

EXCITEMENT. EXPANSION. EXCELLENCE.

ANNUAL REPORT 2010-11



BS TransComm Limited

Introduction

India expects to invest US\$ 500 billion in its infrastructure in the Eleventh Plan. This outlay will be raised to US\$ 1,000 billion for the Twelfth Plan.

This means the number of contracts will increase, the size of contracts will rise, delivery standards will strengthen and project tenures will shrink.

BS TransComm is one of the fastest-growing companies in India's power and telecom sectors.

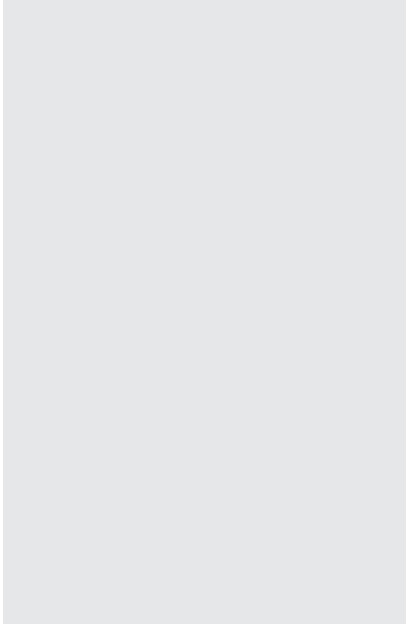
Going ahead, the Company plans to foray into resource generation (coal trading and mining) as well as power generation and trading.

With the objective of capitalising effectively on India's great infrastructure growth story.

BS TransComm Limited already embarked on a business plan to widen its sectoral presence, increase capacity, spread geographically and reinforce its management bandwidth.

Bringing to the excitement of industry growth, a commitment to expansion and excellence.

For a start, the Company grew its revenues by 67% and PAT by 112% in 2010-11.



excitement

BS TransComm invested in an infrastructure-driving and infrastructure-driven business model expected to capitalise on unprecedented industry opportunities.

India ranks amongst the world's fastest-growing economies.

And yet, the country ranks a poor 86 out of 133 countries in its infrastructure adequacy.

The Government of India expects to correct this anomaly with an infrastructure investment of Rs. 2,140

excellence

BS TransComm is positioning itself as a holistic power infrastructure solutions provider during a period of unprecedented industry investment.

• BS TransComm provides tower manufacturing, turnkey services, technology solutions in the power and telecom infrastructure space.

• The Company mobilised Rs. 190 crores through its IPO in 2010 to fund its business-strengthening initiatives.

• Entered into a consortium Joint Venture with Patel Engineering and Simplex Infrastructure Limited to bag its first BOOM Project (Build, own, operate and maintain) to set up a 765KV

expansion

BS TransComm is investing in organic and inorganic initiatives to reinforce business sustainability.

• The Company plans to foray into Africa and the Middle East in the power and telecom services space.

• It plans to diversify into infrastructure business areas like power generation, coal mining, coal trading, roads, ports and other infrastructure sectors.



billion for 2011-12, and a projected infrastructure investment of Rs. 41 lakh crore in the Twelfth Plan.

Almost 50% of this Twelfth Plan outlay is expected to be derived from the private sector (36% in the Eleventh Plan).

Infrastructure spending as a proportion of GDP increased from

4.5% in 2000 to 7.5% in 2010 and is projected to increase to 9% by 2012-13.

BS TransComm is prudently positioned to capitalise on this significant national investment through an extensive presence in the power, telecom and infrastructure resource sectors.

transmission system from Raichur to Sholapur spanning 210 Kms.

- Its subsidiary company, Sujan Automatics Private Limited (SAPL), offers remote site monitoring solutions and technology solutions for the power and telecom sectors.
- Provides alternate energy (hybrid of wind and solar) options in telecom tower solutions with operating cost reductions.

Result: The Company's revenues increased from Rs. 522 Crores in 2009-10 to 874 Crores in 2010-11; Order book stands at Rs. 510 crore for FY11 with the Company having bid for contracts in excess of Rs 2,000 Crores for FY12; EBITDA margin increased from 2.6% in 2006-07 to 14.18% in 2010-11.

- It aims to significantly cover the extent of its value chain in the power and telecom businesses.

- It plans to increase its presence in BOOM (Build, Own, Operate and Maintain) projects to enhance its annuity revenue share.

- It embarked on the expansion of its tower manufacturing capacity from

120,000 TPA to 240,000 TPA by December, 2011.

- It reinforced its management bandwidth by recruiting suitable talent as divisional business heads and initiated a gradual transition from being a family-owned business to a professionally delegated organisation.

These investments and the utilization

of IPO proceeds in the two years leading to 2010-11 – are expected to increase revenues to a projected Rs. 1,200 Crore by 2011-12.

BS TransComm is one of the fastest growing-proxies of the growth of India's power and telecom sectors.

Going ahead, the Company plans to foray into resource generation (coal trading and mining) as well as power generation.

With the objective of capitalising effectively on India's infrastructure growth story.

Clientele

Telecom sector

- Essar Telecom Infrastructure Limited
- Vodafone
- Wireless-TT Info Services Limited
- Idea Cellular Limited
- Huawei Telecommunications Limited
- Indus Towers Limited
- Quippo Telecom Infrastructure Limited (Quippo)
- Sterling Projects & Engineering Limited
- India Telecom Infra Limited
- Global Towers Limited
- Reliance Infratel Limited

Power sector

- Sterlite Technologies
- GMR Energy
- IVRCL
- Simplex Infrastructure
- Transmission Corporation of Andhra Pradesh Limited
- Power Grid Corporation of India Limited
- Rajasthan Rajya Vidyut Prasaran Nigam Limited
- Tata BP Solar India Limited
- GMR Energy Limited
- Simplex Infrastructures Limited.
- Vendor approval – Karnataka Power Transmission Corporation Limited
- Maharashtra State Electricity Transmission Company Limited





Company background

- The Company was promoted by Mr. Rajesh Agarwal, Mr. Mukesh Agarwal and Mr. Rakesh Agarwal in 2004.
- It started its business through steel trading and diversified into telecom tower manufacturing and offered turnkey services for the telecom and power transmission sectors.
- It offers remote site monitoring solutions (Intelligent Data Device) through its subsidiary, leading to superior management and control of telecom cell sites through renewable energy.
- Its tower manufacturing capacity of 120,000 MTPA (to be expanded to 240,000 MTPA by 2012) is supported by a structural mill capacity of 90,000 MTPA.

India currently has about

350,000

telecom towers

Pride-enhancing Certifications

- The Company was certified with the prestigious Integrated Management Systems Certification from TUV NORD comprising ISO 9001:2008, ISO 14001:2008 and OSHAS 18001:2007
- Certificate of appreciation for excellence in the field of technology and innovation from **Indus Towers.**

Reach

- The Company is headquartered in Hyderabad (Andhra Pradesh) with regional offices in Tamil Nadu, Karnataka, Kerala, Orissa and Rajasthan.
- It has eight regional offices to service all 23 telecom circles in India and six project offices to serve customers in the power sector.

Chairman's Message



“We expect our various initiatives to translate into aggressive business growth starting with revenues of Rs. 1,300 Crore at higher margins in 2011-12.”

Dear Stakeholders,

I would like to start by thanking all shareholders for investing in the Company during its successful IPO in 2010, resulting in the mobilisation of Rs 190 crore leading to our public listing on October 27, 2010. The Company reported a 67% growth in revenues and an increase of 112% in PAT, vindicating investor faith in our prospects.

Overview

We reported a significant improvement in our performance because we extended our presence beyond being a mere telecom tower manufacturer through the following initiatives:

- We extended our offerings from tower manufacture to turnkey services to Remote Site Monitoring Solutions to alternative energy-based solutions and thereafter, to technology-based services. The result is that we extended our footprint from a standalone product delivery to offering end-to-end Service Provider.
- We integrated backwards and set up a structural steel mill for leveraging raw material quality and to implement cost controls.

The combination of the two helped us add value at one end and reduce costs at the other, strengthening our competitiveness in a challenging business environment.

Telecom industry optimism

Even as downstream telecom customers are passing through challenging times, BS TransComm is optimistic of its prospects owing to some important reasons:

One, the rollout of 3G and BWA will require additional telecom towers to ensure robust connectivity.

Two, with ARPU declining and telecom players curtailing their investments, a greater focus will emerge on enhancing value from investments already made or graduating to lower cost tower maintenance.

BS TransComm has a solution for precisely this challenging environment. The Company is optimistic of its prospects for an important reason: Its solutions enhance the commercial viability of our telecom customers. For instance, a typical telecom tower requires 1,200 litres of diesel per month per site to maintain 99.99% uptime. At a time when the Indian telecom industry's viability is threatened, the Company brings to market just the proposition that could help reduce capital and operating expenditure: Its state-of-the-art hybrid wind and solar energy solution provides continuous power supply to ensure an uptime of 99.99%, with proven cost reduction and reduce the tower's carbon footprint.

