



**THE YASH BIRLA GROUP**

*Move ahead. Stay ahead*




**26<sup>th</sup> Annual Report 2011-2012**



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**BOARD OF DIRECTORS**

Shri Yashovardhan Birla	Chairman
Shri P. V. R. Murthy	Managing Director
Shri M. S. Arora	Non Independent Director
Shri Y. P. Trivedi	Independent Director
Shri Rajesh V. Shah	Independent Director
Shri Upkar Singh Kohli	Independent Director

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. N. Nagesh

**BANKERS**

State Bank of India  
Overseas Branch,  
Jawahar Vyapar Bhavan,  
1, Tolstoy Marg,  
New Delhi – 110 001

**AUDITORS**

THAKUR, VAIDYANATH AIYAR & CO.  
Chartered Accountants  
11-B, Vasta House,  
Janmabhoomi Marg, Fort,  
Mumbai – 400 001.  
Phone: 022-2284 2502/2287 0067  
Email: tvamum@gmail.com

**REGISTRARS**

Adroit Corporate Services Pvt. Ltd.  
19/20, 1<sup>st</sup> Floor, Jaferbhoy Industrial Estate,  
Makwana Road, Marol Naka,  
Mumbai – 400 059.  
Phone:- 022-28594060/6060; Fax: 022-28503748  
Website: www.adroitcorporate.com  
Email id: info@adroitcorporate.com

**REGISTERED OFFICE**

5<sup>th</sup> Floor, Industry House,  
159, Churchgate Reclamation,  
Mumbai – 400 020.

**HEAD OFFICE & FACTORY**

Lal Tappar,  
P.O. Resham Mazri – 248 140,  
Dehradun,  
Uttarakhand.

**WINDMILL**

Varekwadi, Tal Patan,  
Distt. Satara,  
Maharashtra.

## **NOTICE FOR TWENTY SIXTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of BIRLA POWER SOLUTIONS LIMITED will be held on Wednesday, 26th September, 2012 at 3.30 p.m. at Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit & Loss Account of the Company for the period ended on that date and the reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Upkar Singh Kohli who retires by rotation and being eligible offers himself for re - appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Thakur, Vaidyanath Aiyar & Co. Chartered Accountants, (Registration No. 000038N) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Statutory Auditors be paid such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors, plus reimbursement of out of pocket expenses.”

By Order of the Board

Place : Mumbai  
Dated : 14.08.2012

**N. Nagesh**  
Company Secretary

### **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST REACH REGISTERED

OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.

2. The Register of Members and the Share Transfer books of the Company will remain closed from 24th September, 2012 to 26th September 2012 (both days inclusive)
3. Members / Proxies are requested to bring their copies of Annual Report to the Meeting and attendance slip duly filled in for attending the meeting.
4. Members desiring any information as regards the accounts are requested to write the Company at least 7 days before the date of the Meeting, so as to enable the Company to keep the information ready.
5. All documents referred in the Notice are open for inspection at the Registered Office of the Company on all working days during normal working business hours up to the date of Annual General Meeting except on Saturdays, Sundays and other holidays.
6. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF). Dividend for the Year 2003-2004 which was unclaimed has been transferred to the Investor Education and Protection Fund (IEPF) by the Company. Members who have not encashed their dividend, for the financial year ended 30th September, 2005 and subsequent years may approach the Company for obtaining demand drafts. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim can be made by the respective shareholders for the same.
7. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical & Electronic) at the following address:

Adroit Corporate Services Pvt. Ltd.  
(Unit: Birla Power Solutions Limited)  
19/20, 1<sup>st</sup> Floor, Jaferbhoy Industrial Estate,  
Makwana Raod, Andheri (E), Mumbai – 400 059.  
Phone: 022-28594060/6060; Fax: 022-28503748  
Website: www.adroitcorporate.com  
Email id: info@adroitcorporate.com

**ANNEXURE TO THE NOTICE**

Details of Director seeking re-appointment in the ensuing Annual General Meeting

Name of Director	Mr. Upkar Singh Kohli
Date of Birth	18/08/1947
Date of Appointment	09/09/2009
Expertise in specific functional areas	Banking & Finance
List of outside Directorships in other Companies.	Avon Organics Ltd. STI India Ltd. Birla Cotsyn (India) Ltd. Birla Pacific Medspa Ltd. Birla Surya Ltd. C & M Farming Ltd. Karma Energy Ltd. Weizmann Forex Ltd.
Chairman / Member of the Committees of other Companies.	Birla Cotsyn (India) Limited Audit Committee – Chairman
No. of shares held in The company	NIL

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Twenty Sixth Annual Report together with the audited statement of accounts of the Company for the financial year ended on 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

(Rs. in lacs)

	Standalone		Consolidated	
	For the year ended 31.03.2012	For the year ended 31.03.2011	For the year ended 31.03.2012	For the year ended 31.03.2011
Sales & Other Income	42,076.87	30,406.40	65,550.58	36,889.29
Profit before interest and depreciation	4,052.94	3,733.79	5,048.65	3,965.70
Interest (Net)	2,826.99	2,347.61	2,829.73	2,348.20
Profit before depreciation	1,225.95	1,386.18	2,218.92	1,617.50
Depreciation	364.25	378.02	364.25	378.02
Profit after depreciation but before Tax	861.70	1,008.16	1,854.67	1,239.48
Provision for taxation	168.83	260.98	168.83	260.98
Adjustment of provision for earlier years	0.51	(1.57)	0.51	(1.57)
Tax adjustment for the earlier years	162.81	(6.90)	162.81	(6.90)
Profit after tax	529.55	755.65	1,522.52	986.97

### STANDALONE RESULTS

During the financial year under review, the total revenue for the financial year ended 31<sup>st</sup> March, 2012 was Rs. 42,076.87 lacs as against Rs. 30,406.40 lacs during the previous financial year ended 31<sup>st</sup> March, 2011 showing an increase of 38%. Similarly, profit after tax for the same periods were Rs 529.55 lacs and Rs.755.65 lacs respectively showing a decrease of 29.92%. This is because of increase in cost of overheads, interest and tax adjustment.

### CONSOLIDATED RESULTS

The Consolidated Financial Statements comprising the accounts, of your Company and its subsidiaries are appended in the Annual report. On a consolidated basis, the total turnover for the financial year 2011-12 was Rs. 65,550.58 lacs as against Rs 36,889.29 Lacs during the financial year 2010-11 showing an increase of 77.70% and the profit after tax for the same periods were Rs. 1,522.52 Lacs and Rs.986.97 lacs respectively showing an increase of 54.26%.

### FUTURE OUTLOOK

Your Company has followed up its plans to launch Diesel Pump Set and Power Tiller, and firmed up the launches during the current financial year and your management expects that these launches will boost your company's

strength in agrisector. Efforts are under way to rationalise the input costs in order to improve profitability.

Birla Power has expanded its business horizon. Keeping in view the rapidly growing energy requirements of the country, your Company has forayed into Solar Power through its Subsidiary / Joint Venture Companies, details whereof are given elsewhere in the Report.

### DIVIDEND

Keeping in view the tight liquidity position in the market and in order to conserve funds for working capital needs, your directors do not recommend any dividend for the Financial Year 2011-12.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the current year, the Company has transferred Dividend (for the Year 2003-2004) amounting Rs.1,83,410/- to Investor Education and Protection Fund (IEPF), which was due and payable and remained unclaimed and unpaid for a period of seven years, as provided in Section 205C(2), of the Companies Act, 1956.

### DIRECTORS

Pursuant to Article 150 of the Articles of Association of your Company and Section 256 of the Companies Act,

1956 Mr. Upkar Singh Kohli retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Your Directors recommend the reappointment of Mr. Upkar Singh Kohli.

### **SUBSIDIARY COMPANIES**

Your Company has three subsidiaries as follows.

#### **(a) Birla Urja Limited**

The Company has registered a 50 MW PV Solar Project with Government of Gujarat during Vibrant Gujarat Summit 2011 and the management expects allotment of minimum 20 MW. Necessary steps will be taken after allotment to set up the project.

The Company is exploring the possibility of setting up a Solar Project in Gujarat or Kutch or Surendranagar region which has high solar radiation.

The Company is also actively following up 50 MW Solar Thermal Project in Rajasthan and 10 MW PV Solar Project in Bihar.

#### **(b) Birla Power Solutions Limited FZE**

The Company has made good progress during the financial year 2011-2012. During this period, the Company has achieved a turnover of AED 18,02,62,731 (equivalent to Rs. 2,34,73,71,228) and made a net profit of AED 72,22,650 ( equivalent to Rs.10,03,56,431).

#### **(c) Vijay Puranjay Minerals Pvt. Ltd.**

During the year under review, your Company has made a strategic investment in Vijay Puranjay Minerals Pvt. Ltd. by acquiring its entire paid up equity capital making it 100% subsidiary of your Company. The subsidiary holds a mining license to exploit high grade silica in Andhra Pradesh covering an area of 123 hectares. Silica is a valuable raw material for manufacturing Float Glass and Polysilicon. Polysilicon is the raw material for producing Solar Photovoltaic Wafers & Cells for which an integrated Solar Project is being set up by an associate Company viz. Birla Surya Limited. The investment is expected to give attractive returns in the years to come.

### **JOINT VENTURE COMPANY**

#### **BIRLA TERRAJOULE PVT LTD**

During the year your Company has formed a 50:50 Joint Venture Company with Terrajoule Corporation, USA, by the name Birla Terrajoule Pvt. Ltd. Terrajoule

Corporation are pioneers in developing 24X7 solar power plants based on Solar Thermal Concept. This technology will not only electrify those areas where there is no power connectivity but will also make available solar power during the night time. This Joint Venture Company will design manufacture and assemble such solar power plants upto 300KW which shall be ideally suited for remote villages, islands, agriculture, industries, etc.

This technology has received tremendous response from various Governmental agencies.

### **PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT**

In terms of General Circular No. 2/2011 dated February 8, 2011, of the Ministry of Corporate Affairs, Government of India, the Company has availed the exemption from compliance with Section 212 of the Companies Act, 1956. Accordingly, the consolidated financial statements of the Company and its subsidiaries for the year ended 31<sup>st</sup> March, 2012 together with reports of Auditor thereon and the statement pursuant to Section 212 of the Companies Act, 1956 form part of the Annual Report.

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

### **REPORT ON CORPORATE GOVERNANCE**

Your Company is following corporate governance norms of highest standards. As required under clause 49 of the listing agreement, a report on corporate governance forms part of this annual report.

### **FIXED DEPOSITS**

The total fixed deposits amount outstanding as on 31<sup>st</sup> March, 2012 is Rs. 5,792.01 lacs. There are no defaults in repayment of matured deposits and payment of interest. There are no unpaid deposits other than those unclaimed.

### **AUDITORS**

M/s Thakur, Vaidynath & Aiyar Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. They have expressed their willingness to be reappointed for a further term. And they confirmed that their appointment, if approved by the shareholders, will be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956.

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

Clause No. in Annexure to the Auditors' Report	Auditor's Qualification	Directors' Reply
6	We have to state that the company has invested Rs. 283.55 lacs out of the amount of Rs. 292.86 lacs, in liquid assets. Further there has been delay of some days in obtaining the said assets. There has also been a small delay in issue in Fixed Deposit Receipts to the extent of Rs. 105.98 lacs during January and February 2012 consequent to the change in the Registrar of the company.	The Company could not deposit Rs. 9.31 lacs in liquid assets as it was facing severe financial crunch. As far as issuing Fixed Deposit Receipts to the extent of Rs. 105.98 lacs, during January and February 2012, the small delay was due to change of the Registrar to the Fixed Deposit Schemes. However, the company has not defaulted in payment of any deposit or interest. The Company will deposit the shortfall amount in liquid assets as soon as the financial position improves.
9 (a)	The extent of the arrears of Income Tax and Sales tax dues outstanding as at March 31, 2012, for a period of more than six months from the date they became payable are: 1) Dividend Distribution Tax of Rs. 261.54 lacs. 2) Sales Tax of Rs. 23.64 lacs.	The Company could not pay the Dividend Distribution Tax of Rs. 261.54 lacs and the arrears of Sales Tax due of Rs. 23.64 lacs due to severe financial crunch. The Company will pay these dues as soon as the financial position improves.

**INDUSTRIAL RELATIONS**

The Company enjoyed harmonious relations with workmen and employees through out the period under review.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

The particulars of energy conservation as prescribed have not been provided, as the Company's industry is not specified in the schedule.

The Details regarding Technology Absorption as per Form 'B' are enclosed.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

(1) Activities Relating to Export

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

(2) Initiatives taken to increase exports

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

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

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

(4) Export Plans

The company will continue its efforts to export its products wherever possible.

Foreign exchange Earning and Outgo:

Particulars	2011-2012 (Rs. in Lacs)	2010-2011 (Rs. in Lacs)
Total Foreign exchange earnings	NIL	7.09
Total Foreign Exchange outgo	61.23	92.76

**PARTICULARS OF EMPLOYEES**

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended regarding employees is given in the annexure to the Directors Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:



- ◆ that in preparation of the annual accounts for the period ended on 31<sup>st</sup> March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ◆ that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period ended on 31<sup>st</sup> March, 2012 and of the profit of the Company for that period;
- ◆ that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ◆ that the directors had prepared the annual accounts

for the period ended on 31<sup>st</sup> March, 2012 on a going concern basis.

#### ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the continuing co-operation and assistance rendered by the Central Government, State Government, Financial Institutions, Banks, Suppliers and other organisations in the working of the Company.

The Directors also wish to place on record their deep sense of appreciation for dedicated services rendered by officers, staff and workmen of the Company.

The Board takes this opportunity to express its gratitude for the continuous support received from shareholders.

For and on behalf of the  
**BOARD OF DIRECTORS**

**Yashovardhan Birla**  
Chairman

Place: Mumbai  
Date: 14<sup>th</sup> August, 2012

## ANNEXURE TO THE DIRECTORS REPORT

Additional Information as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2012.

#### Through out the year

Name	Qualification	Age	Designation	Experience (Yrs)	Date of commencement of employment	Remuneration (Rs. in Lacs)	Last employment held/name of the employment
Mr. P.V.R. Murthy	C.A. & M.B.A	62	Managing Director	36	12.11.2010	100.01	Group Finance Director, Yash Birla Group

#### FORM – B

#### DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION FROM 1.04.2011 TO 31.03.2012

#### R & D /Product Development – 2011-12

R & D Team has been continuously working on Heat Control & improving the performance of EG 2800 & EG 3000 series of generators which has been successfully completed. It has resulted in better output and elimination of certain pain areas of the customers, This is expected to improve customer satisfaction.

Continual focus on addressing customer needs relating to product safety features and ease of operations have resulted in additional components being added in some of the products, specially 5KVA. 5KVA is expected to become the flagship product of Company in near future.

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

##### Sub 5 Kva Portable Generators

- Approval of the EG 3000 AS (Olive) by the Ministry of Defence is likely to result in regular flow of orders for such special applications where BPSL will enjoy a distinct advantage over competition.
- The added feature of Remote Control Start/Stop will enhance the marketability of the Portable Generators to the

discerning customers at the premium segment.

- The improved design of EG 1100 will enhance the reliability factor and enhance sales in the high volume 1Kva segment.
- Improved winding class of the Alternators will improve performance at elevated temperatures and in turn will open new market segments with customer specific requirements.

**Action Plan 2012 -13**

- Design and Development of Inverter based Generators with Sine wave Output.
- Fuel consumption and Emissions improvement in existing Petrol/ Kerosene generators to suit the next generation of Portable Generators with stricter noise and emission norms as recommended by CPCB.
- Modification, Certification and Type approval of imported diesel engines up to 10.5 hp for application in the generator segment.
- Development of 5 Kva to 7.5 Kva Diesel Generators with in-house diesel engines.
- Development of 5 hp Diesel Pumps.
- Development of low cost gas based Portable Generators.
- Value Engineering in the existing range of Generators for improved margins.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts in brief, made towards technology absorption adaptation & innovation : The company has expanded its range of engines by introducing multifuel engines using in-house R&D.  
The company has developed, in collaboration with international design agencies, special application Portable Generator for Indian Air force.
2. Benefits derived as a result of the above efforts : The new multifuel engines have helped the company in increasing its share in the domestic pump sets segment.  
e.g. product improvement, cost reduction, product development. The special application Portable Generator has helped the company to get continuous business from Indian Air force and other Public Sector Undertakings.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of financial year), following information is furnished :
  - a. Technology Imported : Manufacture of Portable Gensets & Multi Purpose Engines.
  - b. Year of Import : Technical Assistance Agreement dated 31st August, 1984 & new Technical Assistance Agreement dated 2nd September 1994 which has expired on 01.09.1999.  
Technical Assistance Agreement dated 25<sup>th</sup> January, 1998 for a new four stroke model which has also expired on 24.01.2003.
  - c. Whether Technology has been fully absorbed : The technology has been fully absorbed for all the models. In house R&D has further upgraded the technology.
  - d. If not fully absorbed, areas where not taken place, reasons thereof and future plans of action : Not applicable

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency and accountability in all facets of its operations, interactions with shareholders, employees, government and lenders.

### 2. BOARD OF DIRECTORS

The composition, category and details of Directors' attendance during the Financial Year 2011-12 and other particulars are given below:

Name	No. of Board Meetings held	No. of Board Meetings attended	Last A.G.M Attendance (Yes/No)	No. of Memberships in Board of other Public Co.'s as on 31st March, 2012	No. of other committee positions	
					Chairman	Member
Mr. Yashovardhan Birla Chairman Non Executive	05	05	Yes	13	0	0
Mr Y.P. Trivedi Independent Non Executive	05	02	No	7	1	5
Mr. P.V.R. Murthy Managing Director	05	05	Yes	12	0	7
Mr Rajesh V. Shah Independent Non Executive	05	05	Yes	3	2	0
Mr. Upkar Singh Kohli Independent Non Executive	05	05	No	9	1	2
Mr. Mahender Singh Arora Non Independent Executive	05	05	Yes	2	0	2

None of the Directors is a member in more than 10 Committees or acts as Chairman of more than 5 Committees across all Companies in which he is a Director.

The Board has a fair representation of the executive, non executive and independent Directors which is imperative for a vital organization. Of the six Directors, only one is the Promoter Director and one is the executive Director and rest are non executive Directors.

