 2013 to Monday, September 30, 2013
<b>Listing on Stock Exchange</b>	
<b>Listing of Equity Shares</b>	Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE)
<b>– Stock Code</b>	BSE: 532123 NSE: BSELINFRA
<b>Listing of GDR's</b>	Luxembourg Stock Exchange
<b>– Stock Code of GDR's</b>	US11776M1009
<b>– Security Type</b>	BSELInfr GDR ne

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

Month	BSE			NSE		
	High	Low	Sensex	High	Low	Nifty
April 12	3.70	2.91	17319	3.65	3.05	5359
May	3.40	2.61	16219	3.25	2.70	5239
June	3.14	2.70	17430	3.40	2.70	5279
July	3.85	2.80	17236	3.95	2.80	5345
August	3.29	2.62	17430	3.25	2.20	5421
September	3.25	2.62	18763	3.35	2.30	5703
October	4.24	2.86	18505	3.95	2.90	5788
November	3.25	2.92	19340	3.55	2.75	5880
December	4.05	3.08	19427	4.05	3.00	5931
January 13	3.60	2.91	19895	3.60	2.90	6082
February	3.30	2.50	18862	3.15	2.50	5999
March	2.76	1.86	18836	3.10	1.85	5946

### Registrar and Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.  
Unit no. 1, Luthra Industrial Premises, Safed Pool,  
Andheri - Kurla Road, Andheri (E), Mumbai - 400 072  
Telephone No. (022) 2851 5606/5644 7  
Fax: (022) 2851 2885