Besides, the Telecom sector plans to add more than 200,000 towers by 2015 in the normal process, in addition to another 15-20% growth following the launch of 3G and BWA services. As a result, prospects in this line of business will not only be expected from an increase in tower installations but also a transition from conventional fuel to renewable energy solutions.

Power industry optimism

The other point that reinforces BS TransComm's optimism is the significant outlay planned for India's power infrastructure over the next few years. For instance, India expects to add 100,000 MW power generation, 90,000 CKM of transmission and 154,000 MVA of sub-station capacity in the Twelfth Five Year Plan. This unfolding reality will widen the prospects of a future-focused Company like BS TransComm in a number of ways:

One, the Company expects to widen its presence on the transmission side through bidding for BOOM-based projects; Around Rs. 60,000 Crores of transmission projects sector were up for bidding in 2011-12. BS TransComm entered business-strengthening collaborations to capitalize on this emerging opportunity.

Two, the company plans to foray into power generation using conventional & renewable feedstock.

Three, with the scarcity of land and lower efficiency of oil based substations compared to the newer GIS substation which can be set up under quarter of land required for oil based substation and offers higher operational efficiency including setting up the station in an underground environment. The company has also established a position in the futuristic segment.

We are convinced that the successful power generators will be those that possess captive coal facilities. While the Company works to securitize its resource needs over the foreseeable future, it will enter the coal trading segment through an international subsidiary.

Other infrastructure opportunities

The company plans to pursue opportunities in India's Infrastructure sector viz; roads, ports, waste water management.

The Company expects to pursue organic and inorganic initiatives that enhance the product portfolio and services, strengthen our prequalification criteria and bring in new technologies.

The Company also expects to capitalise on the growth emerging from regions like Africa, the Middle East and Singapore.

Outlook

The Company expects to generate growth during the current financial year by pursuing aggressive growth in its existing businesses in addition to the following initiatives:

- Growing business through focusing on EPC contracts and increasing new order book and participating in government initiated RGGVY and R-APDRP projects.
- Generating revenues from the Coal trading business through our international subsidiary
- Enhancing the managed service business across all geographies for higher revenues and margins
- Commission its tower manufacturing capacity expansion from 120,000 TPA to 240,000 TPA by December 2011.

We expect that these initiatives will translate into aggressive growth with revenues of Rs. 1,300 crore at higher margins in 2011-12, resulting in superior value for those who own shares in our Company.

Rajesh Agarwal
Chairman

Highlights, 2010 - 11

Financial performance

Revenues Increased

67%

from Rs. 522 Cr. in 2009 - 10
to Rs. 874 Cr. in 2010 - 11.

EBITDA margin higher by

250

basis points
to 14.2%

Net Profit up by

112%

from Rs. 24 Cr. in 2009 - 10
to Rs. 51 Cr. in 2010 - 11.

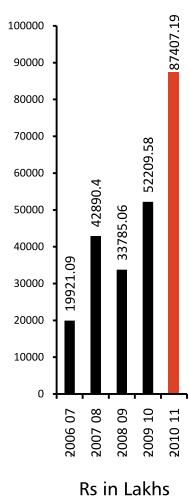
Order book position stands at

510Cr.

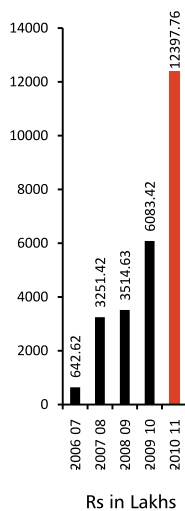
as on 31.03.11



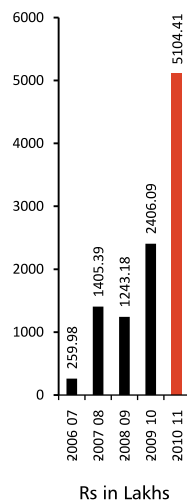
Total Income



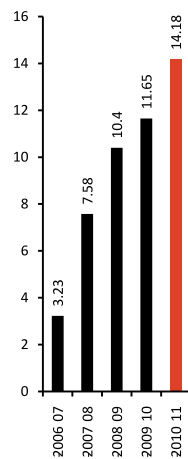
EBIDTA



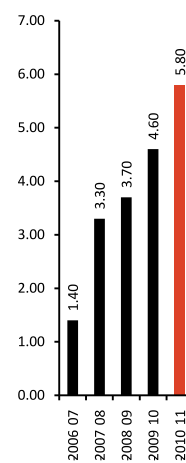
Post Tax Profit



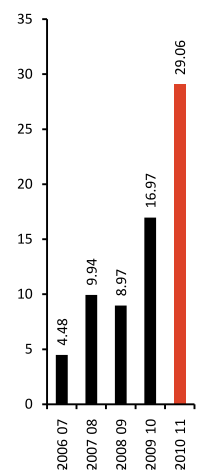
EBIDTA Margin



Post Tax Profit Margin



Earnings per Share



Company Information

Board of Directors	<p>RAJESH AGARWAL Chairman & Managing Director</p> <p>RAKESH AGARWAL Managing Director</p> <p>MUKESH AGARWAL Whole Time Director</p> <p>SUBRATA KUMAR DE Independent Director</p> <p>MAHESH KHERA Independent Director</p> <p>KAPIL KATHPALIA Independent Director</p> <p>M. S. S. SASTRY IDBI Nominee Director</p>
Auditors	<p>P. MURALI & CO. Chartered Accountants, 6-3-655/2/3, Somajiguda, Hyderabad 500 082.</p>
Company Secretary	Subbaiah Raman
Shares listed with	<p>Bombay Stock Exchange Limited National Stock Exchange Limited</p>
Share Transfer Agent	<p>Karvy Computershare Private Limited Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad 500 086. Tel: +91 40 23420818</p>
Email	investors@bsgroup.in
Website	www.bsgroup.in
Registered Office	<p>8-2-269/10, #504, 5th Floor, Trendset Towers, Road No. 2, Banjara Hills, Hyderabad - 500 034, (A.P) INDIA. Tel: +91 40 44558888 Fax : +91 40 66667268</p>
Bankers to the Company	<p>State Bank of India State Bank of Hyderabad State Bank of Mysore Axis bank Syndicate Bank Punjab National Bank IDBI Bank</p>

Directors' Report

TO THE MEMBERS,

Your Directors are pleased to present the Annual report of your Company together with Audited Financial Statement of Accounts for the year ended March 31, 2011.

Financial Performance :

	Rs. in Crores	
	March 31, 2011	March 31, 2010
Total Income	874.07	522.10
Profit Before Interest Depreciation & Tax	123.98	60.83
Less:		
Interest & Financial Charges	34.38	18.64
Depreciation	13.01	5.53
Prior Year Adjustment/ Amortization	0.00	0.04
Profit Before Tax	76.58	36.62
Less: Provision for Taxation	25.54	12.56
Profit After Tax	51.04	24.06
Surplus Brought forward from previous year	53.47	29.41
Profit available for appropriation	101.96	53.47
Earnings per Share	29.06	16.97

Review of Operations

During the Financial Year 2010-11, your Company has seen the revenue increasing to Rs.874.07 Crores from Rs. 522.10 Crores in 2009-10, a rise of 67%. The EBIDTA has increased to Rs. 123.98 Crores as against Rs. 60.83 Crores in the year 2009-10 and PBT of the Company has increased to Rs. 76.58 Crores during the year under review as against Rs.36.62 Crores in 2009-10.

EBIDTA margins have increased to 14.18% of Total Income resulting from increased margin due to backward integrated structural mill which had full year of commercial production and also due to increase in Turnkey revenue.

The Company is also quoting for various Tenders based on BOOM model of business and in this regard the Company has already invested in one Special Purpose Vehicle ("SPV") by name Raichur Sholapur Transmission Company Limited. The BOOM project Cost is worth Rs. 300 Crores. The investment of

the Company in the SPV would be Rs. 20.44 Crores and the total supplies to emanate from the Company would be to the tune of Rs. 142 Crores inclusive of towers and bought out items which will be awarded to the competitive bidder. The revenues in this project are on sharing basis with other partners and the same are spread over a period of 35 years.

During the year under review, your Company has successfully completed its IPO raising in all, a sum of Rs.190.44 Crores to repay loans taken for Phase I of capacity expansion and also to complete the Phase II, which is under progress and the same is expected to be completed by December, 2011.

Business Review and Future Outlook

Your Company seeks to position itself as an Infrastructure provider to Power and Telecom and offer end to end technology solutions and Turnkey services for the Infrastructure Sector.