During the period under review, there was no pecuniary relationship or business transaction by the Company with any non-executive Director (other than the sitting fee for attending the Board / Committee meetings).

The Board members possess the skills, expertise and experience necessary to guide the Company. During the financial year ended on 31st March, 2012, the Board met 05 times on 13/05/2011, 11/08/2011, 19/09/2011, 11/11/2011 and 14/02/2012.

### 3. AUDIT COMMITTEE

#### A. Brief description of terms of reference.

The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee are those as specified under clause 49 of the listing agreement as well as in Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

Composition, Name and Chairperson, Meetings held during the Financial Year 2011-12 and Attendance thereat are as under.

<b>Name</b>	<b>Total Meetings held during the Year</b>	<b>Meetings Attended</b>
Mr. Y.P. Trivedi (Chairman)	04	02
Mr P.V.R. Murthy	04	04
Mr Rajesh V. Shah	04	04
Mr. Upkar Singh Kohli	04	04

During the financial year ended on 31st March, 2012, the Committee met 04 times on 13/05/2011, 11/08/2011, 11/11/2011 and 14/02/2012.

The Composition of the Audit Committee at present is:

1. Mr. Y. P. Trivedi (Chairman-Independent Director)
2. Mr. Rajesh V. Shah (Independent Director)
3. Mr. P. V. R. Murthy (Non Independent Director)
4. Mr. Upkar Singh kohli (Independent Director)

Mr. N. Nagesh acts as Secretary to the Committee.

#### **4. REMUNERATION COMMITTEE**

##### **Terms of reference**

The Committee was formed to review and approve, inter- alia, the recommendation for appointment of Managing Director(s)/Whole Time Director(s)/Manager and their compensation package, annual increments, incentives, additional perquisites etc. with in the limits provided in Schedule XIII of the Companies Act, 1956 read with other applicable provisions of the said Act and such other powers/functions as may be delegated by the Board from time to time.

##### **Composition**

The present composition of the Committee is :

1. Mr. Y. P. Trivedi (Chairman)
2. Mr. P.V.R. Murthy
3. Mr. Rajesh V. Shah
4. Mr. Upkar Singh Kohli

During the financial year 2011-12, no meeting of the Committee was held.

##### **Remuneration Policy**

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives. The components of the total remuneration vary for different cadres and are governed by industry pattern, qualification and experience of the employee, responsibilities handled by him, individual performance etc.

##### **Details of remuneration to all the Directors**

While the executive Directors are paid remuneration as approved by the Board / Shareholders, the non – executive Directors are paid sitting fees. No sitting fees is paid to Executive Directors. At present there is no stock option scheme of the Company for Whole Time Director/Non Executive Directors.

During the period under review the following sitting fees was paid to Non Executive Directors

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

No sitting fees is payable to members for attending Remuneration Committee Meeting and Shareholders' Grievance & Investment Committee Meetings.

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

## 5. SHAREHOLDERS/ INVESTORS RELATIONS & GRIEVANCE COMMITTEE

The SHAREHOLDERS / INVESTORS RELATIONS & GRIEVANCE Committee constituted by the Board of Directors consists of the following Directors.

1. Mr. Yashovardhan Birla (Chairman)
2. Mr. Y. P. Trivedi
3. Mr. P. V. R. Murthy

The Committee inter alia, approves issue of duplicate share certificates and reviews all matters connected with the securities transfer. The Committee also looks into redressing of shareholders/investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividend warrants and to handle the queries / complaints relating to dematerialization of shares etc.

The Committee oversees the performance of the Registrar & Transfer Agent and recommends measures for the overall improvement of the quality of investor services.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (duly amended), the company has framed a "code of internal procedures and conduct for prevention of Insider Trading" and authorised the Committee to implement and monitor the various requirements as set out in the code.

**Chairman - Mr. Yashovardhan Birla (Non Executive Director)**

**Compliance Officer - Mr. N. Nagesh, Company Secretary.**

No. of shareholders complaints during the period 01st April, 2011 to 31st March, 2012.

- ▶ Complaints pending at the beginning of the year : nil
- ▶ Complaints received during the period : 108
- ▶ Disposal of complaints : 108
- ▶ Complaints lying unresolved at the end of period : nil

During the financial year ended on 31st March, 2012, the Committee met 02 times on 06/04/2011 and 07/10/2011.

## 6. GENERAL BODY MEETINGS

Details of last three AGMs held:-

Year	Date	Venue	Time
2008-2009	08.08.2009	Royal Room 3rd Floor, Sunville Banquets & Conference hall, 9 Dr Annie Besant Road, Worli Naka, Worli, Mumbai – 400018	12.00 noon
2009-2010	30.09.2010	Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	3.00 p.m.
2010-2011	19.09.2011	Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	3.00 p.m.

## Details of special resolutions passed in the previous three AGMs

### 23rd AGM held on 8th August, 2009

1. Increase in Authorized Capital
2. Alteration of Capital Clause of Memorandum of Association of the Company
3. Alteration of Capital Clause of Articles of Association of the Company
4. Further issuance of Securities

### 24th AGM held on 30th September, 2010

1. Issuance of Equity share warrants to the Promoter(s) on preferential allotment basis.
2. Amendment of the Articles of Association of the Company consequent to increase in Authorised share capital of the Company.
3. Reappointment of Mr. Kalyan Bhattacharya as Whole-time Director.
4. Change in place of keeping Registers and records.

### 25th AGM held on 19th September, 2011

No special resolution was passed.

## Resolutions passed by Postal Ballot

No resolution was passed by postal ballot during the year 2011-12

## 7. DISCLOSURES

### RELATED PARTY TRANSACTIONS

- I) There have been no materially significant related party transactions in conflict with the interest of the Company.

### ACCOUNTING STANDARDS

- II) The company follows the Accounting Standards laid down by the Institute of Chartered Accountants of India.

- III) NON-COMPLAINEE BY COMPANY, PENALTIES, STRICUTRES IMPOSED ON THE COMPANY BY STOCK EXCHANGES/SEBI DURING THE LAST 3 YEARS:

NIL

- IV) DECLARATION BY CEO WITH REGARD TO CODE OF CONDUCT

The company has adopted a Code of Conduct for Directors and Senior Management Personnel and the same has been posted on the company's web site. The Directors and Senior Management Personnel affirm the compliance of the code annually. A declaration to this effect has been furnished by the Chief Executive Officer.

- V) CEO/CFO CERTIFICATES

Mr. P.V.R. Murthy, Managing Director and Mr. S.K. Sharma Associate Vice President have furnished the requisite certificate in accordance with Clause 49 (V) of the Listing Agreement.

- VI) RISK MANAGEMENT

The company has framed a risk assessment and minimization procedure which is periodically reviewed by the Board.

## 8. MEANS OF COMMUNICATIONS

The Quarterly results are published in leading English / Marathi Dailies. Quarterly results are also displayed on Company's web-site [www.birlapower.com](http://www.birlapower.com).

Management Discussion and Analysis Report (MDA) forms part of the Annual Report.

## 9. GENERAL INFORMATION FOR SHAREHOLDERS

### Details of Annual General Meeting

Date & Time : Wednesday, 26th September, 2012 at 3.30 p.m.  
 Venue : Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018  
 Financial Year (Period) : 1st April 2011 – 31st March, 2012  
 Date of Book Closure : 24th September, 2012 to 26th September, 2012 (both days inclusive)

### Listing on Stock Exchanges

The company's shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The GDRs of the Company are listed on Luxembourg Stock Exchange.

Listing fees for the financial year 2011-12 has been paid to the Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.

### Stock Code

517001 Bombay Stock Exchange Limited  
 BIRLAPOWER National Stock Exchange of India Ltd  
 Demat ISIN numbers in NSDL & CDSL for equity shares - INE224B01024 with effect from April 24, 2009.

### STOCK MARKET DATA

Stock price performance Birla Power Solutions Limited (BPSL) vs. BSE Sensex during the Financial Year ended on 31.03.2012

#### BPSL HIGH / LOW QUOTES

##### BSE High Vs BPSL High

	BSE High	BPSL High
Apr-11	19,811.14	1.45
May11	19,253.87	1.16
Jun-11	18,873.39	1.03
Jul-11	19,131.70	0.89
Aug-11	18,440.07	0.79
Sep-11	17,211.80	0.77
Oct-11	17,908.13	0.69
Nov-11	17,702.26	0.69
Dec-11	17,003.71	0.61
Jan-12	17,258.97	0.70
Feb-12	18,523.78	0.73
Mar-12	18,040.69	0.65

##### BSE Low Vs BPSL Low

	BSE Low	BPSL Low
Apr-11	18,976.19	1.00
May-11	17,786.13	1.00
Jun-11	17,314.38	0.83
Jul-11	18,131.86	0.76
Aug-11	15,765.53	0.62
Sep-11	15,801.01	0.65
Oct-11	15,745.43	0.65
Nov-11	15,478.69	0.54
Dec-11	15,135.86	0.50
Jan-12	15,358.02	0.52
Feb-12	17,061.55	0.62
Mar-12	16,920.61	0.51

Stock price performance Birla Power Solutions Limited (BPSL) vs. NSE Nifty during the Financial Year ended on 31.03.2012

**NSE High Vs BPSL High**

	<b>NSE High</b>	<b>BPSL High</b>
Apr-11	5944.45	1.45
May-11	5775.25	1.15
Jun-11	5657.90	1.05
Jul-11	5740.40	0.90
Aug-11	5551.90	0.80
Sep-11	5169.25	0.80
Oct-11	5399.70	0.70
Nov-11	5326.450	0.70
Dec-11	5099.25	0.60
Jan-12	5217.00	0.70
Feb-12	5629.95	0.75
Mar-12	5499.40	0.65

**NSE Low Vs BPSL Low**

	<b>NSE Low</b>	<b>BPSL Low</b>
Apr-11	5693.25	1.00
May-11	5401.25	1.00
Jun-11	5195.90	0.80
Jul-11	5453.95	0.75
Aug-11	4720.00	0.60
Sep-11	4758.85	0.65
Oct-11	4728.30	0.65
Nov-11	4639.10	0.50
Dec-11	4531.15	0.50
Jan-12	4588.05	0.50
Feb-12	5159.00	0.60
Mar-12	5135.95	0.50

**Registrar and Transfer Agent**

Adroit Corporate Services Pvt. Ltd., 19/20, 1st Floor, Jaferbhoy Industrial Estate, Makwana Road, Andheri (E) Mumbai – 400 059 are the Registrar and Share Transfer Agent of the Company.

**Share Transfer System**

The share transfers which are received in physical form are processed and the share certificates returned to the respective transferees with in a period of 30 days from the date of receipt, if the documents are clear in all respects.

**a. Communications regarding share transfer, dematerialization of shares, share certificates, change of address and for issue of duplicate shares may be addressed to:**

Adroit Corporate Services Pvt. Ltd.  
 (Unit : Birla Power Solutions Limited)  
 19/20, 1st Floor, Jaferbhoy Industrial Estate, Makwana Road, Andheri (E), Mumbai – 400 059  
 Phone:- 022-28594060/6060; Fax No.:- 022-28503748  
 Website: www.adroitcorporate.com; Email id: info@adroitcorporate.com

**b. Any query on Annual Report & Dividend may be addressed to :**

Birla Power Solutions Ltd  
 5th Floor, Industry house, 159, Churchgate Reclamation, Mumbai- 400020.  
 Phone: 022-22026340; Fax : 011-22828865



**Birla Power Solutions Limited Shareholding pattern as on March 31, 2012**

<b>BIRLA POWER SOLUTIONS LIMITED</b>					
Statement Showing Shareholding Pattern for the quarter ended 31st March, 2012					
Category of Shareholder	Number of Shareholders	Total number of shares	Percentage	Shares Pledged or otherwise encumbered	
				Number of shares	As a percentage
Shareholding of Promoter and Promoter Group	6	86261184	4.04	82955000	96.17
<b>Public shareholding</b>					
<b>Institutions</b>					
Mutual Funds/ UTI	3	10800	0.00	0.00	0.00
Financial Institutions / Banks	8	27000	0.00	0.00	0.00
Central Government/State Government(s)	1	6474564	0.30	0.00	0.00
<b>Non-institutions</b>				N. A.	N. A.
Bodies Corporate	1163	157370282	7.37	0.00	0.00
Individuals	210337	1173463341	54.96	0.00	0.00
Clearing Member	73	877184	0.04	0.00	0.00
NRI	1382	47060367	2.20	0.00	0.00
NRI Corp. Bodies	6	12400	0.00	0.00	0.00
Foreign Corp. Bodies (Including FDI)	1	8151999	0.38	0.00	0.00
TRUST	7	6964	0.00	0.00	0.00
Shares held by Custodians and against which Depository Receipts have been issued	1	573680820	26.87	0.00	0.00
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>212989</b>	<b>2135196905</b>	<b>100.00</b>	<b>82955000</b>	<b>3.89</b>

**Birla Power Solutions Limited Distribution Schedule As on March 31, 2012**

No of Shares	No. of shareholders	No. of shares held	Shareholding %
1 - 100	10053	438018	0.02
101 - 500	29235	7998222	0.37
501 - 1000	30669	22374766	1.05
1001 - 2000	52167	70423510	3.30
2001 - 3000	24862	61897529	2.90
3001 - 4000	10184	36199705	1.70
4001 - 5000	9549	44907814	2.10
5001 - 10000	22730	163270242	7.65
10001 - 20000	12933	179834636	8.42
20001 - 50000	7138	222508126	10.42
50001 & Above	3470	1325344337	62.07
<b>Total</b>	<b>212990</b>	<b>2135196905</b>	<b>100.00</b>

**Dematerialization of Shares and liquidity**

The shares of the Company have been activated for dematerialisation on NSDL & CDSL w.e.f. 1st April, 2000. As on 31st March, 2012, 2127370963 nos. of shares representing 99.64% of the total share capital of the Company have been dematerialized.

**Outstanding GDRs**

As on 31.03.2012, the Company has allotted 57,36,80,820 Equity shares underlying 1,14,73,616 GDRs. The GDRs are listed on Luxembourg Stock Exchange.

**Location of Plants**

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

**9. NON-MANDATORY REQUIREMENTS****A) CHAIRMAN OF THE BOARD**

The Company has a Non-Executive Chairman.

**B) SHAREHOLDERS' RIGHTS**

As the company's quarterly results are published in leading English Newspapers having circulation all over India and in a regional language newspaper widely circulated in the Region, the same are not sent to each shareholder.

**C) TRAINING OF BOARD MEMBERS**

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

**D) MECHANISM FOR EVALUATING NON EXECUTIVE BOARD MEMBERS**

At present, the company does not have such a mechanism as contemplated for evaluating the performance of non executive board members.

**E) WHISTLE BLOWER POLICY**

The company does not have any whistle blower policy as of now but no personnel is being denied any access to the Audit Committee.

**F) AUDIT QUALIFICATIONS**

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

**10. MANDATORY REQUIREMENT:**

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)****a. Industry structure and developments**

The Company is engaged in the production of Portable Gensets, Higher KVA generators, Multi Purpose Engines, Pump sets, Sprayers, inverters, power tillers and wind energy. In addition to this the Company is engaged in trading of imported gensets and electrical items.

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

In the recent years inverter because of its advantages of easy, automatic, noise less operation and relatively low running cost is cutting sales of petrol/kerosene based portable gensets. Portable gensets industry is also facing stiff competition from cheaper Chinese products.

Multi purpose engines manufactured by the Company are useful particularly to small / medium scale farmers

having small land holdings. The products are extremely compact, light weight, portable and efficient and are becoming popular in the farming community because of their reliability, low maintenance and low running costs.

There are number of branded/unbranded players of electrical appliances having cut throat competition among themselves.

Despite cheaper cost of production, wind energy is not very much popular in the Country and the industry is passing through initial years of its evolution.

#### b. Opportunities and threats

In a power starved developing Country, there is tremendous potential for power generation & storage devices.

With inverter manufacturing facility already made operational, the Company is in a position to capture larger market share. It is expected that in liberal economy, due to increased pressure on Government's exchequer, subsidy on petroleum product will be rationalized in near future pushing prices of diesel upward and making petrol based gensets competitive with Diesel generators leading to increased opportunities for the Company.

Wind energy industry is in initial years of it's evolution in the Country. Due to comparatively low cost of production there are huge potential for wind energy.

Power Tillers are used by farmers who own small piece of land and face competition from cheaper imported items from China.

#### c. Segment wise performance

Segment wise performance of the Company during the financial period ended on 31st March, 2012 is given below;

##### PRIMARY SEGMENT (Product Wise)

(Rs. in lacs)

Particulars	Power & Allied products	Electrical Appliances	Others	Total
Sales (Gross)	10838.07	30499.29	32.70	41370.06

Power & Allied Products : Manufacturing Portable generators, Engines, Pumps, Inverters and trading of Allied Products

Power Generating Equipment/ Spares : Trading of Power Generating Equipment and Spares, Electrical appliances and miscellaneous components.

Others : Wind Mill Energy Generation

#### d. Outlook

In the long run the Company visualise itself as one stop shop for all sort of power solutions with variety of products with different capacities to cater all segments of economy.

#### e. Risks and concerns

Your Company is exposed to the business and financial risks. Business risks include need for continuous technological up-gradation to meet emission standards/safety requirements, customers' higher expectations for better value.

All these risks are continuously addressed in the business plans, functional strategies, management review and acted upon.

Foreign exchange risks are inherent in exports of products, import of materials, capital equipment etc. The Company has a well-defined exposure management system to review its exchange exposure and to take measures to mitigate losses.

#### f. Internal control systems and their adequacy

Your Company has placed considerable emphasis and effort on internal control systems. On the finance and administrative side, the internal checks and balances are augmented by a formal system of Internal and management audit.

**g. Material developments in Human Resources**

Your Company continues to lay emphasis on qualitative growth of its human resources by providing congenial and constructive work environment.

**h. Financial Highlights****1. Sales**

Sales (net of excise) during the financial year ended on 31st March, 2012 was Rs. 41,269.27 Lacs as against Rs. 29,232.68 Lacs during the last financial year ended on 31st March, 2011.

**2. Profit**

During the financial year ended as on 31st March, 2012 the Company has earned a net profit of Rs. 529.55 Lacs as against Rs. 755.65 Lacs earned during the last financial year ended on 31st March, 2011.

**3. Fixed Assets**

For the financial year ended on 31st March, 2012 the Company added 37.06 lacs to its gross block of assets

**4. Sundry Debtors**

Sundry Debtors amounting to Rs. 22,237.12 Lacs as at 31st March, 2012 as compared to Rs. 17,024.27 Lacs as at 31st March, 2011.

**Cautionary Statement**

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ materially from those expressed or implied.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

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**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of Birla Power Solutions Limited

We have examined the compliance of conditions of Corporate Governance by Birla Power Solutions Limited, for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

We 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 THAKUR, VAIDYANATH AIYAR & CO.  
Chartered Accountants  
Firm Registration Number: 000038N

Place: Mumbai  
Date : 14-08-2012

C.V. Parameswar  
Partner  
M.No.: 11541

**AUDITORS' REPORT****TO THE MEMBERS OF BIRLA POWER SOLUTIONS LIMITED**

1. We have audited the attached Balance Sheet of Birla Power Solutions Limited (the "Company") as at March 31, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 the 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 misstatement. 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 the 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 records 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 in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act.

- (e) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon, give, in the prescribed manner, the information required by the Act and, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
  - ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR THAKUR, VAIDYANATH AIYAR & CO  
Chartered Accountants  
Firm Registration Number: 000038N

C.V.Parameswar  
Partner  
M.No:11541

Place: Mumbai  
Date: 14.08.2012

**ANNEXURE TO AUDITORS' REPORT****[REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF BIRLA POWER SOLUTIONS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012]**

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year under a programme of verification laid down and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have

- been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. As informed to us no material discrepancies were noticed on physical verification.
3. (a) The Company has granted loan to one company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding at any time during the year was Rs. 989.24 lacs and the year end balance is nil.
- (b) In our opinion, the rate of interest and other terms and conditions of such loan is not prima facie prejudicial to the interest of the Company.
- (c) As the loan has been repaid during the year the provision of clause iii (c) and iii (d) of the Order are not applicable
- (d) The Company has taken unsecured loan from one company, covered in the register maintained under Section 301 of the Act. The maximum amount outstanding anytime during the year was Rs. 610.76 lacs and the year end balance is Rs 610.76 lacs.
- (e) In our opinion, the rate of interest and other terms and conditions of such loan is not prima facie prejudicial to the interest of the company.
- (f) In respect of the aforesaid loan; the company is regular in repaying the principal amount wherever stipulated and is also regular in payment of interest.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, in respect of compliance by the Company with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public, *we have to state that the company has invested Rs. 283.55 lacs out of the amount of Rs.292.86 lacs, in liquid assets. Further there has been a delay of some days in obtaining the said assets. There has been a small delay in issue of Fixed Deposit Receipts to the extent of Rs. 105.90 lacs during January and February 2012 consequent to the change in the Registrars of the Company.* Except for what is stated above the Company has complied with the provisions of Section 58A and 58AA or any other provisions of the Act and the Companies (Acceptance of Deposits) Rules 1975. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Income Tax, and Sales Tax the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, investor education and protection fund, wealth tax, service tax, excise duty, custom duty, cess and other material statutory dues as applicable with the appropriate authorities. The extent of the arrears of Income Tax and Sales tax dues outstanding as at March 31, 2012, for a period of more than six months from the date they

became payable are as follows:

Sr. No	Name of the Statute	Nature of dues	Amount (Rs lacs)	Period to which the amount relates
1	Income Tax Act.1961	Dividend Distribution Tax	261.54	2010-11
2	Sales Tax Acts	Sales Tax	23.64	Up to 30th September 2011

- (b) According to the information and explanations given to us and the records of the Company examined by us, there were no disputed dues in respect of Income-tax, Wealth-tax, Service-tax, Custom duty, Excise duty and Cess. The particulars of dues of Sales-tax as at March 31, 2012, which have not been deposited on account of disputes, are as follows:

Sr. No.	Name of Statute	Nature of Dues	Amount (Rs in Lacs)	Forum where dispute is pending.
1	Delhi Sales Tax Act	Sales Tax	3.77	Jt. Commissioner/ Dy. Commissioner
2	Kerala Sales Tax Act	Sales Tax	91.63	Tribunal / Dy. Commissioner (A)
3	Uttar Pradesh Sales Tax Act	Sales Tax	66.25	Tribunal / High Court
4	Bihar Sales Tax Act	Sales Tax	7.69	Jt. Commissioner
5	Tamilnadu Sales Tax Act	Sales Tax	18.57	Tribunal
6	West Bengal Sales Tax Act	Sales Tax	15.38	Revisionary Board
7	Orissa Sales Tax Act	Sales Tax	1.29	Jt. Commissioner / Commissioner
8	Gujarat Sales Tax Act	Sales Tax	2.25	Dy. Commissioner
9	Uttarakhand Sales Tax Act	Sales Tax	489.32	Dy. Commissioner Appeals
	TOTAL		696.15	

10. The Company has no accumulated losses as at March 31, 2012 and it has not incurred cash losses

in the financial year ended on that date or in the immediately preceding financial year.

11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans during the year.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not Raised any money by way of Public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Thakur, Vaidyanath Aiyar & Co  
Chartered Accountants  
Firm Registration Number: 000038N

C. V. Parameswar  
Partner  
M.No:11541

Place: Mumbai  
Date: 14.08.2012

**BALANCE SHEET AS AT 31ST MARCH, 2012**

Particulars	Note No.	As at 31 March, 2012 (Rs. In Lacs)	As at 31 March, 2011 (Rs. In Lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders's Funds</b>			
Share Capital	1	21,352.11	21,352.11
Reserves and Surplus	2	32,546.23	30,891.95
Money received against Share Warrants		1,120.98	-
		<u>55,019.32</u>	<u>52,244.06</u>
<b>2. Non-Current Liabilities</b>			
Long-Term Borrowings	3	6,136.34	3,728.81
Deferred Tax Liabilities (Net)	4	46.21	114.11
Other Long-Term Liabilities	5	101.39	97.44
Long-Term Provisions	6	316.50	316.39
		<u>6,600.44</u>	<u>4,256.75</u>
<b>3 Current Liabilities</b>			
Short Term Borrowings	7	6,970.76	7,909.49
Trade Payables	8	2,380.04	2,509.07
Other Current Liabilities	9	4,863.58	5,848.68
Short-Term Provisions	10	1,091.98	764.18
		<u>15,306.36</u>	<u>17,031.42</u>
		<u>76,926.12</u>	<u>73,532.23</u>
<b>TOTAL</b>			
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
<b>Fixed Assets</b>			
(i) Tangible Assets	11	5,893.25	6,151.56
(ii) Intangible Assets		43.14	81.42
(iii) Capital work-in-progress		129.50	93.15
Non-Current Investments	12	10,802.25	7,352.93
Long-Term Loans and Advances	13	25,376.26	14,021.50
Other Non Current Assets	14	252.23	1,507.39
		<u>42,496.63</u>	<u>29,207.95</u>
<b>2. Current Assets</b>			
Inventories	15	4,306.92	4,464.40
Trade Receivables	16	22,237.12	17,024.27
Cash and Cash Equivalents	17	685.18	13,947.34
Short-Term Loans and Advances	18	5,095.21	7,436.85
Other Current Assets	19	2,105.06	1,451.42
		<u>34,429.49</u>	<u>44,324.28</u>
		<u>76,926.12</u>	<u>73,532.23</u>
<b>TOTAL</b>			

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

1 to 28

As per our attached report of even date

For and on behalf of the Board of Directors

FOR THAKUR,VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Registration No.: 000038N

Yashovardhan Birla  
Chairman

P V R Murthy  
Managing Director

C.V. Parameswar

Partner

Membership No: 11541

N Nagesh  
Company Secretary

Place : Mumbai

Dated : 14th August,2012

Place : Mumbai

Dated : 14th August,2012



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	Note No.	For the year ended 31st March,2012 (Rs. In Lacs)	For the year ended 31st March,2011 (Rs. In Lacs)
<b>I. INCOME</b>			
<b>Revenue From Operations (Gross)</b>	21	<b>41,400.05</b>	29,258.72
Less : Excise Duty		<u>130.78</u>	<u>26.04</u>
		<b>41,269.27</b>	29,232.68
II. Other Income	22	<b>807.59</b>	1,173.72
<b>III. Total Revenue (I + II)</b>		<u><b>42,076.86</b></u>	<u>30,406.40</u>
<b>IV. EXPENSES</b>			
Cost of Materials Consumed	23	<b>35,352.73</b>	23,457.90
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	<b>111.37</b>	14.29
Employee Benefits Expenses	25	<b>1,194.66</b>	1,359.44
Finance Costs	26	<b>2,826.99</b>	2,347.61
Depreciation and Amortization Expenses		<b>364.25</b>	378.02
Other Expenses	27	<b>1,365.67</b>	1,839.41
<b>Total Expenses</b>		<u><b>41,215.67</b></u>	<u>29,396.66</u>
<b>V. Profit before tax (III -IV)</b>		<u><b>861.19</b></u>	<u>1,009.73</u>
<b>VI. Tax Expenses</b>			
Current Tax		<b>236.36</b>	327.61
Deferred Tax		<b>(67.90)</b>	(66.94)
Wealth Tax		<b>0.37</b>	0.31
Tax in respect of earlier years		<b>162.81</b>	(6.90)
<b>TOTAL</b>		<u><b>331.64</b></u>	<u>254.08</u>
<b>VII. PROFIT FOR THE YEAR (V -VI)</b>		<u><b>529.55</b></u>	<u>755.65</u>
Earning per Equity Share of face value of Re. 1 each Basic and Diluted (in Re.)		<b>0.00</b>	0.00

Earning per Equity Share of face value of Re. 1 each

Basic and Diluted (in Re.)

0.00

0.00

Significant Accounting Policies and  
Notes on Financial Statements

1 to 28

As per our attached report of even date

For and on behalf of the Board of Directors

FOR THAKUR,VAIDYANATH AIYAR & CO.  
Chartered Accountants  
Firm Registration No.: 000038NYashovardhan Birla  
ChairmanP V R Murthy  
Managing DirectorC.V. Parameswar  
Partner  
Membership No: 11541N Nagesh  
Company SecretaryPlace : Mumbai  
Dated : 14th August,2012Place : Mumbai  
Dated : 14th August,2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	Year ended March 31, 2012	(Rs. in Lacs) Year ended March 31, 2011
<b>(A) Cash Flow From Operating Activities</b>		
<b>Net Profit before tax</b>	<b>861.20</b>	1,009.73
Adjustments for :		
- Depreciation	365.05	379.63
- Interest Expenses	4,278.99	3,002.52
- Interest Income	(1,452.00)	(654.91)
- Profit on sale of Fixed Assets	(1.68)	(1.45)
- Excess Liability Written Back	(67.23)	(5.25)
- Loss on sale of Fixed Assets	0.55	25.26
- Unrealised Gain on Foreign Exchange Rate	(86.06)	(125.97)
- Issue of Bonus Shares (Out of Share Premium)	-	(3,558.66)
- Unrealised Exchange Rate Gain on Loan	2,365.18	-
- Provision for Doubtful Debts	-	4.81
- Miscellaneous Expenditure Written off	9.40	296.40
<b>Operating Profit before Working Capital Changes</b>	<b>5,412.20</b>	(637.62)
<b>Adjustments for :</b>	<b>6,273.40</b>	372.11
- Trade & Other Receivables	(17,347.13)	(5,350.17)
- Inventories	157.49	79.43
- Trade & Other Payables	(608.05)	1,012.81
<b>Cash Generated from Operations</b>	<b>(11,524.29)</b>	(3,885.82)
- Tax Payments (Net)	(211.20)	(415.02)
<b>Net Cash Flow from Operating Activities</b>	<b>(A) (11,735.49)</b>	(4,300.84)
<b>(B) Cash Flow from Investing Activities</b>		
- Purchase of Fixed Assets/ Capital Advance Adjustment	(647.00)	(3,197.98)
- Sale of Fixed Assets	3.51	10.30
- Repayments of Loan from Bodies Corporate	3,225.93	(4,847.10)
- Purchase of Investment	(3,449.32)	(7,172.52)
- Interest Received	1,238.65	161.74
<b>Net Cash Flow from Investing Activities</b>	<b>(B) 371.78</b>	(15,045.56)
<b>(C) Cash Flow from Financing Activities</b>		
- Borrowings (Net of repayments)	1,468.79	1,520.39
- Loss on Exchange Difference	86.06	(829.06)
- Interest Paid	(4,571.88)	(2,739.18)
- Issue of Share Capital	-	14,180.58
- Share Premium	-	14,223.44
- Money Received against Share Warrants	1,120.98	-
- Share issue expenses	-	(1,096.15)
- Dividend Paid (including Corporate Dividend Tax)	(2.40)	(1,307.07)
<b>Net Cash Flow from Financing Activities</b>	<b>(C) (1,898.45)</b>	23,952.95
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(A+B+C) (13,262.16)</b>	4,606.55
Cash & Cash Equivalent at the beginning of the period	13,947.34	9,340.79
Cash & Cash Equivalent at the end of the period	<u>685.18</u>	<u>13,947.34</u>
	<u>(13,262.16)</u>	<u>4,606.55</u>

Notes to the Cash Flow Statement for the year ended March 31, 2012

- 1) The Cash Flow Statement has been prepared under the "Indirect Method" set out in AS-3 "Cash Flow Statement" referred to in The Companies Accounting Standard Rule, 2006.
- 2) Previous years' figures have been regrouped wherever necessary to confirm to this years' classification.

As per our attached report of even date

For and on behalf of the Board of Directors

FOR THAKUR,VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Registration No.: 000038N

Yashovardhan Birla

Chairman

P V R Murthy

Managing Director

C.V. Parameswar

Partner

Membership No: 11541

N Nagesh

Company Secretary

Place : Mumbai

Dated : 14th August,2012

Place : Mumbai

Dated : 14th August,2012

## NOTES TO THE FINANCIAL STATEMENTS

	As at 31 March, 2012 (Rs. In Lacs)	As at 31 March, 2011 (Rs. In Lacs)
<b>1. SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
3,000,000,000 Equity Share of Re. 1/- each (300,00,00,000)	<u>30,000.00</u>	<u>30,000.00</u>
<b>ISSUED</b>		
2,135,224,905 Equity Share of Re. 1/- each (2,135,224,905)	<u>21,352.25</u>	<u>21,352.25</u>
<b>SUBSCRIBED &amp; FULLY PAID UP</b>		
2,135,196,905 Equity Share of Re. 1/- each (2,135,196,905)	<u>21,351.97</u>	<u>21,351.97</u>
Add: Forfeited shares amounts originally paid-up.	<u>0.14</u>	<u>0.14</u>
<b>TOTAL</b>	<u><u>21,352.11</u></u>	<u><u>21,352.11</u></u>
<b>1.1 Reconciliation of the number of shares outstanding is set out below:</b>		
Shares outstanding at the beginning of the year	<b>No. of Shares</b> <u>2,135,196,905</u>	<b>No. of Shares</b> 717,138,560
<b>Add:</b> Share issued on Conversion of Global Depository Receipts during the year	-	1,062,192,350
Bonus Shares Issued	-	355,865,995
Conversion of Preferential Warrants	-	-
<b>Shares outstanding at the end of the year</b>	<u><b>2,135,196,905</b></u>	<u>2,135,196,905</u>
<b>1.2 The details of Shareholders holding more than 5% share</b>	<b>No. of Share</b>	<b>%</b>
Bank of New York Mellon	<u>573,680,820</u>	<u>26.87</u>
	709,430,820	33.23
1.3 355,865,955 Equity Shares out of the Issued, Subscribed and Paid up Share Capital were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and Reserves.		
1.4 On 09.06.2011 the company issued and allotted 213,519,690 Convertible Share Warrants to the Promoter Group Companies. These warrants are convertible into 1 Equity Share of Re. 1/- each, at a price (calculated in accordance with SEBI regulations) of Rs. 2.10 per share. 25% of the issue price amounting to Rs. 112,097,837.26 due on allotment has been received. The Balance 75% is due at the time of conversion on or before 08.12.2012.		
<b>2. RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>	<b>25.00</b>	25.00
<b>Securities Premium Reserve</b>		
Balance as per last account	<u>25,876.37</u>	16,166.62
<b>Add:</b> Securities Premium credited on Share issue	-	<u>9,709.75</u>
	<u>25,876.37</u>	<u>25,876.37</u>
Less: GDR Issue Expenses - {Refer Note No. 28(XII)}	<u>1,240.45</u>	-
	<u>24,635.92</u>	<u>25,876.37</u>
<b>Revaluation Reserve</b>	<b>699.43</b>	699.43
<b>General Reserve:</b>	<b>3,217.43</b>	3,217.43
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last account	<u>1,073.72</u>	318.07
<b>Add:</b> Net Profit for the Current Year	<u>529.55</u>	<u>755.65</u>
Foreign Currency Translation Reserve (Relating to Foreign Subsidiary)	<u>2,365.18</u>	-
<b>Closing Balance</b>	<u><b>3,968.45</b></u>	<u>1,073.72</u>
<b>TOTAL</b>	<u><u>32,546.23</u></u>	<u><u>30,891.95</u></u>

# BIRLA POWER SOLUTIONS LTD.

	<b>As at 31 March, 2012 (Rs. In Lacs)</b>	<b>As at 31 March, 2011 (Rs. In Lacs)</b>
<b>3 LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Other Loans (Refer Note No 1 & 2)	<b>16.76</b>	36.32
<b>Sub Total</b>	<b><u>16.76</u></b>	<u>36.32</u>
1 - Secured by hypothecation of Motor Vehicles purchased thereunder.		
2 - These loans are repayable in monthly installments by Feburary,2014 at rates of interest between 8.24 % and 12 %.		
<b>Unsecured</b>		
Deposits	<b>3,839.58</b>	3,512.49
Loans and Advances from related parties (Refer Note No. 28(III))	<b>180.00</b>	180.00
Other Loans and Advances (Refer Note No 1 )	<b>2,100.00</b>	-
<b>Sub Total</b>	<b><u>6,119.58</u></b>	<u>3,692.49</u>
<b>TOTAL</b>	<b><u>6,136.34</u></b>	<u>3,728.81</u>
1 - Loan availed by way of charge on property owned by a third party and also guaranteed by the third party .The loan is repayable on or before March 2015 at 21 % interest payable quarterly. There is no default in repayment of the loans and interest thereon.		
<b>4. DEFERRED TAX LIABILITY (NET)</b>		
Deferred Tax Liability		
On account of Depreciation	<b>235.93</b>	288.84
GDR Issue Expenses	-	43.60
Deferred Tax Assets		
On account of Disallowance under the Income Tax Act, 1961	<b>189.72</b>	218.33
<b>TOTAL</b>	<b><u>46.21</u></b>	<u>114.11</u>
<b>5. OTHER LONG TERM LIABILITIES</b>		
Others (including Advance and Security Deposit from Dealers)	<b>101.39</b>	97.44
<b>TOTAL</b>	<b><u>101.39</u></b>	<u>97.44</u>
<b>6. LONG TERM PROVISIONS</b>		
Provision for Employee Benefits :		
Gratuity	<b>190.66</b>	195.28
Leave Encashment	<b>125.84</b>	121.11
<b>TOTAL</b>	<b><u>316.50</u></b>	<u>316.39</u>
<b>7. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Loan Repayable on Demand		
Working Capital Loans (loans repayable on demand)		
From Banks (Refer to Note 1 below)	<b>3,988.74</b>	3,971.66
Factoring Facility (Refer Note 2 below)	<b>198.96</b>	-
Other Loan (Refer Note 3 below)	<b>26.55</b>	15.08
1 Working Capital loan from bank is secured by first pari passu charge by way of mortgage of immovable assets and hypothication of inventories, book debts and other receivables, both present and future carrying interest rate of 13.75 %.		
2 Secured by way of first charge of company's book debts in respect of specific customers.		
3 These loans are repayable in monthly installments by Feburary,2014 at rates of interest between 8.24 % and 12 %.		
<b>Unsecured</b>		
Deposits	<b>1,952.43</b>	1,678.40
Loans and Advances from related parties. (Refer Note No. 28 (III))	<b>804.08</b>	1,424.35
Other Loans and Advances	-	820.00
<b>TOTAL</b>	<b><u>6,970.76</u></b>	<u>7,909.49</u>
There is no default in repayment of the loans and interest thereon.		