Your Company presently offers Turnkey Services/ EPC services

for Power and Telecom Sectors with an integrated business model.

Your Company has forayed into BOOM projects and has bagged a project from REC in global tariff based competitive bidding for laying of a 765KV transmission system from Raichur to Sholapur spanning 210 kms. The project was won in a consortium with Patel Engineering Ltd and Simplex Infrastructure Ltd. Your Company holds 33.33% in the consortium. Further, your Company is focusing on opportunities in smart grid solutions for power transmission and distribution.

Foray into international markets in Telecom Infrastructure and Power Transmission Sectors

Your Company has plans to foray into overseas markets for offering Passive telecom infrastructure solutions and Turnkey services.

A detailed business review and future outlook is given in the Management Discussion and Analysis section of the Annual Report.

Subsidiary Companies & Joint Ventures

M/s B S Infratel Limited

BS Infratel Ltd has been incorporated for the purposes of providing passive infrastructure services to Telecommunication service providers. B S Infratel Limited is yet to commence commercial transactions.

Sugan Automatics Private Limited

Sugan Automatics Private Limited (SAPL) is currently carrying on the business of manufacturing, designing and development of products for remote management of telecommunication infrastructure, energy management solutions for the telecom sector and the utilities segments. Your Company has acquired a majority stake (63.25%) in SAPL during the year. SAPL has made a PAT of Rs. 123,383/- during the Financial Year 2010-11.

Dividends

Your Directors have recommended a Dividend of Re. 1/- per Equity share for the year under review aggregating to Rs. 2.55 Crores (inclusive of Tax of Rs. 0.36 Crores).

Initial Public Offering ("IPO")

During the year under review, your Company has successfully completed its Initial Public Offering ("IPO") of Equity Shares and has been listed on the Bombay Stock Exchange and National Stock Exchange of India on October 27, 2010.

Your Company has made an IPO of 76,79,410 Equity Shares of Rs. 10 each for cash at a price of Rs. 248 per Equity Share at a premium of Rs. 238/- per Equity Share, aggregating to Rs.190.44 Crores. The IPO was done in accordance with the terms of your Company's Prospectus dated October 20, 2010.

The main objects of the Issue have been as under :

- Part funding of Phase I i.e., Expansion in Tower Manufacturing and galvanizing capacity from 36,000 MTPA to 1,20,000 MTPA (i.e., an increase in installed capacity by 84,000 MTPA) and setting up of the Backward Integrated Structural Mill with and installed capacity of 90,000 MTPA.
- Funding of Phase II i.e., expansion of in Tower Manufacturing and galvanizing capacity from 1,20,000 MTPA to 2,40,000 MTPA (i.e., an increase in installed capacity by 1,20,000 MTPA).
- To part finance margin money for working capital for the project.
- To fund general corporate purposes.
- To meet expenses of the Issue and
- To get the Equity Shares of the Company listed on the Stock Exchanges.

Schedule of implementation

Activity	Previous		Updated	
	Previous	Finish	Previous	Finish
Land	-	-	-	-
Building and Foundation	December 2009	November 2010	December 2009	September 2011
Installation of Plant and Machinery	December 2010	Mid February 2011	December 2010	Mid-October 2011
Trail Run	Mid February 2011	End February 2011	Mid-October 2011	End-October 2011
Commercial Production	March 2011	-		December 2011

Note on Implementation

- It is proposed to do some minor changes in the balancing equipments which are being worked out leading to delay/disruption of work

The amount raised through the IPO has been utilized as per the objects of the issue and also to complete the Phase II of expansion, which is under progress and the same is expected to be completed by December, 2011.

The details relating to utilization of IPO proceeds are as under:

(Rs. in Lakhs)

S. No.	Particulars	Object of Issue	Amount Spent as on March 31, 2011	Balance
1	Repayment of Loans	5,500.00	5,500.00	-
2	Land	346.00	276.00	70.00
3	Site Development & Building & Foundation	3,748.00	2,143.00	1,605.00
4	Plant and Machinery (Including Balance of Galvanizing Unit)	5,859.00	2,251.00	3,608.00
5	Miscellaneous Fixed Assets and other expenditure	348.00	104.00	244.00
6	Working Capital Margin	1,850.00	-	1,850.00
7	General Corporate Purposes	109.00	109.00	-
8	Issue Expenses	1,285.00	950.00	335.00
	Total	19,045.00	11,333.00	7,712.00

Human Resource Management

Human Resource is one of the key elements of your Company's growth.

The Human Resource ("HR") function has over the years fully developed its capabilities and set up a scalable recruitment and Human Resource Management process, which enables us to attract and retain higher caliber employees.

HR has played a critical role in supporting the business goals during the various changes in the sector as well as in the Company. During the last year, your Company has undertaken various industry first initiatives in the areas of talent adequacy, capability enhancement and growing leaders from within.

The total Manpower of your Company stood at 957 as on March 31, 2011 as compared to 733 as on March 31, 2010, a growth of 30.56%.

Employee Stock Option Plan / Employee Stock Purchase Plan

During the year under review, your Company has not granted/issued any Options/Shares under any Employee Stock Option Plan/Employee Stock Purchase Plan.

Directors

During the year under review Mr. M. S. S. Sastry was appointed as Nominee Director by IDBI to represent at the Board of your Company in place of Mr. Suneel Babu Gollapalli, who was appointed as Nominee Director on the Board of your

Company. The Board recorded its deep sense of gratitude and appreciation for Mr. Suneel Babu Gollapalli for his guidance, unstinted support, direction and wholehearted co-operation and also for giving inputs from time to time in the development of the Company.

In accordance with the Section 256 of the Companies Act, 1956, Mr. Mahesh Khera, Director and Mr. Kapil Kathpalia, Director of the Company retire by rotation at the ensuing Annual General Meeting and are eligible to offer their services for re-appointment. A brief profile of the above Directors is given in the Notice of Seventh Annual General Meeting.

The Board recommends the above appointments / re-appointments for your approval.

Further, the following changes were effected during the year : Mr. D. G. Sohony, Whole Time Director, resigned with effect from February 28, 2011, from the Board of Directors of the Company.

The Board placed on record its appreciation for the contribution made by Mr. D. G. Sohony to the Company during his tenure.

Directors Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that

- In the preparation of the accounts for the year under review, the applicable accounting standards read with the requirements set out under Schedule VI to the Companies

Act, 1956 have been followed along with proper explanation relating to material departures.

- (ii) The Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2010-11 and of the Profit and Loss of the Company for the year under review.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing fraud and other irregularities.
- (iv) The Directors have prepared the accounts for the year under review on a “going concern” basis.

Corporate Governance

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements executed with the Stock Exchanges is attached and forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance to the conditions of Corporate Governance as stipulated under aforesaid clause 49 is attached to this report.

Management Discussion and Analysis:

Management Discussion and Analysis report for the year under review, as stipulated under Clause 49 of the Listing Agreements executed with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

Consolidated Financial Statements

The Audited Consolidated Financial Statements, based on the Financial Statements received from the Subsidiaries as approved by their respective Boards of Directors have been prepared in accordance with Accounting Standard 21 (AS 21) on “Consolidated Financial Statements” and are annexed and form part of the Annual Report and Accounts.

Auditors

The Statutory Auditors of the Company, M/s. P. Murali & Co, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received a letter from the Statutory Auditors to the effect that their reappointment, if made, would be within the prescribed limits under 224(1B) of the Companies Act, 1956 and they have not been disqualified for reappointment within

the meaning of Section 226 of the said Act.

Public Deposits

Your Company has not accepted any deposits during the year within the meaning of Section 58 (A) of the Companies Act, 1956 and the Companies Rules, 1975.

Particulars of Employees

Pursuant to the provisions of Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended), the names and other particulars of the Employees are set out in Annexure – 1 to the Directors Report.

Particulars of Technology Absorption, Foreign Exchange Earnings and Outgo.

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given by way of an Annexure-2 which forms part of this Report.

Acknowledgements

Your Directors wish to place on record their gratitude to the Bankers, Contractors, Joint Venture partners, Employees of the Company for their continued support. Your Directors take this opportunity to commend the continued commitment and dedication of employees at all levels and look forward for valuable sustained support and encouragement.

Date: August 10, 2011

Place: Hyderabad

For and on behalf of the Board of Directors

(Rajesh Agrawal)
Chairman

Annexure - 1 to the Directors' Report

Information under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the Financial Year ended March 31, 2011.

Employed through out the year and in receipt of remuneration of Rs. 60,00,000/- and above:

There were no employees who were employed through out the year and in receipt of remuneration exceeding the limits specified in Section 217 (2A) of the Companies Act 1956 during the Financial Year ended March 31, 2011.