	<b>As at 31 March, 2012 (Rs. In Lacs)</b>	<b>As at 31 March, 2011 (Rs. In Lacs)</b>
<b>8. TRADE PAYABLES</b>		
Due to Micro, Small and Medium Enterprises {Refer Note 28(VIII)}	<b>36.87</b>	42.58
Others	<b>2,343.17</b>	2,466.49
<b>TOTAL</b>	<b><u>2,380.04</u></b>	<u>2,509.07</u>
<b>9. OTHER CURRENT LIABILITIES</b>		
Interest accrued but not due on borrowings	<b>220.98</b>	163.92
Interest accrued and due on borrowings	<b>52.97</b>	402.91
Income received in advance	<b>109.59</b>	126.45
Unclaimed Dividends	<b>47.50</b>	49.90
Amounts due against warrants pending encashment.	<b>14.40</b>	14.40
Other payables(Refer to Note No. 28 (X))	<b>4,418.14</b>	5,091.10
<b>TOTAL</b>	<b><u>4,863.58</u></b>	<u>5,848.68</u>
<b>There is no amount due &amp; outstanding as on 31-03-2012 to be credited to Investor Education and Protection Fund.</b>		
<b>10. SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits :		
Gratuity	<b>21.81</b>	15.00
Leave Encashment	<b>17.12</b>	16.65
Salary & Reimbursements :	<b>41.05</b>	42.04
Provision for Wealth Tax	<b>0.37</b>	0.31
Others :		
Provision for Expenses	<b>583.11</b>	449.92
Provision of Taxation (Net of Advance Tax)	<b>428.52</b>	240.26
<b>TOTAL</b>	<b><u>1,091.98</u></b>	<u>764.18</u>

**NOTE NO. 11**

Fixed Assets	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 01 April 2011	Additions/Adjustment	Deductions/Adjustment	Balance as at 31 March 2012	Balance as at 01/ April 2011	Adjustment For the year/ Deductions	Upto 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011	
<b>FIXED ASSETS</b>										
<b>TANGIBLE ASSETS</b>										
Freehold Land	759.15	-	-	759.15	-	-	-	759.15	759.15	
Leasehold Land	17.46	-	-	17.46	14.52	-	0.58	2.36	2.94	
Building	1,294.65	18.21	-	1,312.86	375.79	-	33.57	903.50	918.86	
Plant and Machinery	7,306.10	8.01	4.89	7,309.22	3,013.77	4.65	248.31	4,051.79	4,292.33	
Furniture, Fixtures and Equipments	257.98	0.77	-	258.75	168.88	-	15.48	74.39	89.10	
Office Equipments	109.81	4.89	0.79	113.91	84.34	0.61	6.51	23.67	25.47	
Vehicles	202.09	39.03	28.17	212.95	138.38	25.98	22.16	78.39	63.71	
<b>TOTAL</b>	<b>9,947.24</b>	<b>70.91</b>	<b>33.85</b>	<b>9,984.30</b>	<b>3,795.68</b>	<b>31.24</b>	<b>326.61</b>	<b>4,091.05</b>	<b>5,893.25</b>	
<b>INTANGIBLE ASSETS</b>										
<b>Software</b>	302.96	-	-	302.96	221.54	-	38.28	43.14	81.42	
<b>TOTAL</b>	<b>302.96</b>	<b>-</b>	<b>-</b>	<b>302.96</b>	<b>221.54</b>	<b>-</b>	<b>38.28</b>	<b>43.14</b>	<b>81.42</b>	
<b>CAPITAL WORK IN PROGRESS</b>										
	-	-	-	-	-	-	-	129.50	93.15	
<b>TOTAL</b>	<b>10,250.20</b>	<b>70.91</b>	<b>33.85</b>	<b>10,287.26</b>	<b>4,017.22</b>	<b>31.24</b>	<b>364.89</b>	<b>4,350.87</b>	<b>6,065.89</b>	

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

	<b>As at 31 March, 2012 (Rs. In Lacs)</b>	<b>As at 31 March, 2011 (Rs. In Lacs)</b>
<b>12. NON CURRENT INVESTMENTS</b>		
<b>TRADE INVESTMENTS</b>		
<b>IN EQUITY SHARES - UNQUOTED, FULLY PAID UP (AT COST)</b>		
<b>In Equity Shares of Wholly Owned Subsidiary Companies</b>		
94,50,000 Birla Urja Ltd	<b>945.00</b>	943.00
(94,30,000) (Nominal value of Shares Rs. 10/- each)		
1 Birla Power Solutions Ltd - FZE	<b>4.25</b>	4.25
(1) (Nominal value of Shares UAE Dirham 35000/- each)		
10,000 Vijay Puranjay Minerals Pvt Ltd	<b>425.00</b>	-
(-) (Nominal value of Shares Rs. 10/- each)		
<b>In Equity Shares of Associate Companies.</b>		
52,000 Birla Energy Infra Limited	<b>5.20</b>	5.20
(52,000) (Nominal value of Share Rs. 10/- each)		
85,220,000 Birla Surya Ltd.	<b>8,522.00</b>	5,500.00
(55,000,000) (Nominal value of Share Rs. 10/- each)		
500 B T Global Investors Ltd.	<b>0.32</b>	-
(Nil) Nominal value of Share Euro. 1/- each)		
<b>In Equity Shares of Other Companies</b>		
3,60,000 Enn Vee Holdings Private Ltd	<b>900.00</b>	900.00
(3,60,000) (Nominal value of Share Rs. 10/- each)		
2,000 The Shamrao Vithal Co-op Bank Ltd.	<b>0.48</b>	0.48
(2,000) (Nominal value of Share Rs. 25/- each)		
<b>TOTAL</b>	<b><u>10,802.25</u></b>	<b><u>7,352.93</u></b>
<b>Aggregate amount of Unquoted Investments</b>	<b>10,802.25</b>	7,352.93
<b>13 LONG TERM LOANS AND ADVANCES</b>		
<b>(Unsecured and Considered good)</b>		
Capital Advances	<b>3,372.67</b>	2,832.94
Security Deposits	<b>193.15</b>	192.00
Loans and Advance to Related Parties {Refer Note No 28 (III)}	<b>20,080.08</b>	7,145.47
Inter Corporate Deposits	<b>1,530.71</b>	-
Tooling Advance	<b>190.95</b>	188.51
Other Loans and Advances	<b>8.70</b>	3,662.58
<b>TOTAL</b>	<b><u>25,376.26</u></b>	<b><u>14,021.50</u></b>
<b>14 OTHER NON-CURRENT ASSETS</b>		
Others :		
Unammortised Expenses	-	1,249.86
Other Advances	<b>252.23</b>	257.53
Comprises Deposits made under protest with various Sales Tax Deptts., & Commissioner of Industries, Delhi against pending appeals.		
<b>TOTAL</b>	<b><u>252.23</u></b>	<b><u>1,507.39</u></b>

	<b>As at 31 March, 2012 (Rs. In Lacs)</b>	<b>As at 31 March, 2011 (Rs. In Lacs)</b>
<b>15 INVENTORIES</b>		
<b>(At lower of cost or net Realisable Value)</b>		
Raw Materials	1,736.62	1,762.25
Semi-Finished Goods	752.97	846.21
Finished Goods	1,290.28	1,213.76
Stock-in-Trade	368.90	482.59
Scrap etc.	8.40	9.56
Stores and Spare Parts	149.75	150.03
<b>TOTAL</b>	<b><u>4,306.92</u></b>	<b><u>4,464.40</u></b>
<b>16 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they become due for payment :		
Unsecured Considered good	7,679.37	8,526.45
Considered doubtful	41.03	41.03
Less: Provision for doubtful debts	41.03	41.03
Others Unsecured Considered good	14,557.75	8,497.82
<b>TOTAL</b>	<b><u>22,237.12</u></b>	<b><u>17,024.27</u></b>
<b>17 CASH AND CASH EQUIVALANTS</b>		
Balances with Banks	191.20	388.47
Cheques, Drafts on hand	-	65.12
Cash on hand	1.83	6.43
Balances with Foreign Banks	-	12,615.01
Unclaimed Dividend	56.15	58.55
Margin Money	436.00	813.76
<b>TOTAL</b>	<b><u>685.18</u></b>	<b><u>13,947.34</u></b>
<b>18 SHORT TERM LOANS AND ADVANCES</b>		
<b>(Unsecured Considered good)</b>		
Balance with Port Trust, Customs and Excise	7.09	11.71
Earnest Money Deposit	39.97	37.08
Loans to Employees	35.73	27.66
Advances to Suppliers and Contractors	3,663.79	7,360.40
Advance for procurement	1,348.63	-
<b>TOTAL</b>	<b><u>5,095.21</u></b>	<b><u>7,436.85</u></b>
<b>19 Other Current Assets</b>		
Interest Receivable	1,215.47	866.20
Prepaid Expenses	870.54	422.32
Advance for Expenses/Travelling	10.34	26.77
Insurance Claim Receivable	8.71	0.21
Interest accrued on Foreign Bank Deposits	-	135.92
<b>TOTAL</b>	<b><u>2,105.06</u></b>	<b><u>1,451.42</u></b>

	<b>As at 31 March, 2012 (Rs. In Lacs)</b>	<b>As at 31 March, 2011 (Rs. In Lacs)</b>
<b>20 Contingent Liabilities and Commitments (to the extent not provided for)</b>		
Disputed Sales Tax Liability	823.79	1,021.82
Claim against the company not acknowledged as debts	12.31	164.58
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	-	2.45
<b>Total</b>	<b><u>836.10</u></b>	<b><u>1,188.85</u></b>
<b>21 REVENUE FROM OPERATIONS</b>		
Sale of Products :	<b>33,798.54</b>	29,225.25
Traded Goods	<b>7,400.52</b>	-
Sale of Services	<b>171.01</b>	-
Other Operating Revenues :		
Sales of Scrap	<b>29.98</b>	33.47
<b>Sub Total</b>	<b><u>41,400.05</u></b>	<b><u>29,258.72</u></b>
Less : Excise Duty	<b>130.78</b>	26.04
<b>TOTAL</b>	<b><u>41,269.27</u></b>	<b><u>29,232.68</u></b>
<b>22 OTHER INCOME</b>		
Dividend Income	<b>0.06</b>	-
Surplus on Sale of Fixed Assets	<b>1.67</b>	1.45
Excess provision written back (Net)	<b>67.23</b>	5.25
Exchange Fluctuation Gain (Net)	<b>86.06</b>	125.97
Other Non-Operating Income {Refer Note No: 28(xiii)}	<b>652.57</b>	1,041.05
<b>TOTAL</b>	<b><u>807.59</u></b>	<b><u>1,173.72</u></b>
<b>23 COST OF MATERIALS CONSUMED</b>		
<b>A. Raw Materials &amp; Components :</b>		
Engines	<b>125.02</b>	20.64
Alternators	<b>40.32</b>	141.78
Accoustic Hood/Canopies	<b>93.02</b>	96.66
Pumps	<b>193.34</b>	189.56
Others	<b>1,423.38</b>	2,168.90
<b>Sub Total</b>	<b><u>1,875.08</u></b>	<b><u>2,617.54</u></b>
<b>B. Packing Materials</b>	<b>70.57</b>	77.48
<b>Sub Total</b>	<b><u>70.57</u></b>	<b><u>77.48</u></b>
<b>C. Purchase of Traded Goods :</b>		
Electrical Items & M S Steel	<b>26,005.18</b>	20,762.88
Copper	<b>7,401.90</b>	-
<b>Sub Total</b>	<b><u>33,407.08</u></b>	<b><u>20,762.88</u></b>
<b>TOTAL</b>	<b><u>35,352.73</u></b>	<b><u>23,457.90</u></b>



	As at 31 March, 2012 (Rs. In Lacs)	As at 31 March, 2011 (Rs. In Lacs)
<b>24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventory at the end of the year:</b>		
Finished Goods / Stock-in-Trade	1,659.18	1,696.35
Semi-Finished Goods	8.40	9.56
Scrap etc.	<u>752.96</u>	<u>846.21</u>
	<u>2,420.54</u>	<u>2,552.12</u>
<b>Less:</b>		
<b>Inventory at the beginning of the year:</b>		
Finished Goods / Stock-in-Trade	1,696.35	1,773.88
Semi-Finished Goods	9.56	1.98
Scrap etc.	<u>846.21</u>	<u>809.89</u>
	<u>2,552.12</u>	<u>2,585.75</u>
	<u>(131.58)</u>	<u>(33.63)</u>
<b>Variation in excise duty on closing and opening stock of Finished Goods</b>	<u>20.21</u>	<u>19.34</u>
<b>TOTAL</b>	<u><u>111.37</u></u>	<u><u>14.29</u></u>
<b>25 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	1,016.41	1,171.73
Contribution to Provident and Other Funds	71.16	74.85
Staff Welfare Expenses	<u>107.09</u>	<u>112.86</u>
<b>TOTAL</b>	<u><u>1,194.66</u></u>	<u><u>1,359.44</u></u>
<b>26 FINANCE COST</b>		
Interest Expenses	1,647.13	1,240.42
Other borrowing costs	<u>1,179.86</u>	<u>1,107.19</u>
	<u><u>2,826.99</u></u>	<u><u>2,347.61</u></u>
<b>27 OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Consumption of Stores and Spares	83.22	120.52
Power, Fuel and Water	52.90	69.94
Repairs to:		
(a) Buildings	6.32	1.82
(b) Machinery	<u>6.45</u>	<u>5.45</u>
<b>Sub Total</b>	<u><u>148.89</u></u>	<u><u>197.73</u></u>
<b>Selling and Distribution Expenses</b>		
Freight, Forwarding and Handling Expenses etc.	110.30	154.06
Commission and other Marketing Expenses	<u>707.08</u>	<u>644.87</u>
<b>Sub Total</b>	<u><u>817.38</u></u>	<u><u>798.93</u></u>
<b>Establishment Expenses</b>		
Rent	45.35	67.83
Insurance	12.73	14.10
Rates and Taxes	31.41	48.39
Miscellaneous Expenditure	<u>287.02</u>	<u>662.04</u>
Payment to Auditors'		
Statutory Auditors:		
Audit Fees (including service tax)	12.82	12.82
Other Services,	3.90	3.21
Reimbursement of Expenses	0.23	0.01
Repairs	4.88	5.85
Prior Period Expenses	0.51	(1.57)
Loss on Fixed Assets sold/discarded	0.55	25.26
Bad debts,irrecoverable advances and claims written off	<u>-</u>	<u>4.81</u>
	<u>399.40</u>	<u>842.75</u>
<b>TOTAL</b>	<u><u>1,365.67</u></u>	<u><u>1,839.41</u></u>

**NOTE-28****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FIANCIAL STATEMENTS****I. SIGNIFICANT ACCOUNTING POLICIES****A) Basis of preparation of Financial Statements**

The financial statements have been prepared on an accrual basis and under historical cost convention (except freehold land which has been revalued) and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) and the relevant provisions of the Companies Act, 1956.

**B) Use of Estimate**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

**C) Revenue Recognition**

- (i) Revenues / Incomes and Costs / Expenditure are generally accounted on accrual, as they are earned or incurred.
- (ii) Sale of Goods is recognized on transfer of significant risks and rewards of ownership, which is generally on the dispatch of goods. Export Sales is recognized on the basis of shipment of goods to customer.
- (iii) Sales include sale of power produced at Windmill Power Plant.
- (iv) Benefit on account of entitlement to import goods free of duty under the “ Duty Entitlement Pass Book Scheme “ and Duty Draw Back Scheme are accounted in the year of export.
- (v) Insurance claims are recognized when there exists, no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.
- (vi) Interest Income is accrued on time proportion basis over the period of loan / deposit / investment.
- (vii) Dividend income is accounted for the year in which the right to receive the same is established.

**D) Fixed Assets**

- (a) Fixed Assets are carried at cost of acquisition or construction including incidental expenses, less accumulated depreciation, amortization except freehold land. Expenditure on additions, improvements and renewals is capitalized.
- (b) Freehold Land has been revalued as on 31<sup>st</sup> March, 2007 and accordingly carried thereafter at revalued figure.

**E) Intangible Assets**

Capital expenditure on purchase and development of identifiable assets viz., Computer Software is recognized as Intangible Assets in accordance with principles given under AS-26 - Intangible Assets.

**F) Expenditure Incurred During Construction Period**

In respect of new/ major expansion of the Units, the indirect expenditure incurred during construction period up to the date of commencement of commercial production is capitalized on various categories of fixed assets on proportionate basis.

**G) Depreciation**

- i) Depreciation on Furniture and Fixtures, Vehicles and Office Equipments is provided on written down value method and on other assets it is provided on straight-line method at the rates given in Schedule XIV to the Companies Act, 1956.

- ii) Depreciation on additions due to foreign exchange variations capitalized in earlier years is provided over the remaining useful life of the assets.
- iii) Premium paid on Leasehold Land is amortized over the period of lease.
- iv) Intangible assets, in form of Computer Software are amortized over a period of five years.
- v) Depreciation is provided on pro-rata basis with reference to the month of addition / deletion. Assets costing less than Rs.5000/- each are fully depreciated in the year of purchase.
- vi) Pursuant to the revision in the rates prescribed in Schedule XIV to the Companies Act, 1956 vide notification No. GSR 756 (E) dated 16.12.93 issued by the Ministry of Law, Justice and Company Affairs, depreciation has been calculated at new rates only on additions to assets made after the said date.

#### **H) Investments**

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

#### **I) Inventories**

Raw Materials, Work-in-Progress, Finished Goods (including purchased for trade), Packing Materials, Stores and Spares are stated 'at cost or net realizable value, whichever is lower'.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'Weighted Average Cost'

The excise duty in respect of closing inventory of finished goods is included as part of finished goods.

Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

Research and Development inventories are written off over a period of three years.

#### **J) Foreign Currency Translations**

All transactions in foreign currency are recognized at the rates of exchange prevailing on the dates when the relevant transactions have taken place.

Monetary items in the form of Loans, Current and Non Current Assets and Current and Non Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

#### **K) Borrowing Costs**

Interest and other borrowing costs attributable to the acquisition / construction of qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

#### **L) Employee Benefits**

##### **A. Short Term Employee Benefits:**

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia etc. and are recognized in the period in which the employee renders the related service.

##### **B. Post Employment Benefits:**

###### **i. Defined Contribution Plans:**

Company's contribution paid/payable during the period to Provident Fund, EDLI, Officer Superannuation Fund, ESIC and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

###### **ii. Defined Benefit Plans:**

Provision for payments to the Employees Gratuity Fund after taking into account the funds available with the LIC is based on actuarial valuation done at the close of each financial year. At the reporting

date Company's liabilities towards gratuity is determined by an independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

**iii. Other Defined Benefits:**

Provision for other defined benefits for long term leave encashment is made based on an independent actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains and losses are recognized immediately in the statement of Profit and Loss Account as income or expense. Company recognizes the undiscounted amount of short term employee benefits during the accounting period based on service rendered by the employee.

**M) Miscellaneous Expenditure**

Share Issue expenses are amortized over a period of five years.

**N) Research and Development**

Research and Development expenditure is charged to revenue under the natural heads of accounts in the year in which it is incurred. However, Research and Development expenditure on fixed assets is treated in the same way as expenditure on the other fixed assets.

**O) Taxation**

Income Tax expense comprises current tax and deferred tax charge or credit.

Provision for Current Tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax assets and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized only if there is a virtual certainty of its realization, and supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of Deferred tax assets is reviewed to reassure realization.

**P) Government Grants**

Grants received against specific fixed assets are adjusted to the cost of the assets. Revenue Grants are recognized in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

**Q) Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

**R) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent assets are neither recognized nor disclosed in the Financial Statements.

**S) Current & Non Current**

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

**II. NOTES TO THE FINANCIAL STATEMENTS**

I The outflow of resources in respect of pending matters with respect to Sales Tax & Excise Duty would depend on the ultimate outcome of the dispute lying before various Authorities amounting to Rs. 696.14 lacs (Previous Year Rs. 1021.82 lacs). The Company has taken legal & other steps necessary to protect its position in respect of these claims.

**II Employee Benefits****(a) Defined Benefit Plans**

	(Rs in Lacs)	
	2011-2012	2010-2011
<b>Gratuity</b>		
<b>Liability to be recognized in Balance Sheet as on 31<sup>st</sup> March, 2012</b>		
Present value of Funded Obligations	(365.06)	(339.85)
Fair Value of Plan Assets	152.59	129.57
Net Assets/ (Liability)	(212.47)	(210.28)
<b>Change in Plan Assets (Reconciliation of Opening and Closing Balances)</b>		
Fair value of Plan Assets as at 1 <sup>st</sup> April, 2011	129.57	126.66
Expected Return on Plan Assets	12.51	11.33
Actuarial Gain / (Losses)	(1.01)	(0.06)
Contributions	26.51	-
Benefits Paid	(14.99)	(8.36)
Fair Value of Plan Assets as at 31 <sup>st</sup> March, 2012	152.59	129.57
<b>Reconciliation of Opening and Closing Balances of Obligation</b>		
Change in defined Benefit Obligation		
Obligation as at 1 <sup>st</sup> April, 2011	339.86	273.28
Current Service Cost	18.62	18.86
Interest Cost	27.19	21.86
Actuarial Losses / (Gain)	(5.61)	34.22
Benefits Paid	(15.00)	(8.36)
Obligation as at 31 <sup>st</sup> March, 2012	365.06	339.86
<b>Expenditure to be recognized during the Year</b>		
Current Service Cost	18.62	18.86
Interest Cost	27.19	21.86
Expected Return on Plan Assets	(12.52)	(11.33)
Net Actuarial Losses / (Gains) Recognized during the year	(4.59)	34.22
Total Expenditure included in "Employment Costs"	28.70	63.67
<b>Assumptions</b>		
Discount Rate (per annum)	8.00%	8.00%
Expected Rate of return on assets (per annum)	9.25%	9.25%
Salary Escalation Rate	5.00%	5.00%
<b>Major Category of Plan Asset as percentage of total plan</b>		
LIC Group Gratuity Scheme	100%	100%

**Note:** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**(b) Defined Contribution Plan:**

An amount of Rs 152.59 Lacs (Previous Year Rs 140.07 Lacs) is recognized as an expense and included in Note 25 "Contribution to Provident and other Funds" with Statement of Profit and Loss.

**III. Related Party Information:**

**(a) List of related parties disclosure as required by Accounting Standard 18 (AS – 18)**

Sr. No.	Name of the Related Party	Relationship	
1.	Birla Urja Ltd.	Wholly Owned Subsidiary	
2.	Birla Power Solutions Ltd – FZE		
3.	Vijay Puranjay Minerals Pvt. Ltd.		
4.	Birla Terrajoule Pvt. Ltd.	Associates	
5.	Birla Surya Ltd.		
6.	B T Global Investors Ltd.		
7.	Birla Energy Infra Ltd.		
8.	Birla Cotsyn (India) Ltd.		
9.	Birla Precision Technologies Ltd.		
10.	Zenith Birla (India) Ltd.		
11.	Melstar Information Technologies Ltd.	Enterprises Owned or significantly influenced by key management personnel or their relatives where transactions have taken place	
12.	Birla Shloka Edutech Ltd.		
13.	Birla Machining & Toolings Ltd.		
14.	Birla Pecific & Medspa Ltd.		
15.	Birla Art Lifestyle Pvt. Ltd.		
16.	Shearson Investment & Trading Co. Ltd.		
17.	Lakshmi Properties Ltd.		
18.	Shri Yashovardhan Birla (Chairman)		Key Management Personnel
19.	Shri P V R Murthy		

**(b) Balances outstanding of Related Parties-**

(Rs. in lacs)

Net Balance of Receivable, Payable, Deposit, Loan etc.		Balances carried forward to Balance Sheet		Balances carried forward to Balance Sheet	
		As at 31 <sup>st</sup> March,2012		As at 31 <sup>st</sup> March,2011	
		Receivable	Payable	Receivable	Payable
Subsidiary	Birla Urja Ltd. (Wholly Owned)	467.69	-	1.38	-
	Birla Power Solutions Ltd – FZE (Wholly owned)	19020.94	-	4264.08	-
	Vijay Puranjay Minerals Pvt. Ltd. (Wholly owned)	156.93	-	-	-
Enterprises Owned or significantly influenced by key management personnel or their relatives where transactions have taken place	Birla Cotsyn (India) Ltd.	434.52	-	2190.78	-
	Zenith Birla (India) Ltd.	-	373.32	-	1604.35
	Shearson Investment & Trading Co. Ltd.	-	610.76	689.23	-
<b>Total</b>		<b>20,080.08</b>	<b>984.08</b>	7145.47	1604.35

## (c) Disclosure in respect of material transactions with related parties during the year-

(Rs.in lacs)

	2011-2012	2010-2011
<b>1. Sale of Goods</b>	<b>1563.26</b>	<b>373.49</b>
Zenith Birla (India) Ltd.		
<b>2. Other Income</b>		
Birla Energy Infra Ltd	<b>441.20</b>	-
<b>3. Advance Given</b>		
Zenith Birla (India) Ltd.	-	20.29
Birla Energy Infra Ltd.	-	39.52
Birla Power Solutions Ltd. - FZE	<b>14756.87</b>	4269.57
Birla Urja Ltd.	<b>482.85</b>	-
Birla Shloka Edutech Ltd.	-	100.00
<b>4. Advance Given Refunded</b>		
Birla Urja Ltd.	-	10.85
Birla Surya Ltd.	<b>50.15</b>	-
<b>5. Advance Taken</b>		
Birla Shloka Edutech Ltd.	-	1281.75
Birla Cotsyn (India) Ltd.	<b>6.50</b>	-
<b>6. Advance Taken Refund</b>		
Birla Shloka Edutech Ltd.	-	836.00
<b>7. Interest on Loan Taken</b>		
Zenith Birla (India) Ltd.	<b>57.86</b>	192.49
Shearson Investment Co. Ltd.	<b>49.61</b>	-
<b>8. Interest on Loan Given</b>		
Shearson Investment Co. Ltd.	-	12.06
Birla Cotsyn (India) Ltd.	<b>198.46</b>	204.60
Zenith Birla (India) Ltd.	<b>46.50</b>	-
<b>9. Loan Taken</b>		
Zenith Birla (India) Ltd	<b>951.00</b>	971.13
<b>10. Loan Taken Refund</b>		
Zenith Birla (India) Ltd.	3063.99	772.66
<b>11. Loan Given</b>		
Shearson Investment Co. Ltd.	<b>400.00</b>	760.00
Birla Cotsyn (India) Ltd	<b>577.24</b>	2190.78
<b>12. Loan Given Refunded</b>		
Shearson Investment Co. Ltd.	<b>1700.00</b>	100.06
Birla Cotsyn (India) Ltd.	<b>2333.50</b>	-
<b>13. Rent Paid</b>		
Zenith Birla (India) Ltd.	-	1.79
<b>14. Investments</b>		
Birla Urja Ltd	-	943.00
Birla Energy Infra Ltd	-	2.20
Birla Power Solutions Ltd. – FZE	-	4.25
Birla Surya Ltd.	<b>3022.00</b>	5323.08
B T Global Investors Ltd.	<b>0.32</b>	-
<b>15. Services Received</b>		
Zenith Birla (India) Ltd	<b>13.37</b>	0.31
<b>16. Director's Remuneration</b>		
Mr. Kalyan Bhattacharya	-	52.54
Mr. P V R Murthy	<b>100.01</b>	38.89

- IV. The Company has recoverable aggregating Rs 472.22 Lacs (Previous Year Rs. 471.67 lacs) from Birla TransAsia Carpets Limited (BTCL), a sick industrial undertaking. BTCL has made a reference to the Board for Industrial and Financial Reconstruction (BIFR).

The management relies on the estimations made by an independent valuer in respect of the realizable values of assets viz. land, buildings and plant and machinery of BTCL and accordingly considers its exposures to be good and adequately covered and expects full realisability of the same in future.

- V. Trade receivables include Rs.843.00 lacs (Previous years Rs. 1376.90 lacs) for which the company has entered into agreements of assignment for transfer of debts outstanding and receivable by the company, to the purchaser of the debts.
- VI. The Company during March, 2006 had a public issue of Equity Shares, which was oversubscribed. As per SEBI rules, refund orders were issued to the subscribers in respect of the excess amounts. An amount of Rs 14.41 (Previous Year Rs 14.41 Lacs) is pending for encashment as at 31<sup>st</sup> March, 2012.
- VII. Premises taken on operating lease:

(Rs in Lacs)

Particulars	2011-2012	2010-2011
Rent and Lease Rent recognized in the Profit and Loss account	44.28	66.82

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

(Rs in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Not later than one year	22.04	38.62
Between two to five years	42.18	73.19

- VIII. Micro, Small and Medium Enterprise Dues:

Sundry Creditors includes Rs 42.04 Lacs (Previous Year Rs 42.58 Lacs) due to Micro, Small and Medium Enterprises.

Following is the information, required to be furnished as per Section 22 of the Micro, Small and Medium Enterprise Development Act 2006.

(Rs in Lacs)

Sr. No	Particulars	31st March, 2012	31st March, 2011
1	The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. Principal Interest	36.87 5.17	34.77 7.81
2	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small, and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during each accounting year.	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	5.17	7.81
4	The amount of interest accrued and remaining unpaid at the end of accounting year: and	5.17	7.81
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues as above are actually paid to the Small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act,2006.	Nil	Nil



Above disclosures have been made based on information available with the Company, for suppliers who are registered as Micro, Small and Medium Enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at 31st March, 2012.

**IX. A. Imported and indigenous raw materials consumption:**

Particulars	2011-2012		2010-2011	
	Imported (Rs. in lacs)	Indigenous (Rs. in lacs)	Imported (Rs. in lacs)	Indigenous (Rs. in lacs)
<b>Raw materials and Components</b>				
- Rs in Lacs	43.95	2093.18	60.10	2382.00
- Percentage	2.06	97.94	2.46	97.54
<b>Stores and Spare Parts</b>				
- Rs in Lacs	0.34	82.88	4.12	116.40
- Percentage	0.41	99.59	3.42	96.58

**B. CIF value of Imports**

Particulars	2011-2012 (Rs in Lacs)	2010-2011 (Rs in Lacs)
Raw Materials and Components, Gensets, Electrical Appliances, Consumable Stores and Spare Parts (including spare parts for sales and servicing of Generator Sets and Capital Goods) (Including in Transit)	60.05	89.00

**C. Expenditure in foreign currency**

Particulars	2011-2012 (Rs in Lacs)	2010-2011 (Rs in Lacs)
Travelling Expenses	1.18	3.76

**D. FOB value of Exports**

Particulars	2011-2012 (Rs in Lacs)	2010-2011 (Rs in Lacs)
Exports	-	7.08

**E. Dividend remitted to Non- Resident Shareholders in foreign currency.**

Particulars	2011-2012	2010-2011
Number of Non- Resident shareholders	1388	145
Number of Equity Shares held by them	47,072,767	23,33,946
Gross amount of Dividend (Rs in lacs)	NIL	1.75
Dividend in respect of 1st April, 2010 to 31st March, 2011 (Rs in Lacs)	NIL	1.75
Pertaining to Year	2010-2011	2009-2010

**F. There are no derivative instruments outstanding as at the year end. Foreign currency exposures which are not hedged as at the year end, are as follows:**

Particulars/Currency Denomination	2011-2012		2010-2011	
	Foreign Currency	Indian Rupees (Rs in Lacs)	Foreign Currency	Indian Rupees (Rs in Lacs)
Creditors	-	-	-	-
Deposit in Foreign Bank	USD 18272.40	9.32	USD 28431135.80	12617.74

- X. Other payable under Note 9 “Other Current Liabilities” includes Statutory dues of Rs. 558.11 lacs (Previous Year Rs. 621.32 lacs) & other payable against Acceptances of Rs. 3737.80 lacs (Previous Year Rs. 4301.98 lacs).
- XI. The Company has issued and allotted 1,062,192,350 Equity Shares of the face value of Re 1 per Share at a premium of Rs 1.35 per Share under the GDR Offer aggregating Rs. 24961.52 lacs on 9th.July, 2010. The proceeds are intended to be utilized for General Corporate Purpose and long term Working Capital requirements. Pending full utilization, the balance amount is held in current /fixed deposit / loans accounts.
- XII. Expenses incurred amounting to Rs. 1240.45 lacs, as GDR Issue Expenses, on issuance of Global Depository Receipts in the year 2010-2011 have been adjusted against Securities Premium received against these GDR’s.
- XIII Other Non-operating Income under Note 22 “Other Income” includes Rs. 620.00 lacs towards Technical knowhow & Consultancy charges.
- XIV. In accordance with Accounting Standard – 17 “Segment Reporting”, segment information has been given in the consolidated financial statement of the Company and therefore, no separate disclosure on segment information is given in these financial statements.
- XV. Till the year ended 31<sup>st</sup> March,2011, the company was using pre – revised Schedule VI of the Companies Act, 1956, for preparation & presentation of its financial statements. During the year ended 31<sup>st</sup> March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The company has reclassified previous year figures to conform to this year’s classifications.

As per our attached report of even date

For and on behalf of the Board of Directors

FOR THAKUR,VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Registration No.: 000038N

Yashovardhan Birla

Chairman

P V R Murthy

Managing Director

C.V. Parameswar

Partner

Membership No: 11541

N Nagesh

Company Secretary

Place : Mumbai

Dated : 14<sup>th</sup> August,2012

Place : Mumbai

Dated : 14<sup>th</sup> August,2012

**BIRLA POWER SOLUTIONS LIMITED****STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANY ACT, 1956**

Name of the Subsidiary	Period of the Subsidiary Company	No. of Equity Shares	Percentage of Holding	The Net aggregate amount of Subsidiary's Profit/Losses so far as it concerns the members of the Holding Company not dealt with in the Holding Company's Accounts		The Net aggregate amount of Profit/Losses of Subsidiary which has been dealt with in the account of the Holding Company	
				For the Current Period	For Previous Period since it became Subsidiary	For the Current Period	For Previous Periods since it became Subsidiary
Birla Power Solutions Ltd. FZE	Ist April, 2011 to 31st March, 2012	1 Share of UAE Dirham 35000	100%	UAE Dhs. 72,22,650	UAE Dhs. 19,49,944	N.A.	N.A.
Birla Urja Ltd.	Ist April, 2011 to 31st March, 2012	9450000 Shares of Rs. 10/- each	100%	Rs. (9,56,938.15)	Rs. (1,14,700)	N.A.	N.A.
Vijay Puranjay Minerals Pvt Ltd.	Ist April, 2011 to 31st March, 2012	10000 Shares of Rs. 10/- each	100%	Rs. (1,03,401)	Nil	N.A.	N.A.