Employed partly during the year and in receipt of remuneration of Rs. 5,00,000/- and above per month:

S.No	Employee Name	Designation	Qualification	Age	Exp (Years)	Joining Date	Gross Remuneration (Rs.)	Previous Employment & Designation
1	C Chandrasekhar	Head Corp. Planning & Telecom	MSc / MBA	41	23	Nov 01, 2010	29,16,665	WTTIL (Viom)
2	Anil Sikka	CEO, Power Division	MTech (Mngmnt & Sys)	49	26	Nov 22, 2010	23,29,168	Sterlite Tech Ltd

Notes :

1. Mr. Rajesh Agarwal, Mr. Rakesh Agarwal and Mr. Mukesh Agarwal are full blood brothers.
2. Except as mentioned above, no other Director is related to any other Director or Employee of the Company listed above.
3. Remunerations received/ receivable includes Gross Salary (Fixed), Employers Contribution to PF, actual bonus and special incentive paid.
4. None of the employees listed above, individually or along with his/ her spouse and dependent children holds 2 percent or more of the equity shares of the Company.

Annexure - 2 to the Directors' Report

Statutory Information

Information under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report.

FORM A

(Form for Disclosure of particulars with respect to conservation of energy)

S.No	Particulars	Unit	Year 2010-11	Year 2009-10
A.	POWER & FUEL CONSUMPTION:			
	1. Electricity	Units/KWH	59,25,840	22,74,076
	a) Purchased:	Rs.	2,93,08,730/-	1,11,65,711/-
	Total Amount	Rs.	4.95	4.91
	Rate/Unit		75000	75000
	b) Own Generation: Through Diesel	Ltrs (appx.)	Ltrs (appx.)	Ltrs (appx.)
	2. Coal: Reheating of Billets (Specify quality and where used)		3273.6 MTS	NIL
	3. Furnace Oil	Ltrs	12,36,982	13,30,001
B.	CONSUMPTION PER UNIT OF PRODUCTION :			
	Electricity	(Units/ Mts)	50/72	50/72
	C" Grade Coal		NA	NA
	Fuel	(Liters/ Mts)	0.95	1.67
	Others (Furnace Oil) –	(Ltrs/ Mts)	15.62	29.66

FORM B

(Form for disclosure of particulars with respect to Technology Absorption)

A. RESEARCH & DEVELOPMENT (R & D)

1. Specific area in which R&D carried out by the Company.

- In-house R&D carried out in respect of the properties of the steel used and related Weld ability, particularly the method of welding and strength of the Weld able structure.
- General practice of MIG Welding which is carried out using Co2 gas as medium has been tested by using 80:20 Argon- Co2 mixture of Gas, commercially called as "Argo-shield" gas to get better Welding strength.

2. Benefits derived as a result of the above R & D.

- Improvement in quality of Welding with superior strength of Welded structure.
- Environmentally, reduction in usage of Co2 gas has contributed to fulfillment of social responsibility.
- Commercially availability of "Argo-shield" is better than getting Co2 gas which is widely used in cold storage, production of aerated soft drinks etc, hence scarcity in summer season. Direct saving of 20% in welding cost.

3. Future plan of action.

- Development is being actively pursued to reduce the cost of production and further improvement in quality of products.
- Quality Assurance laboratory and facilities are being up-graded taking into consideration the advancement made in the field of Metallurgical testing and analysis's. Addition of 19/23 channel spectrophotometer is planned.
- Extensive study and characterizations of high tensile grade of steel for their corrosion behavior and properties for Weldability.

4. Expenditure on R & D

(a) Capital	:	Rs. 919,729	NIL
(b) Recurring	:	NA	NA
(c) Total	:	Rs. 919,729	NIL
(d) Total R & D expenditure as Percentage of total turnover	:	0.01%	NIL

B. FUTURE PLAN, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Import of Technology	:	NIL	NIL
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C. FOREIGN EXCHANGE EARNINGS AND OUT GO

(a) Earnings	:	NIL	NIL
(b) Outgo	:	Rs. 0.69 Cr	Rs.3.51 Cr

For and on behalf of the Board of Directors

Date : August 10, 2011

Place : Hyderabad

(Rajesh Agrawal)
Chairman

Management Discussion and Analysis

Economy and Market Trends

1. Industry Structure & Developments

Power industry

Power generation : India's total power capacity increased to 173.6 GW as on March 2011 following an addition of 35 GW during the Eleventh Plan (2007-12). In 2009-10, the Ministry of Power commissioned a record 12.1 GW and synchronised 3.7 GW projects against a targeted 22 GW. The Ministry also targeted the commissioning of 28 GW in 2011-12 (Source: Motilal Oswal).

The target power of 78,700 MW and 100,000 MW during the 11th and 12th Five Year Plans was facilitated by 60% of the power generation capacity addition coming from the private sector (Source: Financial Express). The huge projected addition to power generation capacity opens up opportunities for specialist companies in tower supply or turnkey players who provide services from tower design to erection.

Power capacity addition

Five year plans	Power capacity addition target	Power capacity addition achieved
8th Plan	30,538 MW	16,423 MW
9th Plan (1997-02)	40,245 MW	19,015 MW
10th Plan (2002-07)	41,110 MW	20,950 MW
11th Plan (2007-12)	78,700 MW	32,512 MW (April 2007-January 2011)
12th Plan (2012-17)	100,000 MW	NA

Transmission and Distribution (T&D)

India's transmission substation size increased from 46,621 MVA during VI Plan to 356,713 MVA during XI Plan and is further expected to increase by about 35% to 428,000 MVA by 2012. The total transmission line in India reached 254,536 ckm in 2009-10 and is expected to increase to 293,372 ckm in 2011-12. The Ministry of Power expects to commission 90,000 ckm transmission lines (18,000 ckm target each year) with 1,54,000 MVA of total sub-station capacity to be added in the Twelfth Five year Plan (2012-17) to reduce transmission and distribution losses. The importance of transmission and distribution increased budgeted investment from Rs. 4,270 bn in the Eleventh Five year Plan to Rs. 6,400 bn in the Twelfth Five year Plan (Source: CEA).

Transmission lines as on 31.03.2011

Transmission lines	ckm of transmission lines
765 KV	4,641
400 KV	106,333
220 KV	134,638
+/- 500 kV HVDC Lines	8,924
Total (cKm)	254,536

(Source: CEA)

Growth in power transmission and sub station in India

Five year plan	Transmission lines (ckm)	Sub station (MVA)
6th plan	52,034	46,621
7th plan	79,455	75,322
8th plan	115,742	125,042
9th plan	146,371	176,743
10th plan	190,351	249,439
11th plan (April 2007-March 2011)	254,536	356,713

(Source: CEA)

Telecommunication industry

The Indian telecommunication industry is among the fastest growing industries in the world with a subscriber base of 806.13 million connections (including 752.20 million wireless connections) as in January 2011 and likely to be catalysed by third-generation (3G) and broadband wireless access (BWA) spectrum. The Indian tele-density touched 66.17% with urban and rural tele-densities being 148% and 31.22% respectively.

The private sector accounts for about 84.60% of the total telephone connections as on December, 2010 as against a mere 5% in 1999. The number of telecom operators in the country increased to 15. The telecommunications sector attracted a foreign direct investment of USD 1.33 billion during April-January 2009-10 with a cumulative inflow of USD 10.26 billion between April 2000 and January 2011.

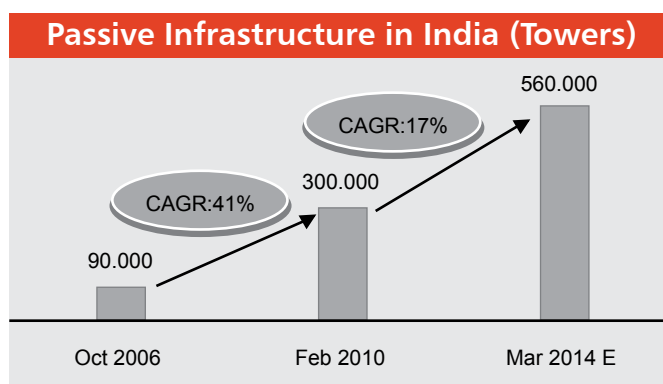
Growth of telecom subscriber base over the years (in million)

	2006-07	2007-08	2008-09	2009-10	2010-11 (April- January)
Wireline	40.77	39.41	37.97	36.96	34.95
Wireless	165.09	261.08	391.76	584.32	771.18
Total	205.87	300.49	429.73	621.28	787.29
Growth	45%	46%	43%	45%	27%

(Source: Department of telecommunication)

In the Twelfth Five Year Plan, the telecom sector is expected to attract investment of USD 110 bn with subscribers growing to 1,200 mn. Rural tele-density is likely to increase to 40% by 2014 (Source: Department of Telecommunications). 3G spectrum is expected to boost tower demand in India; in four months of launch, nine million users were connected to 3G and this is expected to increase to 100 million users by 2015 (Source: Business Line).