By Order of the Board

Managing Director

Dated : 14th August, 2012

**Auditor's Report on the Consolidated Financial Statements of Birla Power Solutions Limited**

To,  
The Board of Directors  
Birla Power Solutions Limited.

1. We have audited the attached consolidated balance sheet of Birla Power Solutions Limited (the "Company") and its subsidiaries, hereinafter referred to as the 'Group'(refer Note 28(II) (I) to the attached consolidated financial statement) as at 31<sup>st</sup> March, 2012, the related consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated 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 the 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 misstatement. 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. We did not audit the financial statements of the two subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 24,062.41 lacs and net assets of Rs. 20,264.71

lacs as at March 31, 2012, total revenue of Rs.2,373.71 lacs, net profit of Rs.1,003.56 lacs, and net cash flows amounting to Rs.(67.53) lacs for the year then ended. These financial statements and other financial information have been audited by other auditors and our opinion, on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the reports of the other auditors.

4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of report of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March 2012;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date: and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date

FOR THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants  
Firm Registration Number: 000038N

C. V. Parameswar  
Partner  
M.No.: 11541

Place: Mumbai  
Date : 14-08-2012

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012**

Particulars	Note No.	As at 31 March, 2012 (Rs. In Lacs)	As at 31 March, 2011 (Rs. In Lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders's Funds</b>			
Share Capital	1	21,352.11	21,354.11
Reserves and Surplus	2	34,206.53	31,123.27
Money received against Share Warrants		1,120.98	-
		<u>56,679.62</u>	<u>52,477.38</u>
<b>2 Non-Current Liabilities</b>			
Long-Term Borrowings	3	6,136.34	3,728.81
Deferred Tax Liabilities (Net)	4	46.21	114.11
Other Long-Term Liabilities	5	101.39	97.43
Long-Term Provisions	6	316.50	316.40
		<u>6,600.44</u>	<u>4,256.75</u>
<b>3 Current Liabilities</b>			
Short Term Borrowings	7	6,970.76	7,909.49
Trade Payables	8	6,175.10	4,533.97
Other Current Liabilities	9	4,864.93	5,852.32
Short-Term Provisions	10	1,095.69	764.18
		<u>19,106.48</u>	<u>19,059.96</u>
<b>TOTAL</b>		<u><u>82,386.54</u></u>	<u><u>75,794.09</u></u>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
<b>Fixed Assets</b>			
(i) Tangible Assets	11	5,896.77	6,154.02
(ii) Intangible Assets		891.14	81.42
(iii) Capital work-in-progress		972.68	549.81
Non-Current Investments	12	9,584.48	6,405.68
Long-Term Loans and Advances	13	6,226.34	10,251.99
Other Non Current Assets	14	252.22	1,507.38
		<u>23,823.63</u>	<u>24,950.28</u>
<b>2. Current Assets</b>			
Inventories	15	4,306.92	4,464.40
Trade Receivables	16	44,667.22	23,470.75
Cash and Cash Equivalents	17	694.19	14,020.35
Short-Term Loans and Advances	18	6,789.53	7,436.85
Other Current Assets	19	2,105.05	1,451.44
		<u>58,562.91</u>	<u>50,843.79</u>
<b>TOTAL</b>		<u><u>82,386.54</u></u>	<u><u>75,794.09</u></u>

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

1 to 28

As per our attached report of even date

For and on behalf of the Board of Directors

FOR THAKUR,VAIDYANATH AIYAR & CO.  
Chartered Accountants  
Firm Registration No.: 000038N

Yashovardhan Birla  
Chairman

P V R Murthy  
Managing Director

C.V. Parameswar  
Partner  
Membership No: 11541

N Nagesh  
Company Secretary

Place : Mumbai  
Dated : 14th August,2012

Place : Mumbai  
Dated : 14th August,2012

**CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	Note No.	Year ended 31st March,2012 (Rs. In Lacs)	Year ended 31st March,2011 (Rs. In Lacs)
<b>I. INCOME</b>			
Revenue From Operations (Gross)	21	64,873.76	35,741.61
Less : Excise Duty		130.78	26.04
		<b>64,742.98</b>	35,715.57
II. Other Income	22	807.60	1,173.72
III. Total Revenue (I + II)		<b>65,550.58</b>	36,889.29
<b>IV. EXPENSES</b>			
Cost of Materials Consumed	23	57,849.74	29,695.15
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	111.37	14.29
Employee Benefits Expenses	25	1,194.67	1,359.45
Finance Costs	26	2,829.73	2,348.20
Depreciation and Amortization Expenses		364.25	378.02
Other Expenses	27	1,346.66	1,853.13
Total Expenses		<b>63,696.42</b>	35,648.24
V. Profit before tax (III -IV)		<b>1,854.16</b>	1,241.05
<b>VI. Tax Expenses</b>			
Current Tax		236.36	327.61
Deferred Tax		(67.90)	(66.94)
Wealth Tax		0.37	0.31
Tax in respect of earlier years		162.81	(6.90)
TOTAL		<b>331.64</b>	254.08
VII. PROFIT FOR THE YEAR (V -VI)		<b>1,522.52</b>	986.97

Earning per Equity Share of face value of Re. 1 each  
Basic and Diluted (in Re.)

0.00 0.00

Significant Accounting Policies and  
Notes on Financial Statements

1 to 28

As per our attached report of even date

For and on behalf of the Board of Directors

FOR THAKUR,VAIDYANATH AIYAR & CO.  
Chartered Accountants  
Firm Registration No.: 000038N

Yashovardhan Birla  
Chairman

P V R Murthy  
Managing Director

C.V. Parameswar  
Partner  
Membership No: 11541

N Nagesh  
Company Secretary

Place : Mumbai  
Dated : 14th August,2012

Place : Mumbai  
Dated : 14th August,2012

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	Year ended March 31, 2012	(Rs. in Lacs) Year ended March 31, 2011
<b>(A) Cash Flow From Operating Activities</b>		
Net Profit before tax	1,854.16	1,239.48
<b>Adjustments for :</b>		
- Depreciation	366.20	380.33
- Interest Expenses	4,281.74	3,002.52
- Interest Income	(1,452.00)	(654.91)
- Profit on sale of Fixed Assets	(1.68)	(1.45)
- Excess Liability Written Back	(67.23)	(5.25)
- Loss on sale of Fixed Assets	0.55	25.26
- Unrealised Gain on Foreign Exchange Rate	(86.06)	(125.97)
- Issue of Bonus Shares (Out of Share Premium)	-	(3,558.66)
- Unrealised Exchange Rate Gain on Loan	2,365.18	-
- Provision for Doubtful Debts	-	4.81
- Prior Period Expenses	-	1.57
- Miscellaneous Expenditure Written off	9.40	296.40
<b>Operating Profit before Working Capital Changes</b>	<b>5,416.10</b>	<b>604.13</b>
<b>Adjustments for :</b>	<b>7,270.26</b>	<b>(635.35)</b>
- Trade & Other Receivables	(16,958.49)	(8,027.12)
- Inventories	157.49	79.43
- Trade & Other Payables	1,700.85	3,041.33
Cash Generated from Operations	(7,829.88)	(4,302.23)
- Tax Payments (Net)	(211.20)	(415.02)
<b>Net Cash Flow from Operating Activities</b> (A)	<b>(8,041.08)</b>	<b>(4,717.25)</b>
<b>(B) Cash Flow from Investing Activities</b>		
- Purchase of Fixed Assets/ Capital Advance Adjustment	(2,333.86)	(3,657.81)
- Sale of Fixed Assets	3.51	10.30
- Repayments of Loan from Bodies Corporate	3,225.93	(4,847.10)
- Purchase of Investment	(3,178.79)	(6,225.27)
- Interest Received	(1,102.73)	161.74
<b>Net Cash Flow from Investing Activities</b> (B)	<b>(3,385.94)</b>	<b>(14,558.14)</b>
<b>(C) Cash Flow from Financing Activities</b>		
- Borrowings (Net of repayments)	1,468.79	1,520.39
- Loss on Exchange Difference	86.06	(829.06)
- Interest Paid	(4,577.38)	(2,739.18)
- Issue of Share Capital	-	14,182.58
- Share Premium	-	14,223.44
- Money Received against Share Warrants	1,120.98	-
- Share issue expenses	-	(1,096.15)
- Dividend Paid (including Corporate Dividend Tax)	2.40	(1,307.07)
<b>Net Cash Flow from Financing Activities</b> (C)	<b>(1,899.15)</b>	<b>23,954.95</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b> (A+B+C)	<b>(13,326.17)</b>	<b>4,679.56</b>
Cash & Cash Equivalent at the beginning of the period	14,020.36	9,340.79
Cash & Cash Equivalent at the end of the period	694.19	14,020.35
	<b>(13,326.17)</b>	<b>4,679.56</b>

Notes to the Cash Flow Statement for the year ended March 31, 2012

- The Cash Flow Statement has been prepared under the "Indirect Method" set out in AS-3 "Cash Flow Statement" referred to in The Companies Accounting Standard Rule, 2006.
- Previous years' figures have been regrouped wherever necessary to confirm to this years' classification.

As per our attached report of even date

FOR THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Registration No.: 000038N

C.V. Parameswar

Partner

Membership No: 11541

Place : Mumbai

Dated : 14th August, 2012

For and on behalf of the Board of Directors

Yashovardhan Birla  
Chairman

P V R Murthy  
Managing Director

N Nagesh  
Company Secretary

Place : Mumbai

Dated : 14th August, 2012

	<b>As at 31 March, 2012 (Rs. In Lacs)</b>	<b>As at 31 March, 2011 (Rs. In Lacs)</b>
<b>1. SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
3,000,000,000 Equity Share of Re. 1/- each (300,00,00,000)	<u><b>30,000.00</b></u>	<u>30,000.00</u>
<b>ISSUED</b>		
2,135,224,905 Equity Share of Re. 1/- each (2,135,224,905)	<u><b>21,352.25</b></u>	<u>21,354.25</u>
<b>SUBSCRIBED &amp; FULLY PAID UP</b>		
2,135,196,905 Equity Share of Re. 1/- each (2,135,196,905)	<b>21,351.97</b>	21,353.97
<b>Add : Forfeited shares amounts originally paid-up.</b>	<b>0.14</b>	0.14
<b>TOTAL</b>	<u><b>21,352.11</b></u>	<u>21,354.11</u>
<b>1.1 Reconciliation of the number of shares outstanding is set out below:</b>		
Shares outstanding at the beginning of the year	<b>2,135,196,905</b>	717,138,560
<b>Add:</b> Share issued on Conversion of Global Depository Receipts during the year	-	1,062,192,350
Bonus Shares Issued	-	355,865,995
Conversion of Preferential Warrants	-	-
Shares outstanding at the end of the year	<u><b>2,135,196,905</b></u>	<u>2,135,196,905</u>
<b>1.2 The details of Shareholders holding more than 5% share</b>	<b>No. of Share %</b>	<b>No. of Share %</b>
Bank of New York Mellon	573,680,820 26.87	709,430,820 33.23
<b>1.3</b> 355,865,955 Equity Shares out of the Issued, Subscribed and Paid up Share Capital were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and Reserves.		
<b>1.4</b> On 09.06.2011 the company issued and allotted 213,519,690 Convertible Share Warrants to the Promoter Group Companies. These warrants are convertible into 1 Equity Share of Re. 1/- each, at a price (calculated in accordance with SEBI regulations) of Rs. 2.10 per share. 25% of the issue price amounting to Rs. 112,097,837.26 due on allotment has been received. The Balance 75% is due at the time of conversion on or before 08.12.2012.		
<b>2. RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>	<b>25.00</b>	25.00
<b>Securities Premium Reserve</b>		
Balance as per last account	<b>25,876.37</b>	16,166.62
<b>Add:</b> Securities Premium credited on Share issue	-	<u>9,709.75</u>
	<u><b>25,876.37</b></u>	<u>25,876.37</u>
<b>Less:</b> GDR Issue Expenses - {Refer Note No. 28(XV)}	<b>1,240.45</b>	-
	<u><b>24,635.92</b></u>	<u>25,876.37</u>
<b>Revaluation Reserve</b>	<b>1,123.43</b>	699.43
<b>General Reserve:</b>	<b>3,217.43</b>	3,217.43
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last account	<b>1,305.04</b>	318.07
<b>Add:</b> Net Profit for the Current Year	<b>1,522.52</b>	986.97
Foreign Currency Translation Reserve (Relating to Foreign Subsidiary)	<b>2,377.19</b>	-
<b>Closing Balance</b>	<u><b>5,204.75</b></u>	<u>1,305.04</u>
<b>TOTAL</b>	<u><b>34,206.53</b></u>	<u>31,123.27</u>



	<u>As at 31 March, 2012 (Rs. In Lacs)</u>	<u>As at 31 March, 2011 (Rs. In Lacs)</u>
<b>3 LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Other Loans (Refer Note No 1 & 2)	16.76	36.32
<b>Sub Total</b>	<u>16.76</u>	<u>36.32</u>
1. Secured by hypothecation of Motor Vehicles purchased thereunder.		
2. These loans are repayable in monthly installments by February, 2014 at rates of interest between 8.24 % and 12 %.		
<b>Unsecured</b>		
Deposits	3,839.58	3,512.49
Loans and Advances from related parties (Refer Note No. 28 IV)	180.00	180.00
Other Loans and Advances (Refer Note No 1 )	2,100.00	-
<b>Sub Total</b>	<u>6,119.58</u>	<u>3,692.49</u>
<b>TOTAL</b>	<u>6,136.34</u>	<u>3,728.81</u>
1. Loan availed by way of charge on property owned by a third party and also guaranteed by the third party. The loan is repayable on or before March 2015 at 21 % interest payable quarterly.		
<b>There is no default in repayment of the loans and interest thereon.</b>		
<b>4. DEFERRED TAX LIABILITY (NET)</b>		
<b>Deferred Tax Liability</b>		
On account of Depreciation	235.93	288.84
GDR Issue Expenses	-	43.60
<b>Deferred Tax Assets</b>		
On account of Disallowance under the Income Tax Act, 1961	189.72	218.33
<b>TOTAL</b>	<u>46.21</u>	<u>114.11</u>
<b>5. OTHER LONG TERM LIABILITIES</b>		
Others (including Advance and Security Deposit from Dealers)	101.39	97.43
<b>TOTAL</b>	<u>101.39</u>	<u>97.43</u>
<b>6. LONG TERM PROVISIONS</b>		
Provision for Employee Benefits :		
Gratuity	190.66	195.28
Leave Encashment	125.84	121.12
<b>TOTAL</b>	<u>316.50</u>	<u>316.40</u>
<b>7. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Loan Repayable on Demand</b>		
<b>Working Capital Loans (loans repayable on demand)</b>		
From Banks (Refer Note 1 below)	3,988.74	3,971.66
Factoring Facility (Refer Note 2 below)	198.96	-
Other Loan (Refer Note 3 below)	26.55	15.08
1 Working Capital loan from bank is secured by first pari passu charge by way of mortgage of immovable assets and hypothecation of inventories, book debts and other receivables, both present and future carrying interest rate of 13.75%.		
2 Secured by way of first charge of company's book debts in respect of specific customers.		
3 (a) Secured by hypothecation of Motor Vehicles purchased thereunder		
(b) These loans are repayable in monthly installments by February, 2014 at rates of interest between 8.24 % and 12 %.		
<b>Unsecured</b>		
Deposits	1,952.43	1,678.40
Loans and Advances from related parties. (Refer Note No. 28 (IV))	804.08	1,424.35
Other Loans and Advances	-	820.00
<b>TOTAL</b>	<u>6,970.76</u>	<u>7,909.49</u>
There is no default in repayment of the loans and interest thereon.		

# BIRLA POWER SOLUTIONS LTD.

	As at 31 March, 2012 (Rs. In Lacs)	As at 31 March, 2011 (Rs. In Lacs)
<b>8. TRADE PAYABLES</b>		
Due to Micro, Small and Medium Enterprises {Refer Note 28(X)}	36.87	42.58
Others	6,138.23	4,491.39
<b>TOTAL</b>	<b>6,175.10</b>	<b>4,533.97</b>
<b>9. OTHER CURRENT LIABILITIES</b>		
Interest accrued but not due on borrowings	220.98	163.93
Interest accrued and due on borrowings	52.97	402.91
Income received in advance	109.59	126.45
Unclaimed Dividends	47.50	49.90
Amounts due against warrants pending encashment.	14.41	14.41
Other payables(Refer Note No. 28 (XII))	4,419.48	5,094.72
<b>TOTAL</b>	<b>4,864.93</b>	<b>5,852.32</b>
There is no amount due & outstanding as on 31-03-2012 to be credited to Investor Education and Protection Fund.		
<b>10. SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits :		
Gratuity	21.81	15.00
Leave Encashment	17.12	16.65
Salary & Reimbursements	41.05	42.04
Provision for Wealth Tax	0.37	0.31
Others :		
Provision for Expenses	586.81	449.92
Provision for Taxation (Net of Advance Tax)	428.53	240.26
<b>TOTAL</b>	<b>1,095.69</b>	<b>764.18</b>

## NOTE NO. 11

Fixed Assets	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 01 April 2011	Additions/ Adjustment	Deductions/ Adjustment	Balance as at 31 March 2012	Balance as at 01 April 2011	Adjustment/ Deductions	For the year	Upto 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011
<b>11. FIXED ASSETS</b>										
<b>TANGIBLE ASSETS</b>										
Freehold Land	759.15	-	-	759.15	-	-	-	-	759.15	759.15
Leasehold Land	17.46	-	-	17.46	14.52	-	0.58	15.10	2.36	2.94
Building	1,294.65	18.21	-	1,312.86	375.79	-	33.57	409.36	903.50	918.86
Plant and Machinery	7,306.10	8.01	4.89	7,309.22	3,013.77	4.65	248.31	3,257.43	4,051.79	4,292.33
Furniture, Fixtures and Equipments	258.36	1.37	-	259.73	168.92	-	15.57	184.50	75.23	89.44
Office Equipments	112.59	6.64	0.79	118.44	85.00	0.61	7.73	92.11	26.33	27.59
Vehicles	202.09	39.03	28.17	212.95	138.38	25.99	22.15	134.54	78.41	63.71
	<b>9,950.40</b>	<b>73.26</b>	<b>33.85</b>	<b>9,989.81</b>	<b>3,796.38</b>	<b>31.25</b>	<b>327.91</b>	<b>4,093.04</b>	<b>5,896.77</b>	<b>6,154.02</b>
<b>INTANGIBLE ASSETS</b>										
Goodwill	-	424.00	-	424.00	-	-	-	-	424.00	-
Mining Rights	-	424.00	-	424.00	-	-	-	-	424.00	-
Software	302.96	-	-	302.96	221.54	-	38.28	259.82	43.14	81.42
	<b>302.96</b>	<b>848.00</b>	<b>-</b>	<b>1,150.96</b>	<b>221.54</b>	<b>-</b>	<b>38.28</b>	<b>259.82</b>	<b>891.14</b>	<b>81.42</b>
<b>CAPITAL WORK IN PROGRESS</b>	-	-	-	-	-	-	-	-	972.68	549.81
	-	-	-	-	-	-	-	-	972.68	549.81
<b>TOTAL</b>	<b>10,253.36</b>	<b>921.26</b>	<b>33.85</b>	<b>11,140.77</b>	<b>4,017.92</b>	<b>31.25</b>	<b>366.19</b>	<b>4,352.86</b>	<b>7,760.59</b>	<b>6,785.25</b>

\* Includes Depreciation of Rs 63,545/- pertaining to LED Project and Rs.1,30,958/- relating to Birla Urja Ltd. Included under Capital work in Progress.

	<b>As at 31 March, 2012 (Rs. In Lacs)</b>	<b>As at 31 March, 2011 (Rs. In Lacs)</b>
<b>12. NON CURRENT INVESTMENTS</b>		
<b>TRADE INVESTMENTS</b>		
<b>IN EQUITY SHARES - UNQUOTED, FULLY PAID UP ( AT COST)</b>		
<b>In Equity Shares of Associate Companies.</b>		
52,000 Birla Energy Infra Limited (52,000) (Nominal value of Share Rs. 10/- each)	<b>5.20</b>	5.20
85,845,906 Birla Surya Ltd. (55,000,000) (Nominal value of Share Rs. 10/- each)	<b>8,678.48</b>	5,500.00
500 B T Global Investors Ltd. (Nil) (Nominal value of Share Euro. 1/- each)	<b>0.32</b>	-
<b>In Equity Shares of Other Companies</b>		
3,60,000 Enn Vee Holdings Private Ltd (3,60,000) (Nominal value of Share Rs. 10/- each)	<b>900.00</b>	900.00
2,000 The Shamrao Vithal Co-op Bank Ltd. (2,000) (Nominal value of Share Rs. 25/- each)	<b>0.48</b>	0.48
<b>TOTAL</b>	<b><u>9,584.48</u></b>	<b><u>6,405.68</u></b>
<b>Aggregate amount of Unquoted Investments</b>	<b><u>9,584.48</u></b>	<b><u>6,405.68</u></b>
<b>13 LONG TERM LOANS AND ADVANCES (Unsecured, Considered good)</b>		
Capital Advances	<b>3,822.67</b>	2,832.94
Security Deposits	<b>193.15</b>	192.00
Loans and Advance to Related Parties {Refer Note No 28 (IV)}	<b>434.52</b>	3,375.95
Inter Corporate Deposits	<b>1,530.71</b>	-
Tooling Advance	<b>190.95</b>	188.51
Other Loans and Advances	<b>54.34</b>	3,662.59
<b>TOTAL</b>	<b><u>6,226.34</u></b>	<b><u>10,251.99</u></b>
<b>14 OTHER NON-CURRENT ASSETS</b>		
Others :		
Unammortised Expenses	-	1,249.85
Other Advances	<b>252.22</b>	257.53
Comprises deposits made under protest with various Sales Tax Deptts. & Commissioner of Industries, Delhi against pending appeals.		
<b>TOTAL</b>	<b><u>252.22</u></b>	<b><u>1,507.38</u></b>
<b>15 INVENTORIES (At lower of cost or net Realisable Value)</b>		
Raw Materials	<b>1,736.62</b>	1,762.25
Semi-Finished Goods	<b>752.97</b>	846.21
Finished Goods	<b>1,290.28</b>	1,213.76
Stock-in-Trade	<b>368.90</b>	482.59
Scrap etc.	<b>8.40</b>	9.56
Stores and Spare Parts	<b>149.75</b>	150.03
<b>TOTAL</b>	<b><u>4,306.92</u></b>	<b><u>4,464.40</u></b>

	<b>As at 31 March, 2012 (Rs. In Lacs)</b>	<b>As at 31 March, 2011 (Rs. In Lacs)</b>
<b>16 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they become due for payment :		
Unsecured Considered good	7,679.37	8,526.45
Considered doubtful	41.03	41.03
Less: Provision for doubtful debts	41.03	41.03
 Others-Unsecured Considered good	 36,987.85	 14,944.30
<b>TOTAL</b>	<b><u>44,667.22</u></b>	<b><u>23,470.75</u></b>
<b>17 CASH AND CASH EQUIVALANTS</b>		
Balances with Banks	199.58	461.38
Cheques, Drafts on hand	-	65.12
Cash on hand	2.46	6.53
Balances with Foreign Banks	-	12,615.01
Unclaimed Dividend	56.15	58.55
Margin Money	436.00	813.76
<b>TOTAL</b>	<b><u>694.19</u></b>	<b><u>14,020.35</u></b>
<b>18 SHORT TERM LOANS AND ADVANCES (Unsecured, Considered good)</b>		
Balance with Port Trust, Customs and Excise	7.09	11.71
Earnest Money Deposit	39.98	37.08
Loans to Employees	35.73	27.66
Advances to Suppliers and Contractors	5,358.10	7,360.40
Advance for Procurement	1,348.63	-
<b>TOTAL</b>	<b><u>6,789.53</u></b>	<b><u>7,436.85</u></b>
<b>19 Other Current Assets</b>		
Interest Receivable	1,215.47	866.20
Prepaid Expenses	870.55	422.32
Advance for Expenses/Travelling	10.32	26.79
Insurance Claim Receivable	8.71	0.21
Interest accrued on Foreign Bank Deposits	-	135.92
	<b><u>2,105.05</u></b>	<b><u>1,451.44</u></b>
<b>20 Contingent Liabilities and Commitments (to the extent not provided for):</b>		
Disputed Sales Tax Liability	823.79	1,845.61
Claim against the company not acknowledged as debts	12.31	176.89
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	-	2.45
<b>Total</b>	<b><u>836.10</u></b>	<b><u>2,024.95</u></b>

	As at 31 March, 2012 (Rs. In Lacs)	As at 31 March, 2011 (Rs. In Lacs)
<b>21 REVENUE FROM OPERATIONS</b>		
Sale of Products :	57,272.25	35,708.14
Traded Goods	7,400.52	-
Sale of Services	171.01	-
Other Operating Revenues :		
Sales of Scrap	29.98	33.47
<b>Sub Total</b>	<u>64,873.76</u>	<u>35,741.61</u>
Less : Excise Duty	130.78	26.04
<b>TOTAL</b>	<u>64,742.98</u>	<u>35,715.57</u>
<b>22 OTHER INCOME</b>		
Dividend Income	0.06	-
Surplus on Sale of Fixed Assets	1.68	1.45
Excess provision written back (Net)	67.23	5.25
Exchange Fluctuation Gain (Net)	86.06	125.97
Other Non-Operating Income (Refer Note 28 XIV)	652.57	1,041.05
<b>TOTAL</b>	<u>807.60</u>	<u>1,173.72</u>
<b>23 COST OF MATERIALS CONSUMED</b>		
<b>A. Raw Materials &amp; Components :</b>		
Engines	125.02	20.64
Alternators	40.32	141.78
Accoustic Hood/Canopies	93.02	96.66
Pumps	193.34	189.56
Others	1,423.38	2,168.90
<b>Sub Total</b>	<u>1,875.08</u>	<u>2,617.54</u>
<b>B. Packing Materials</b>	70.57	77.48
<b>Sub Total</b>	<u>70.57</u>	<u>77.48</u>
<b>C. Purchase of Traded Goods :</b>		
Electrical Items & M S Steel	48,502.19	27,000.13
Copper	7,401.90	-
<b>Sub Total</b>	<u>55,904.09</u>	<u>27,000.13</u>
<b>TOTAL</b>	<u>57,849.74</u>	<u>29,695.15</u>
<b>24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventory at the end of the year:</b>		
Finished Goods / Stock-in-Trade	1,659.18	1,696.35
Semi-Finished Goods	8.40	9.56
Scrap etc.	752.96	846.21
	<u>2,420.54</u>	<u>2,552.12</u>
<b>Less:</b>		
<b>Inventory at the beginning of the year:</b>		
Finished Goods / Stock-in-Trade	1,696.35	1,773.88
Semi-Finished Goods	9.56	1.98
Scrap etc.	846.21	809.89
	<u>2,552.12</u>	<u>2,585.75</u>
	(131.58)	(33.63)
<b>Variation in excise duty on closing and opening stock of Finished Goods</b>	20.21	19.34
<b>TOTAL</b>	<u>111.37</u>	<u>14.29</u>

	As at 31 March, 2012 (Rs. In Lacs)	As at 31 March, 2011 (Rs. In Lacs)
<b>25 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	1,016.41	1,106.51
Contribution to Provident and Other Funds	71.16	140.07
Staff Welfare Expenses	107.10	112.87
<b>TOTAL</b>	<u><u>1,194.67</u></u>	<u><u>1,359.45</u></u>
<b>26 FINANCE COST</b>		
Interest Expenses	1,647.13	1,240.42
Other borrowing costs	1,182.60	1,107.78
	<u><u>2,829.73</u></u>	<u><u>2,348.20</u></u>
<b>27 OTHER EXPENSES</b>		
<b>Manufacturing Expenses :</b>		
Consumption of Stores and Spares	83.22	120.52
Power, Fuel and Water	52.90	69.95
Repairs to:		
Buildings	6.32	5.44
Machinery	6.45	1.82
<b>Sub Total</b>	<u><u>148.89</u></u>	<u><u>197.73</u></u>
<b>Selling and Distribution Expenses</b>		
Freight, Forwarding and Handling Expenses etc.	110.30	154.06
Commission and other Marketing Expenses	707.08	644.87
<b>Sub Total</b>	<u><u>817.38</u></u>	<u><u>798.93</u></u>
<b>Establishment Expenses</b>		
Rent	45.35	67.83
Insurance	12.73	14.10
Rates and Taxes	31.40	48.40
Miscellaneous Expenditure	264.27	675.18
Payment to Auditors:		
Statutory Auditors:		
Audit Fees (including service tax)	16.57	13.32
Other Services	3.90	3.21
For reimbursement of Expenses	0.23	0.01
Repairs	4.88	5.92
Prior Period Expenses	0.51	(1.57)
Loss on Fixed Assets sold/discarded	0.55	25.26
Bad debts,irrecoverable advances and claims written off	-	4.81
<b>TOTAL</b>	<u><u>1,346.66</u></u>	<u><u>1,853.13</u></u>

**28. Notes****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS****I. SIGNIFICANT ACCOUNTING POLICIES****A) Basis of preparation of Financial Statements**

- i) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, i.e. for the period ended 31<sup>st</sup>. March.
- ii) The financial statements have been prepared on an accrual basis and under historical cost convention (except freehold land which has been revalued). The accounts of Parent Company and other Indian Subsidiaries have been prepared in accordance with the Accounting Standards prescribed by Companies Accounting Standard Rules 2006, and those of foreign subsidiary, has been prepared in accordance with the local laws and the applicable Accounting Standards / Generally Accepted Accounting Principals.

**B) Principles of Consolidation:**

- i) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance, intra group transactions and the unrealized profits.
- ii) Financial Statement of Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- iii) Financial statements of foreign subsidiary is translated into Indian Rupees as under:
  - (a) Assets and Liabilities at the rate prevailing at the end of the period.
  - (b) Revenue and Expenditure at the yearly average exchange rates prevailing during the period.

**C) Revenue Recognition**

- (i) Revenues / Incomes and Costs / Expenditure are generally accounted on accrual, as they are earned or incurred.
- (ii) Sale of Goods is recognized on transfer of significant risks and rewards of ownership, which is generally on the dispatch of goods. Export Sales is recognized on the basis of shipment of goods to customer.
- (iii) Sales include sale of power produced at Windmill Power Plant.
- (iv) Benefit on account of entitlement to import goods free of duty under the "Duty Entitlement Pass Book Scheme" and Duty Draw Back Scheme are accounted in the year of export.
- (v) Insurance claims are recognized when there exists, no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.
- (vi) Interest Income is accrued on time proportion basis over the period of loan / deposit / investment.
- (vii) Dividend income is accounted for the year in which the right to receive the same is established.

**D) Fixed Assets**

- (a) Fixed Assets are carried at cost of acquisition or construction including incidental expenses, less accumulated depreciation, amortization except freehold land. Expenditure on additions, improvements and renewals is capitalized.
- (b) Freehold Land has been revalued as on 31<sup>st</sup> March, 2007 and accordingly carried thereafter at revalued figure.

**E) Intangible Assets**

Capital expenditure on purchase and development of identifiable assets viz., Computer Software is recognized

as Intangible Assets in accordance with principles given under AS-26 - Intangible Assets.

**F) Expenditure Incurred During Construction Period**

In respect of new/ major expansion of the Units, the indirect expenditure incurred during construction period up to the date of commencement of commercial production is capitalized on various categories of fixed assets on proportionate basis.

**G) Depreciation**

- i) Depreciation on Furniture and Fixtures, Vehicles and Office Equipments is provided on written down value method and on other assets it is provided on straight-line method at the rates given in Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on additions due to foreign exchange variations capitalized in earlier years is provided over the remaining useful life of the assets.
- iii) Premium paid on Leasehold Land is amortized over the period of lease.
- iv) Intangible assets, in form of Computer Software are amortized over a period of five years.
- v) Depreciation is provided on pro-rata basis with reference to the month of addition / deletion. Assets costing less than Rs.5000/- each are fully depreciated in the year of purchase.
- vi) Pursuant to the revision in the rates prescribed in Schedule XIV to the Companies Act, 1956 vide notification No. GSR 756 (E) dated 16.12.93 issued by the Ministry of Law, Justice and Company Affairs, depreciation has been calculated at new rates only on additions to assets made after the said date.

**H) Investments**

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

**I) Inventories**

Raw Materials, Work-in-Progress, Finished Goods (including purchased for trade), Packing Materials, Stores and Spares are valued 'at cost or net realizable value, whichever is lower'.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used is 'Weighted Average Cost'

The excise duty in respect of closing inventory of finished goods is included as part of finished goods.

Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

Research and Development inventories are written off over a period of three years.

**J) Foreign Currency Translations**

All transactions in foreign currency are recognized at the rates of exchange prevailing on the dates when the relevant transactions have taken place.

Monetary items in the form of Loans, Current and Non Current Assets and Current and Non Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

**K) Borrowing Costs**

Interest and other borrowing costs attributable to the acquisition / construction of qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.



**L) Employee Benefits****A. Short Term Employee Benefits:**

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia etc. and are recognized in the period in which the employee renders the related service.

**B. Post Employment Benefits:****i. Defined Contribution Plans:**

Company's contribution paid/payable during the period to Provident Fund, EDLI, Officer Superannuation Fund, ESIC and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

**ii. Defined Benefit Plans:**

Provision for payments to the Employees Gratuity Fund after taking into account the funds available with the LIC is based on actuarial valuation done at the close of each financial year. At the reporting date Company's liabilities towards gratuity is determined by an independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

**iii. Other Defined Benefits:**

Provision for other defined benefits for long term leave encashment is made based on an independent actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains and losses are recognized immediately in the statement of Profit and Loss as income or expense. Company recognizes the undiscounted amount of short term employee benefits during the accounting period based on service rendered by the employee.

**M) Miscellaneous Expenditure**

Share Issue expenses are amortized over a period of five years.

**N) Research and Development**

Research and Development expenditure is charged to revenue under the natural heads of accounts in the year in which it is incurred. However, Research and Development expenditure on fixed assets is treated in the same way as expenditure on the other fixed assets.

**O) Taxation**

Income Tax expense comprises current tax and deferred tax charge or credit.

Provision for Current Tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax assets and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized only if there is a virtual certainty of its realization, and supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of Deferred tax

assets is reviewed to reassure realization.

**P) Government Grants**

Grants received against specific fixed assets are adjusted to the cost of the assets. Revenue Grants are recognized in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

**Q) Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

**R) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent assets are neither recognized nor disclosed in the Financial Statements.

**S) Current & Non Current**

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

**II NOTES TO THE FIANANCIAL STATEMENTS**

- I. The consolidated Financial Statements presents the consolidated accounts of BIRLA POWER SOLUTIONS LTD. with the following Subsidiaries:

<u>Name of the Subsidiary</u>	<u>Country of Incorporation</u>	<u>Proportion of Ownership Interest</u>
<b><u>Foreign Subsidiary:</u></b>		
<b><u>(Wholly Owned)</u></b>		
Birla Power Solutions Ltd. FZE	United Arab Emirates	100%
<b><u>Indian Subsidiary:</u></b>		
<b><u>(Wholly Owned)</u></b>		
Birla Urja Ltd	India	100%
Vijay Puranjay Minerals Pvt. Ltd.	India	100%

- (ii) Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.
- II. The outflow of resources in respect of pending matters with respect to Sales Tax & Excise Duty would depend on the ultimate outcome of the dispute lying before various Authorities amounting to Rs. 696.14 lacs (Previous Year Rs. 1021.82 lacs). The Company has taken legal & other steps necessary to protect its position in respect of these claims.