Telecom towers market: India has about 350,000 telecom towers; it is expected that telecom infrastructure (telecom towers and the fiber network) will grow at a CAGR of 20% to about 571,000 towers by 2015 following increasing tele-density, rural penetration and 3G-BWA. India's telecomm infrastructure is expected to attract investment of Rs. 950 bn (Source: IBEF and Economic Times). The subscriber growth has caused network congestion necessitating infrastructure investments.



The Company has created a strong brand through efficient on-site operations, joint ventures and innovative technology solutions. The Company's management team has an established track record with years of industry experience and knowledge enhancing its ability to build relationships with reputed telecom operators within a short span of time. The Company enjoys a strong geographical presence with eight regional offices and a service network covering all 23 telecom circles supporting turnkey services. The Company's integrated business model provide end to end technology and turnkey that comprises of tower manufacturing, turnkey services, technology solutions for telecom and power sectors. The Company's offerings in renewable energy solutions for tower companies along with site monitoring products and solutions reinforces its prequalification criteria

to bag large orders. The Company has forayed into BOOM project with bagging of a project in a consortium from REC for establishing a 765 KV transmission system from Raichur to Sholapur.

2. Risk management

Competition risk: The telecommunication and power transmission towers manufacturing segment is competitive, marked by the presence of several players (organised and unorganized). An inability of the firm to provide quality products and services could lead to a reduction in market share.

Risk mitigation

- The Company has strategically diversified into new business areas (power and telecom tower companies) through turnkey solutions and advanced site monitoring services.
- The Company offers energy saving renewable energy solutions.
- The Company's solutions are marked by operational efficiency, modern technology, skilled workforce and timely project execution leading to customer satisfaction and repeat orders.

Demand risk: The tower manufacturing business is based on growing demand of third parties and follows a 'need' based procurement model which may not be uniform.

Risk mitigation

- The poor rural tele-density of 31.22% increases the scope of telecom expansion.
- The government is expected to allocate Rs. 11,000 bn to the telecom and power industries in the 12th Five Year Plan.
- The telecom sector is expected to add more than 200,000 new towers by 2015. The power sector aims to commission 90,000 ckm of transmission lines and add 154,000 MVA of sub-station capacity with a power generation target of 100,000 MW in the Twelfth Five Year Plan.

Raw material risk : The unavailability of raw materials or increase in prices could lead to a discontinuation of production and reduction in margins.

Funding risk : Inability of the Company to raise adequate funds to meet working capital requirements or fund capital-intensive projects could lead to project delays.

Client concentration risk: Excessive dependence on few customers and locations could affect business in case customers terminate the contract or the locations witness an economic downturn.

Asset utilization risk: Low asset utilisation could impact profitability.

3. Internal Control Systems and their adequacy.

The Company has been taking various initiatives to strenghten it's internal control commensurate with the size and nature of its business.

The Company's internal control system has been designed to provide for

- Accurate recording of transactions with internal checks and prompt reporting;
- Adherence to applicable accounting standards and policies;
- Compliance with applicable statutes, policies and management policies and procedures;
- Effective use of resources and safeguarding of assets;

The internal control system provides for well documented policies guidelines authorization and approval procedures. The Company carries out periodic audit of its functions and brings out any deviations to internal control procedures. The observations, arising out of audit, are reviewed and compliance ensured. The summary of internal audit observations is submitted to Audit Committee of the Board of Directors for the review.

4. Human resources

The Company firmly believes that employees constitute the most vital forces in moving the organization forward. The Company aims at attracting, retaining and motivating the best talent to enable a people centric organization. The Company has recruited highly qualified professionals with vast experience in technology and business management in a move to create a professionally run organization. In tune with the business requirement, a number of HR initiatives were taken by the Company. Some of which are:

- Implementation of e HR Portal
- Carrying out employees perception survey to assess the perception of employees and initiated HR interventions for improvements
- Introduction of newsletter for enabling information flow to the employees

- Conducting medical camp including master check up and eye care at the plant benefitting close to 400 employees. 144 spectacles were distributed for free to the employees

5. Financial performance

Revenues

During the current year, the total Revenue from operations stood at Rs 874 Crore as against Rs 522 Crore for FY 09-10 showing an increase of 67%.

Operating expenditure

The total operating expenditure increased by 63% to Rs. 750 Crore in the fiscal 2011 from Rs 461 Crore in the previous year.

Earnings before interest, tax, depreciation and amortisation

The EBIDTA has increased to Rs. 123.98 Crores as against Rs. 60.83 Crores in the year 2009-10 and PBT of the Company has increased to Rs. 76.58 Crores during the year under review as against Rs.36.62 Crores in 2009-10. EBIDTA margins have increased to 14.18% of total Income resulting from increased margin due to backward integrated structural mill which had full year of commercial production and also due to increase in Turnkey revenue.

Interest

The interest cost for the fiscal 2011 at Rs 34.38 Crore increased by 85% over fiscal 2010 from Rs. 18.64 Crore.

Depreciation

The Depreciation for the year increased to Rs. 13.29 Crore as compared to Rs 5.71 Crore in the previous year.

Profit after tax

The Profit after Tax (PAT) for FY 11 is up by 112 % to Rs 51 Crore as against Rs 24 Crore for FY 10. The earnings per share of the Company stood at Rs 29.06 for FY 11 as compared to Rs 16.95 for FY 10.

Net Worth

The Net worth of the Company increased to Rs 315 Crore at the end of the Fiscal 2011 from Rs 83 Crore at the end of the Fiscal 2010.

Debt Equity Ratio

The Debt gearing ratio is at 1.17 times as at the end of the fiscal 2011 compared to 4.18 times in fiscal 2010.

Dividends

The Directors have recommended a Dividend of Re.1/- per Equity share for the year as on March 31, 2011 under review aggregating to Rs. 2.55 Crores (inclusive of Tax of Rs. 0.36 Crores).

Green Initiative

As a responsible corporate citizen, your company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), vide its Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of Annual Reports and other documents of your Company. In terms of the enabling of provisions of these Circulars, the Company will henceforth effect electronic delivery of documents including the Annual Report, Half yearly shareholder communication, other Notices of Meetings/ Postal ballot, etc. to the members at the email address registered for the said purpose.

For supporting this initiative, if you hold shares in:-

- a) Electronic form, please intimate your email address to your Depository Participant ("DP"). The same will be deemed to be your registered email address for serving notices/documents including those covered under section 219 of the Companies Act, 1956.
- b) Physical form, please send a duly signed letter quoting the name of first/sole holder and folios to the Company's Registrar:-

Karvy Computershare Private Limited
Plot No. 17 to 24, Vithalrao Nagar, Madhapur,
Hyderabad 500 086.
Tel: +91 40 23420818

Investors desirous of refreshing/ updating their email address are requested to do so immediately with respect to their respective DP accounts.

Kindly note that if you do not register your email address, a physical copy of the Annual Report and other communication/ documents will be sent to you free of cost, as per current practice. Such documents will also be displayed on the Company's website www.bsgroup.in

We strongly urge you to support this 'Green Initiative' by, opting for electronic mode of communication and making the world a cleaner, greener and healthier place to live. In case your shares are in physical form, we also urge you to have your shares dematerialized by approaching Depository Participant ("DP") of your choice.

Report On Corporate Governance

I. Companies philosophy on Corporate Governance :

The Company is committed to Good Corporate Governance to ensure that all functions of the Company are discharged in a professionally sound and competent manner. The Company is committed to conducting its business in accordance with applicable laws, rules, and regulations. Given view is the requisite information relating to corporate functioning of your Company at apex level for the purpose of due transparency on this aspect.

II. Board of directors

The Board of Directors has been implementing the principles of Corporate Governance as envisaged in Clause 49 of the Equity Listing Agreement. On account of such highest standards of compliance, the Board is empowered with the necessary authority to review and evaluate your Company's operations and also to make decisions that are independent of the Management. To facilitate smoother decision-making at the Board level, your Company has also put in place the required practices and processes.

As on March 31, 2011 the Company's Board of Directors consisted of 7 Directors, of whom 4 are Independent Directors. The Executive Chairman of the Board is a Promoter Director. The Board has a fair representation of the Executive, Non-Executive and Independent Directors for maintaining the Board's independence with respect to its functions of governance and management in compliance with Code of Corporate Governance as contained in the Listing Agreement executed with the Stock Exchanges.