**III Employee Benefits****(a) Defined Benefit Plans**

(Rs in Lacs)

<b>Gratuity</b>	<b>2011-2012</b>	<b>2010-2011</b>
<b>Liability to be recognized in Balance Sheet as on 31<sup>st</sup> March, 2012</b>		
Present value of Funded Obligations	<b>(365.06)</b>	(339.85)
Fair Value of Plan Assets	<b>152.59</b>	129.57
Net Assets/ (Liability)	<b>(212.47)</b>	(210.28)
<b>Change in Plan Assets (Reconciliation of Opening and Closing Balances)</b>		
Fair value of Plan Assets as at 1 <sup>st</sup> April, 2011	<b>129.57</b>	126.66
Expected Return on Plan Assets	<b>12.51</b>	11.33
Actuarial Gain / (Losses)	<b>(1.01)</b>	(0.06)
Contributions	<b>26.51</b>	-
Benefits Paid	<b>(14.99)</b>	(8.36)
Fair Value of Plan Assets as at 31 <sup>st</sup> March, 2012	<b>152.59</b>	129.57
<b>Reconciliation of Opening and Closing Balances of Obligation</b>		
Change in defined Benefit Obligation		
Obligation as at 1st April, 2011	<b>339.86</b>	273.28
Current Service Cost	<b>18.62</b>	18.86
Interest Cost	<b>27.19</b>	21.86
Actuarial Losses / (Gain)	<b>(5.61)</b>	34.22
Benefits Paid	<b>(15.00)</b>	(8.36)
Obligation as at 31st March, 2012	<b>365.06</b>	339.86
<b>Expenditure to be recognized during the Year</b>		
Current Service Cost	<b>18.62</b>	18.86
Interest Cost	<b>27.19</b>	21.86
Expected Return on Plan Assets	<b>(12.52)</b>	(11.33)
Net Actuarial Losses / (Gains) Recognized during the year	<b>(4.59)</b>	34.28
Total Expenditure included in "Employment Costs"	<b>28.70</b>	63.67
<b>Assumptions</b>		
Discount Rate (per annum)	<b>8.00%</b>	8.00%
Expected Rate of return on assets (per annum)	<b>9.25%</b>	9.25%
Salary Escalation Rate	<b>5.00%</b>	5.00%
<b>Major Category of Plan Asset as percentage of total plan</b>		
LIC Group Gratuity Scheme	<b>100%</b>	100%

**Note:** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**(b) Defined Contribution Plan:**

An amount of Rs 152.59 Lacs (Previous Year Rs 140.07 Lacs) is recognized as an expense and included in Note 25 "Contribution to Provident and other Funds" with Statement of Profit and Loss.

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

Sr. No.	Name of the Related Party	Relationship
1.	Birla Urja Ltd.	Wholly Owned Subsidiary
2.	Birla Power Solutions Ltd – FZE	
3.	Vijay Puranjay Minerals Pvt. Ltd.	
4.	Birla Terrajoule Pvt. Ltd.	Associates
5.	Birla Surya Ltd.	
6.	B T Global Investors Ltd.	
7.	Birla Energy Infra Ltd.	
8.	Birla Cotsyn (India) Ltd.	
9.	Birla Precision Technologies Ltd.	
10.	Zenith Birla (India) Ltd.	
11.	Melstar Information Technologies Ltd.	Enterprises Owned or significantly influenced by key management personnel or their relatives where transactions have taken place
12.	Birla Shloka Edutech Ltd.	
13.	Birla Machining & Toolings Ltd.	
14.	Birla Pecific & Medspa Ltd.	
15.	Birla Art Lifestyle Pvt. Ltd.	
16.	Shearson Investment & Trading Co. Ltd.	
17.	Lakshmi Properties Ltd.	
18.	Shri Yashovardhan Birla (Chairman)	Key Management Personnel
19.	Shri P V R Murthy	

**(b) Balances outstanding of Related Parties-**

(Rs. in lacs)

Net Balance of Receivable, Payable, Deposit, Loan etc.		Balance carried forward to Balance Sheet		Balance carried forward to Balance Sheet	
		As at 31st March,2012		As at 31st March,2011	
		Receivable	Payable	Receivable	Payable
Enterprises Owned or significantly influenced by key management personnel or their relatives where transactions have taken place	Birla Cotsyn (India) Ltd.	434.52	-	2190.78	-
	Zenith Birla (India) Ltd.		373.32	-	1604.35
	Shearson Investment & Trading Co. Ltd.	-	610.76	689.23	-
	Total	434.52	984.08	2880.01	1604.35

(C) Disclosure in respect of material transactions with related parties during the year included in (b) above.

(Rs.in lacs)

		2011-2012	2010-2011
<b>1. Sale of Goods</b>			
	Zenith Birla (India) Ltd.	1563.26	373.49
<b>2. Advance Given</b>			
	Zenith Birla (India) Ltd.	-	20.29
	Birla Energy Infra Ltd.	-	39.52
	Birla Power Solutions Ltd. - FZE	14756.87	4269.57
	Birla Urja Ltd.	482.85	-
	Birla Shloka Edutech Ltd.	-	100.00
<b>3. Advance Given Refunded</b>			
	Birla Urja Ltd.	-	10.85
	Birla Surya Ltd.	50.15	-
<b>4. Advance Taken</b>			
	Birla Shloka Edutech Ltd.	-	1281.75
	Birla Cotsyn (India) Ltd.	6.50	-
<b>5. Advance Taken Refund</b>			
	Birla Shloka Edutech Ltd.	-	836.00
<b>6. Interest on Loan Taken</b>			
	Zenith Birla (India) Ltd.	57.86	192.49
	Shearson Investment Co. Ltd.	49.61	-
<b>7. Interest on Loan Given</b>			
	Shearson Investment Co. Ltd.	-	12.06
	Birla Cotsyn (India) Ltd.	198.46	204.60
	Zenith Birla (India) Ltd.	46.50	-
<b>8. Loan Taken</b>			
	Zenith Birla (India) Ltd	951.00	971.13
<b>9. Loan Taken Refund</b>			
	Zenith Birla (India) Ltd	3063.99	772.66
<b>10. Loan Given</b>			
	Shearson Investment Co. Ltd.	400.00	760.00
	Birla Cotsyn (India) Ltd	577.24	2190.78
<b>11. Loan Given Refunded</b>			
	Shearson Investment Co. Ltd.	1700.00	100.06
	Birla Cotsyn (India) Ltd.	2333.50	-
<b>12. Rent Paid</b>			
	Zenith Birla (India) Ltd.	-	1.79
<b>13. Investments</b>			
	Birla Urja Ltd	-	943.00
	Birla Energy Infra Ltd	-	2.20
	Birla Power Solutions Ltd. - FZE	-	4.25
	Birla Surya Ltd.	3022.00	5323.08
	B T Global Investors Ltd.	0.32	-
<b>14. Services Received</b>			
	Zenith Birla (India) Ltd	13.37	0.31
<b>15. Director's Remuneration</b>			
	Mr. Kalyan Bhattacharya	-	52.54
	Mr. P V R Murthy	100.01	38.89

## BIRLA POWER SOLUTIONS LTD.

- V The Company has other recoverable aggregating Rs 472.22 Lacs (Previous Year Rs. 471.67 lacs) from Birla TransAsia Carpets Limited (BTCL), a sick industrial undertaking. BTCL has made a reference to the Board for Industrial and Financial Reconstruction (BIFR).

The management relies on the estimations made by an independent valuer in respect of the realizable values of assets viz. land, buildings and plant and machinery of BTCL and accordingly considers its exposures to be good and adequately covered and expects full realisability of the same in future.

- VI Trade receivables include Rs.843.00 lacs (Previous years Rs. 1376.90 lacs) for which the company has entered into agreements of assignment for transfer of debts outstanding and receivable by the company, to the purchaser of the debts.
- VII The Company during March, 2006 had a public issue of Equity Shares, which was oversubscribed. As per SEBI rules, refund orders were issued to the subscribers in respect of the excess amounts. An amount of Rs 14.41 (Previous Year Rs 14.41 Lacs) is pending for encashment as at 31<sup>st</sup> March, 2012.

### VIII. Segment Information:

Information about Business Segment – Primary

(Rs in Lacs)

Particulars	Power and Allied	Electrical Appliances	Others	Unallocated	Total
<b>Segment Revenue</b>					
External Sales	10,838.07 (3,890.12)	30,499.29 (25,307.34)	23,506.41 (6,510.69)	-	64,843.77 (35,708.15)
Inter Segment Sales	-	-	-	-	-
Total Segment Revenue	10,838.07 (3,890.12)	30,499.29 (25,307.34)	23,506.41 (6,510.69)	-	64,843.77 (35,708.15)
Less: Inter Segment Revenue	-	-	-	-	-
Net Revenue from operations	10,838.07 (3,890.12)	30,499.29 (25,307.34)	23,506.41 (6,510.69)	-	64,843.77 (35,708.15)
<b>Segment Results</b>					
Profit before Interest and Tax	162.75 (160.55)	3,417.43 (2,354.04)	1,026.79 (220.47)	-	4,606.97 (2413.96)
Interest				2,829.73 (2,348.20)	2,829.73 (2,348.20)
Other Unallocated Income (net of unallowable expenditure)				(86.48) (-1175.29)	(86.48) (-1175.29)
Profit before Tax but after Prior Period adjustments					1,863.72 (1,241.05)
<b>Other Information</b>					
Segment Assets	50,386.47 (31,078.72)	22,315.54 (15,352.77)	25,961.32 (7,580.22)		78,278.21 (54,011.71)
Unallocated Common Assets				4,108.33 (21,782.37)	4,108.33 (21,782.37)
Total Assets	30,001.35 (31,078.72)	22,315.54 (15,352.77)	25,961.32 (7,580.22)	4,108.33 (21,782.37)	82,386.54 (75,794.08)
Segment Liabilities	7,666.90 (7,949.77)	109.37 (503.79)	3,803.36 (2,031.77)		11,579.63 (10,485.33)

Particulars	Power and Allied	Electrical Appliances	Others	Unallocated	Total
Unallocated Common Liabilities				14,125.30 (12,831.37)	14,125.30 (12,831.37)
Total Liabilities	7,666.90 (7,949.77)	109.37 (503.79)	3,803.36 (2,031.77)	14,125.30 (12,831.37)	25,704.93 (23,316.70)
Capital Expenditure	3,502.17 (3,197.98)	-	1,235.56 (459.83)	-	4,737.73 (3,657.81)
Unallocated Capital Expenditure	-	-	-	-	-
Total Capital Expenditure	3,502.17 (3,197.98)	-	1,235.56 (459.83)	-	4,737.73 (3,657.81)
Depreciation and Amortization	357.90 (345.44)	-	6.35 (34.19)	-	364.25 (379.63)
Non Cash Expenses Other than Depreciation	-	-	-	-	-
Unallocated Non Cash Expenses	-	-	-	-	-
Total Non Cash Expenses	-	-	-	-	-

**NOTES:**

- The Primary Segment identifiable is as follows:
  - Power and Allied Products: Manufacturing HKVA and Portable Generators, Engines, Pumps, Power Tillers, Inverters and Trading of Allied Products.
  - Electrical Appliances: Trading of Electrical appliances & Miscellaneous Components .
  - Others: Wind Mill energy Generation.
  - Previous year figures have been regrouped/ rearranged wherever considered necessary.
- Company's major revenue are from Domestic Market so disclosure of Secondary Segment Information as per geographical customers has not been considered necessary.
- Previous year figures have been regrouped/rearranged wherever considered necessary.
- The figures in brackets indicate the previous year figures.

**IX. Premises taken on operating lease:**

(Rs in Lacs)

Particulars	2011-2012	2010-2011
Rent and Lease Rent recognized in the Profit and Loss account	<b>44.28</b>	66.82

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

(Rs in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Not later than one year	<b>22.04</b>	38.62
Between two to five years	<b>42.18</b>	73.19

**X. Micro, Small and Medium Enterprise Dues:**

Sundry Creditors includes Rs 42.04 Lacs (Previous Year Rs 42.58 Lacs) due to Micro, Small and Medium Enterprises.

Following is the information, required to be furnished as per Section 22 of the Micro, Small and Medium Enterprise Development Act 2006.

(Rs in Lacs)

<b>Sr. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2012</b>	<b>31<sup>st</sup> March, 2011</b>
1	The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. Principal Interest	<b>36.87</b> <b>5.17</b>	34.77 7.81
2	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small, and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during each accounting year.	<b>Nil</b>	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	<b>5.17</b>	7.81
4	The amount of interest accrued and remaining unpaid at the end of accounting year: and	<b>5.17</b>	7.81
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues as above are actually paid to the Small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act,2006.	<b>Nil</b>	Nil

Above disclosures have been made based on information available with the Company, for suppliers who are registered as Micro, Small and Medium Enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at 31st March, 2012.

**XI A. Imported and indigenous raw materials consumption:**

<b>Particulars</b>	<b>2011-2012</b>		<b>2010-2011</b>	
	<b>Imported (Rs. in lacs)</b>	<b>Indigenous (Rs. in lacs)</b>	<b>Imported (Rs. in lacs)</b>	<b>Indigenous (Rs. in lacs)</b>
<b>Raw materials and Components</b>				
- Rs in Lacs	<b>43.95</b>	<b>2093.18</b>	60.10	2382.00
- Percentage	<b>2.06</b>	<b>97.94</b>	2.46	97.54
<b>Stores and Spare Parts</b>				
- Rs in Lacs	<b>0.34</b>	<b>82.88</b>	4.12	116.40
- Percentage	<b>0.41</b>	<b>99.59</b>	3.42	96.58



**B. CIF value of Imports**

Particulars	2011-2012 (Rs in Lacs)	2010-2011 (Rs in Lacs)
Raw Materials and Components, Gensets, Electrical Appliances, Consumable Stores and Spare Parts (including spare parts for sales and servicing of Generator Sets and Capital Goods) (Including in Transit)	60.05	89.00

**C. Expenditure in foreign currency**

Particulars	2011-2012 (Rs in Lacs)	2010-2011 (Rs in Lacs)
Travelling Expenses	1.18	4.05

**D. FOB value of Exports**

Particulars	2011-2012 (Rs in Lacs)	2010-2011 (Rs in Lacs)
Exports	-	7.08

**E. Dividend remitted to Non- Resident Shareholders in foreign currency.**

Particulars	2011-2012	2010-2011
Number of Non- Resident shareholders	1388	145
Number of Equity Shares held by them	47,072,767	23,33,946
Gross amount of Dividend (Rs in lacs)	NIL	1.75
Dividend in respect of 1 <sup>st</sup> April, 2010 to 31st March, 2011 (Rs in Lacs)	NIL	1.75
Pertaining to Year	2010-2011	2009-2010

**F. There are no derivative instruments outstanding as at the year end. Foreign currency exposures which are not hedged as at the year end, are as follows:**

Particulars/Currency Denomination	2011-2012		2010-2011	
	Foreign Currency	Indian Rupees (Rs in Lacs)	Foreign Currency	Indian Rupees (Rs in Lacs)
Creditors	-	-	-	-
Deposit in Foreign Bank	USD 18272.40	9.32	USD 28431135.80	12617.74

XII. Other payable under Note 9 " Other Current Liabilities " includes Statutory dues of Rs. 558.11 lacs. (Previous Year Rs. 621.32 lacs) & other payable against Acceptances Rs. 3737.80 lacs (Previous Year Rs. 4301.98 lacs).

XIII. The Company has issued and allotted 1,062,192,350 Equity Shares of the face value of Re 1 per Share at a premium of Rs 1.35 per Share under the GDR Offer aggregating Rs. 24961.52 lacs on 9th.July, 2010. The proceeds are intended to be utilized for General Corporate Purpose and long term Working Capital

requirements. Pending full utilization, the balance amount is held in current /fixed deposit / loans accounts.

- XIV Other Non-operating Income under Note 22 "Other Income" include Rs 660.00 lacs towards Technical Knowhow & Consultancy Charges.
- XV Expenses incurred amounting to Rs. 1240.45 lacs, as GDR Issue Expenses, on issuance of Global Depository Receipts in the year 2010-2011 have been adjusted against Securities Premium received against these GDR's.
- XVI Till the year ended 31st March,2011, the company was using pre – revised Schedule VI of the Companies Act, 1956,for preparation & presentation of its financial statements. During the year ended 31st March,2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classifications.

As per our attached report of even date

For and on behalf of the Board of Directors

FOR THAKUR,VAIDYANATH AIYAR & CO.

Chartered Accountants

Yashovardhan Birla

P V R Murthy

Firm Registration No.: 000038N

Chairman

Managing Director

C.V. Parameswar

Partner

N Nagesh

Membership No: 11541

Company Secretary

Place : Mumbai

Place : Mumbai

Dated : 14<sup>th</sup> August,2012

Dated : 14<sup>th</sup> August,2012

**BIRLA POWER SOLUTIONS LIMITED**

**Regd Office:** 5<sup>th</sup> Floor, Industry House, 159, Churchgate Reclamation, Mumbai - 400 020

**TWENTY SIXTH ANNUAL GENERAL MEETING**

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL**

I/We hereby record my/our presence at the Twenty Sixth Annual General Meeting of the Company held on Wednesday, 26th September, 2012 at 3.30 pm at Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

\_\_\_\_\_  
Name(s) of the shareholder(s) or proxy

\_\_\_\_\_  
Folio No/Client ID DP ID

\_\_\_\_\_  
Signature(s) of the shareholder(s) or Proxy

**BIRLA POWER SOLUTIONS LIMITED**

**Regd Office:** 5<sup>th</sup> Floor, Industry House, 159, Churchgate Reclamation, Mumbai 400 020

**PROXY FORM**

I/We \_\_\_\_\_

Of \_\_\_\_\_

being a member/s of Birla Power Solutions Limited hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ or failing of him \_\_\_\_\_

of \_\_\_\_\_ as my/our proxy in my/our absence to attend and vote for me/us on my /our behalf at the Twenty Sixth Annual General Meeting of the Company to be held on Wednesday, 26th September, 2012 at 3.30 pm at Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Please  
affix  
Rs.1/-  
Revenue  
Stamp

\_\_\_\_\_  
Folio No./Client ID/DP ID

\_\_\_\_\_  
Signature

**Note:** The proxy form duly completed must be deposited at the registered office of the Company not later than 48 hours before the time of the meeting.



# NOTES

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# NOTES

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