The composition of the Board of Directors is as follows:

S.No.	Name	Category	Committee
1.	Mr. Rajesh Agarwal*	Managing Director/ Promoter	- Audit Committee - Share Transfer & Investor Grievances Committee
2.	Mr. Rakesh Agarwal*	Managing Director/ Promoter	- Nil
3.	Mr. Mukesh Agarwal*	Whole Time Director/ Promoter	- Nil
4.	Mr. G Suneel Babu@	Independent/ Non-Executive (IDBI Nominee)	- Audit Committee
5.	Mr. M. S. S. Sastry#	Independent/ Non-Executive (IDBI Nominee)	- Audit Committee
6.	Dr. Subrata Kumar De	Independent/ Non-Executive Director	- Audit Committee - Remuneration and Compensation Committee
7.	Mr. Mahesh Khera	Independent/ Non-Executive Director	- Audit Committee - Remuneration and Compensation Committee - Share Transfer & Investor Grievances Committee
8.	Mr. Kapil Kathpalia	Independent/ Non-Executive Director	- Audit Committee - Remuneration and Compensation Committee - Share Transfer & Investor Grievances Committee
9.	Mr. D. G. Sohony**	Whole Time Director	- Nil

* Mr. Rajesh Agarwal, Mr. Rakesh Agarwal and Mr. Mukesh Agarwal are full blood brothers.

Appointed w.e.f November 01, 2010 in place of Mr. G. Suneel Babu.

@ Replaced by Mr. M. S. S. Sastry w.e.f November 01, 2010.

** Resigned w.e.f. February 28, 2011

Board Procedure

The Board of Directors is presented with detailed notes on various matters relating to the working of the Company, especially those that require deliberation at a strategic level, along with the Agenda papers well in advance of the Meeting. The Board periodically reviews Compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

In addition to the items which are required to be placed before the Board for their noting and/or approval, the following information is being provided for other significant items:

- Annual operating plans and Budgets and any updates thereof.
- Capital Budgets and any updates thereof.
- Quarterly results of the Company and its operating Divisions of business segments.
- Minutes of the Meetings of the Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of Senior Officers just below the Board level, including appointment/removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution, and penalty Notices, which are materially important.
- Fatal and serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any Material default in the financial obligations to and by the Company, or substantial non payment of goods sold by the Company.
- Any issue which involves possible public or product liability claims of substantial nature.
- Any significant development in Human Resources.
- Details of any Joint Venture or Collaboration Agreement.
- Sale of material nature of Investments, Subsidiaries, Assets, which is not in the normal course of business.
- Non compliance of any Regulatory, Statutory or Listing requirements and Shareholders' service such as non-payment of Dividend, delay in Share Transfer etc.

The Board of Directors meets at least once in a Quarter to review the Company's performance and Financial Results and more often, if considered necessary to transact any other Business. During the year under review, the Board of Directors of the Company met 5 times on April 28, 2010, August 12, 2010, November 02, 2010, December 31, 2010 and January 31, 2011. The Maximum time gap between any two Board meetings has not been more than 4 months.

Attendance of each Director at the Board Meetings during the Financial Year 2010-11:

S. No.	Name	No. of Other Directorships	No. of Board Meeting		Attendance at last AGM
			Held	Attended	
1.	Mr. Rajesh Agarwal, CMD/Promoter Director	5	5	5	Yes
2.	Mr. Rakesh Agarwal, MD/Promoter Director	6	5	3	Yes
3.	Mr. Mukesh Agarwal, WTD/Promoter Director	4	5	4	Yes
4.	Mr. G Suneel Babu*, Independent/ Non-Executive (IDBI Nominee)	1	5	1	No
5.	Mr. M. S. S. Sastry, Independent/ Non-Executive (IDBI Nominee)	0	5	2	N.A.
6.	Dr. Subrata Kumar De, Independent/ Non-Executive Director	0	5	4	Yes
7.	Mr. Mahesh Khara, Independent/ Non-Executive Director	1	5	4	No
8.	Mr. Kapil Kathpalia, Independent/ Non-Executive Director	0	5	3	No
9.	Mr. D. G. Sohony#, Whole Time Director	0	5	5	No

* Replaced by Mr. M. S.S. Sastry w.e.f November 01, 2010

Resigned w.e.f February 28, 2011

DIRECTORS WITH MATERIAL PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

As mandated by Clause 49, the Independent Directors on the Board :

- Apart from receiving Directors remuneration, do not have material pecuniary relationships or transactions with Company, its Promoters, its Directors, its Senior Management or its holding Company, its Subsidiaries and Associates which may affect the independence of the Director.
- Are not related to Promoters or persons occupying Management positions at the Board level or at any one level below the Board.
- Have not been Executives of the Company in the immediately preceding three Financial Years.
- Are not Partners or Executives or were not Partners or Executives during the preceding three years of the:
- Statutory Audit Firm or the Internal Audit Firm that is associated with the Company;
- Legal Firm(s) and Consulting Firms that have material association with the Company;
- Are not material Suppliers, Service providers or Customers or Lessors or Lessees of the Company, which may affect independence of the Director.
- Are not Substantial Shareholders of the Company i.e. do not own 2% or more of the block of voting shares.
- Are not less than 21 years of age.

The Company does not have any pecuniary relationship with any Non Executive or Independent Director except for payment of Commission, Sitting fees of Rs. 20,000/- per Meeting and reimbursement of Travelling & Boarding expenses for attending the Board Meetings. No Sitting fee is paid for attending the Meetings of any Committee of the Board of Directors.

The details of all remunerations paid or payable to the Directors are given in the Table here below:

S. No.	Name of the Director	Salary(Incl. Perquisites)/ Sitting Fees	Salary	Perquisites	PF/ Super Annuation	Performance Incentive	Total
1.	Mr. Rajesh Agarwal	Salary	3,600,000	-	-	-	3,600,000
2.	Mr. Rakesh Agarwal	Salary	2,400,000	-	-	-	2,400,000
3.	Mr. Mukesh Agarwal	Salary	2,400,000	-	-	-	2,400,000
4.	Mr. D. G. Sohony#	Salary	1,645,000	-	-	-	1,645,000
5.	Mr. G Suneel Babu*	Sitting Fees	20,000	NA	NA	NA	20,000
6.	Mr. M. S. S. Sastry	Sitting Fees	40,000	NA	NA	NA	40,000
7.	Dr. Subrata Kumar De	Sitting fees	80,000	NA	NA	NA	80,000
8.	Mr. Mahesh Khera	Sitting Fees	80,000	NA	NA	NA	80,000
9.	Mr. Kapil Kathpalia	Sitting Fees	60,000	NA	NA	NA	60,000

* Replaced by Mr. M. S. S. Sastry on November 01, 2010.

Resigned w.e.f February 28, 2011

Shares held by Non-Executive Directors

S.No	Name of the Director	Category	Number of shares
1.	Mr. M. S. S. Sastry	Independent/ Non-Executive (IDBI Nominee)	Nil
2.	Dr. Subrata Kumar De	Independent/ Non-Executive Director	4,000
3.	Mr. Mahesh Khera	Independent/ Non-Executive Director	Nil
4.	Mr. Kapil Kathpalia	Independent/ Non-Executive Director	Nil

III. Committees of the Board

Currently, the Board has the following Three Committees:

1. Audit Committee
2. Remuneration and Compensation Committee
3. Share Transfer & Investor's Grievance Committee

The Board is responsible for constituting, assigning, co-opting the Members of the Committee(s), fixing their terms of reference and also delegating their powers from time to time. The Minutes of the Meetings are circulated to the Board for its information and confirmation. The Company Secretary and Compliance Officer of the Company will be the Secretary to all of the above Committees.

1. Audit Committee:

With a view to complying with various requirements under the Companies Act, 1956 and also Code of Corporate Governance as framed by the SEBI, the Audit Committee has been set up with a majority of the Members being Independent Directors. The Committee is headed by an Independent Director as Chairman.

a) Brief description of terms of reference

The broad terms of reference of the Audit Committee are as specified in Clause 49 of Listing Agreement read with Section 292A of the Companies Act, 1956. The Audit Committee deals with various aspects of the Financial Statements including Quarterly, Half yearly and Annual Results, adequacy of internal controls and internal audit functions, various Audit Reports, Significant judgments affecting the Financial Statements, compliance with Accounting Standards and Companies Financial & Risk Management policies. It reports to the Board of Directors about its findings and recommendations pertaining to above matters.

The Audit Committee has reviewed the following and given its suggestions/ recommendations to the Board of Directors:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal Audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal Auditor shall be subject to review by the Audit Committee
6. Review of Financial Statements, in particular, the investments made by the unlisted Subsidiary Companies

The Board has accepted all the recommendations of the Audit Committee.

b) Composition, Meetings and Attendance of Directors during the year :

S No	Name of the Director	Category	Status	No. of Meetings held	No. of Meetings attended
1.	Dr. Subrata Kumar De	Independent Director	Chairman	5	4
2.	Mr. Kapil Kathpalia	Independent Director	Member	5	3
3.	Mr. Mahesh Khera	Independent Director	Member	5	4
4.	Mr. G Suneel Babu*	Independent / Nominee Director (IDBI)	Member	5	1
5.	Mr. M. S. S. Sastry**	Independent / Nominee Director (IDBI)	Member	5	2
6.	Mr. Rajesh Agarwal	Executive CMD	Member	5	5

* Replaced by Mr. M. S. S. Sastry w.e.f November 01, 2010.

** Appointed w.e.f November 01, 2010.

Five Meetings of the Committee were held during the year under review i.e. on April 28, 2010, August 12, 2010, November 02, 2010, December 31, 2010 and January 31, 2011.

2. Remuneration and Compensation Committee:

With a view to complying with various requirements under the Companies Act, 1956 and Code of Corporate Governance as framed by the SEBI, the Remuneration and Compensation Committee has been set up with all the Members being Independent Directors. The Committee is headed by an Independent Director as Chairman.

The Remuneration and Compensation Committee was constituted to discharge the Board's responsibilities relating to the Compensation of the Company's Executive Directors and Senior Management. The Remuneration and Compensation Committee has the overall responsibility of evaluating and approving the Compensation plans, policies and programs for Executive Directors and Senior Management of the Company.

a) Brief description of terms of reference

The Committee is responsible for appointment, re-appointment, determination/fixation of the remuneration and revision in the remuneration payable to the existing Executive Directors of the Company from time to time and regulates the grant of Stock options to the eligible employees.

b) Composition, Meetings and Attendance of Directors during the year

S No	Name of the Director	Category	Status	No. of Meetings held	No. of Meetings attended
1.	Dr. Subrata Kumar De	Independent Director	Chairman	4	4
2.	Mr. Kapil Kathpalia	Independent Director	Member	4	3
3.	Mr. Mahesh Khera	Independent Director	Member	4	4

Four Meetings of the Committee were held during the year under review i.e. on April 28, 2010, August 12, 2010, November 02, 2010 and January 31, 2011.

c) Remuneration policy

The Remuneration and Compensation Committee determines and recommends to the Board, the compensation payable to the Directors. All Board level compensation (except Sitting Fees) is approved by the Shareholders and separately disclosed in the Financial Statements.

d) Details of payment of remuneration during the year under review: as indicated earlier.

Sitting Fees paid to Independent Directors:

S.No	Name of the Director	Sitting Fee (Rs.)
1.	Mr. G Suneel Babu*	20,000
2.	Mr. M. S. S. Sastry	40,000
3.	Dr. Subrata Kumar De	80,000
4.	Mr. Mahesh Khera	80,000
5.	Mr. Kapil Kathpalia	60,000

*Replaced by Mr. M. S. S. Sastry w.e.f November 01, 2010.

Remuneration paid to Executive Directors:

Name	Salary & Incentives	Value of Perquisites	Contribution to Provident Fund	ESOPs	Total
Mr. Rajesh Agarwal	36,00,000	-	-	-	36,00,000
Mr. Rakesh Agarwal	24,00,000	-	-	-	24,00,000
Mr. Mukesh Agarwal	24,00,000	-	-	-	24,00,000
Mr. D. G. Sohony	16,45,000	-	-	-	16,45,000

3. Share Transfer & Investors' Grievance Committee :

With a view to complying with various requirements under the Code of Corporate Governance as framed by the SEBI, the Share Transfer & Investors' Grievance Committee has been set up with a majority of the Members being Independent Directors. The Committee is headed by an Independent Director as Chairman.

a) Brief description of terms of reference:

The terms of reference / scope and function of the Share Transfer and Investors' Grievance Committee include the performance of the functions as recommended in the listing agreement, to look into redressal of Shareholders and Investor complaints, issue of duplicate/ split/ consolidated Share certificates, allotment and listing of shares and review of cases for refusal of transfer/ transmission of shares and Debentures and reference to Statutory and Regulatory Authorities.

b) Composition, Meetings and Attendance of Directors during the year:

S No	Name of the Director	Category	Status	No. of Meetings held	No. of Meetings attended
1.	Mr. Mahesh Khera	Independent Director	Chairman	5	4
2.	Mr. Kapil Kathpalia	Independent Director	Member	5	3
3.	Mr. Rajesh Agarwal	Executive Director	Member	5	5

Five Meetings of the Committee were held during the year under review i.e. on April 28, 2010, August 12, 2010, November 02, 2010, December 31, 2010 and January 31, 2011.

Mr. Subbaiah Raman is the Company Secretary and Compliance Officer of the Company.

Number of shareholders' complaints received so far : The Company has received 67 Complaints from the Investors in the IPO.

Number solved to the satisfaction of shareholders : Out of the above mentioned Complaints, 67 complaints were resolved to the satisfaction of the investors.

Number of pending complaints : No Investor complaints are pending as on March 31, 2011.

4. General Body meetings:

The Annual General Meeting (AGM) is the principal forum for interaction with Shareholders, where the Board answers specific queries raised by the shareholders. The Board acknowledges its responsibility towards its shareholders and therefore encourages open and active dialogue with all its shareholders – be it individuals, domestic institutional investors or foreign investors.

Location and time, where last three AGMs held:

Year	Location	Date & Time	Whether any special resolutions passed in the previous 3 AGMs
2008	#504, Trendset Tower, Rd.No.2, Banjara Hills, Hyderabad-500034	June 03, 2008 at 11.00 AM	Yes
2009	#504, Trendset Tower, Rd.No.2, Banjara Hills, Hyderabad-500034	July 27, 2009 at 11.00 AM	Yes
2010	#504, Trendset Tower, Rd.No.2, Banjara Hills, Hyderabad-500034	May 24, 2010 at 11.00 AM	No

Whether any special resolution passed last year through postal ballot – No Special resolution was passed through postal ballot during FY 2010-11.

Person who conducted the Postal Ballot exercise: N.A

Whether any Special Resolution is proposed to be conducted through Postal Ballot: The Company shall conduct all businesses as mandated by Section 192A of Companies Act 1956 (for listed Companies) as and when the need therefor arises

5. Shareholders

Disclosures regarding the Appointment or Re-appointment of Directors.

According to the Articles of Association, one-third of the Directors retire by rotation and, if eligible, seek re-appointment at the Annual General Meeting of Shareholders. As per the provisions of Articles of Association, Mr. Mahesh Khera and Mr. Kapil Kathpalia will retire in the ensuing Annual General Meeting. The Board has recommended the re-appointment of the retiring Directors. The detailed profiles of these Directors are provided in the Notice convening the Annual General Meeting.

Investor Grievances and Share Transfer System

The Board of Directors has constituted the Share Transfer & Investors Grievance Committee to examine and redress complaints from shareholders and investors.

6. Code of Conduct:

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management Personnel as required under Clause 49 of the Equity Listing Agreement. The Code is applicable to Executive and Non Executive Directors as well as the Senior Management personnel. All the Board members and the Senior Management personnel have affirmed compliance of the Code. A declaration to this effect signed by the Managing Director is enclosed at the end of the report.

A copy of the Code is available on the Company's website www.bsgroup.in

7. Subsidiary Companies

As on March 31, 2011, there are no Material Non-Listed Indian Subsidiaries.

8. Disclosures

- (i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

There are no materially significant related party transactions with the Company's promoters, Directors, Key Managerial Personnel or their relatives, which may have potential conflict with the interest of the Company at large.

Disclosures on transactions with related parties, as required under the Indian Accounting Standard 18, have been incorporated in the Notes to the Accounts, being part of the Annual Report.

All Disclosures relating to the financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.

- (ii) Details of non-compliance.

There has been no instance of non-compliance with any legal requirements nor have there been any strictures imposed by any Stock exchange, the SEBI or any Statutory Authority, on any matters relating to the capital market over the last three years.

- (iii) Disclosures of Accounting Treatment in preparation of Financial Statements:

The Company has followed guidelines on Accounting Standards laid down by the Institute of Chartered Accountants of India in preparation of the Financial Statements.

9. CEO/CFO Certification

The CEO/CFO certification of the Financial Statements for the year is enclosed at the end of the report.

10. Means of Communication

- i. Quarterly results : Published in leading newspapers
- ii. Newspapers wherein results normally published : Hindu Business Line & Vaartha
- iii. Any website, where displayed : www.bsgroup.in
- iv. Whether it also displays official news releases : Yes
- v. The presentations made to institutional investors or to the analysts : Power Point Presentation

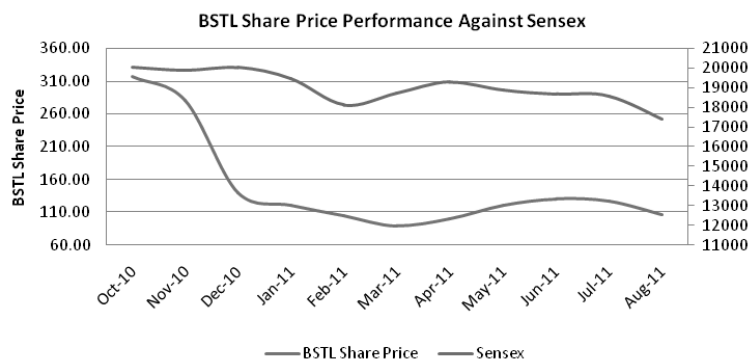
11. General Shareholder information

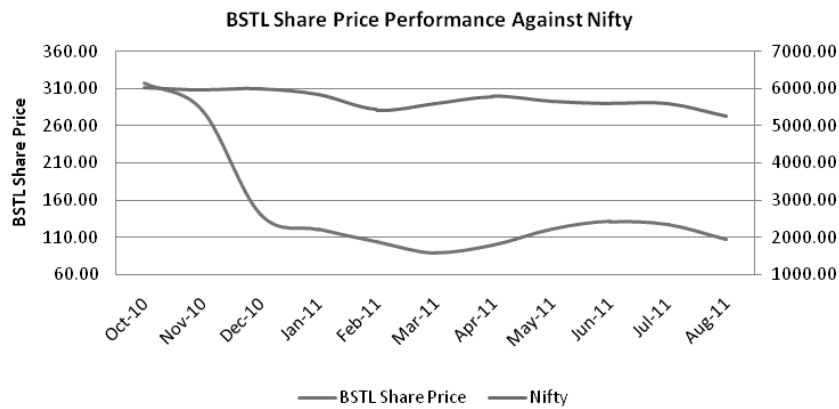
- i. Annual General Meeting:
 - a. Date : September 30, 2011
 - b. Time : 11.00 AM
 - c. Venue : Occasions, Hotel "Best Western" Jubilee Ridge, # 38&39, Kavuri Hills, Road No.36, Jubilee Hills, Hyderabad - 500 036.
- ii. Financial year : April 01, 2010 to March 31, 2011
- iii. Date of Book closure : September 26, 2011 to September 30, 2011(both days inclusive)
- iv. Dividend Payment Date : October 07, 2011
- v. Listing on Stock Exchanges : Bombay Stock Exchange and National Stock Exchange
- vi. Stock Code : 533276/ BSTRANSCOM ISIN No. INE043K01011
- vii. Market Price Data : As given below

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
October 2010	419.00	247.80	3,83,15,920	419.50	239.00	5,10,89,072
November 2010	508.80	146.30	2,89,24,791	510.00	146.00	1,54,755
December 2010	167.30	121.90	10,29,870	167.95	122.30	5,50,507
January 2011	154.15	110.00	7,32,571	153.90	111.00	6,79,794
February 2011	121.00	79.60	4,55,906	121.00	80.15	8,25,551
March 2011	98.50	78.95	6,05,906	98.60	78.00	8,78,167

viii. High, Low during each month in last Financial Year: As above

ix. Performance of the share price of the Company in comparison to BSE Sensex & NSE Nifty:





- x. Registrar and Transfer Agents : Karvy Computershare Private Limited
Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad - 500 086.
Tel: +91 40 23420818
- xi. Share Transfer System: The Company effects Share transfers through its Share Transfer Agents indicated above. In compliance with the SEBI Circular, the Company maintains Share Registry terms of both Physical and electronic mode to at single point. Shares received in Physical form for transfer/split etc. are processed and the share certificates returned within 10 to 15 days from the date of receipt, subject to documents being complete and valid in all respects.
- xii. Distribution of Shareholding as March 31, 2011:

S.No	Category	No. of Shareholders	% of Shareholders	Amount (Rs.)	% Amount
1	Upto 1 - 5000	13933	93.88	13275950.00	6.07
2	5001 - 10000	452	3.05	3564600.00	1.63
3	10001 - 20000	193	1.30	2899900.00	1.33
4	20001 - 30000	72	0.49	1856380.00	0.85
5	30001 - 40000	38	0.26	1353270.00	0.62
6	40001 - 50000	27	0.18	1286500.00	0.59
7	50001 - 100000	50	0.34	3709620.00	1.70
8	100001 & ABOVE	77	0.52	190840380.00	87.23
	Total:	14842	100.00	218786600.00	100.00

xiii. Shareholding Pattern as on March 31, 2011

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No of Shares		Shares Pledged or otherwise encumbered	
					AS a Percentage of (A+B)	As a Percentage of (A+B+C)	No. of Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	PROMOTER AND PROMOTER GROUP							
(1)	INDIAN							
(a)	Individual /HUF	6	13549000	6940400	61.93	61.93	3130110	23.10
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Others	5	568000	0	2.60	2.60	0	0.00
	Sub-Total A(1) :	11	14117000	6940400	64.52	64.52	3130110	22.17
(2)	FOREIGN							
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(2) :	0	0	0	0.00	0.00	0	0.00
	Total A=A(1)+A(2)	11	14117000	6940400	64.52	64.52	3130110	22.17
(B)	PUBLIC SHAREHOLDING							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions /Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00	0	0.00

(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total B(1) :	0	0	0	0.00	0.00	0	0.00
(2)	NON-INSTITUTIONS							
(a)	Bodies Corporate	504	3879474	3879474	17.73	17.73	0	0.00
(b)	Individuals							
	(i) Individuals holding nominal share capital upto Rs.1 lakh	14017	2183767	2166215	9.98	9.98	0	0.00
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	38	1582974	1582974	7.24	7.24	0	0.00
(c)	Others							
	TRUSTS	2	6000	6000	0.03	0.03	0	0.00
	Non Residents Indians	194	81764	81764	0.37	0.37	0	0.00
	Clearing Members	76	27681	27681	0.13	0.13	0	0.00
	Sub-Total B(2) :	14831	7761660	7744108	35.48	35.48	0	0.00
	Total B=B(1)+B(2) :	14831	7761660	7744108	35.48	35.48	0	0.00
	Total (A+B) :	14842	21878660	14684508	100.00	100.00	0	0.00
(C)	Shares held by custodians, against which							
	Depository Receipts have been issued							
(1)	Promoter and Promoter Group							
(2)	Public	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A+B+C) :	14842	21878660	14684508	100.00	0.00	3130110	14.31

xiv. Dematerialization of shares and liquidity:

The Company's shares are tradable compulsorily in electronic form and through Karvy Computershare Private Limited, Registrars and Share Transfer Agents. The Company has established connectivity with the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited. The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE043K01011. As on March 31, 2011, 67.12% of our shares were held in dematerialized form (Demat) and the rest in physical form.

S.No	Particulars	No. of Shares	% of Shares
1	NSDL	91,81,876	41.97
2	CDSL	55,02,632	25.15
3	Physical	71,94,152	32.88
		21,878,660	100.00

xv. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity : Not Applicable

xvi. Plant Locations :

- Survey No. 82-83, 92-95 & 107, NH-7Athivelly village, Medchal Mandal, Ranga Reddy District, Andhra Pradesh.
- Survey No. 41, Majeedpalli village, Toopran mandal, Medak District, Andhra Pradesh.

xvii. Address for Correspondence :

Company Secretary & Compliance officer
#504, Trendset Tower,
Road.No.2, Banjara Hills,
Hyderabad – 500034.

Non-Mandatory Requirements

S.NO	Particulars	Comments/Remarks
1	The Board - A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties. Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of a company. The company may ensure that the person who is being appointed as an independent director has the requisite qualifications and experience which would be of use to the company and which, in the opinion of the company, would enable him to contribute effectively to the company in his capacity as an independent director."	The Company has an Executive Chairman hence Not Applicable.
2	<p>i) The board may set up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.</p> <p>ii) To avoid conflicts of interest, the Remuneration Committee, which would determine the remuneration packages of the Executive Directors may comprise of at least three directors, all of whom should be non-executive directors, the Chairman of Committee being an Independent Director.</p> <p>iii) All the members of the Remuneration Committee could be present at the meeting.</p> <p>iv) The Chairman of the Remuneration Committee could be present at the Annual General Meeting, to answer the shareholder queries. However, it would be up to the Chairman to decide who should answer the queries.</p>	<p>Details of Composition and Functioning of the Committee are given in the Section "Committees of Board"</p> <p>Independent Committee is established with no Executive Director as Member.</p> <p>Generally exact Attendance is given in the Section "Committees of Board"</p> <p>Shall be complied with.</p>

3	A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	Details given in the Section "Communication to Shareholders".
4	Company may move towards a regime of unqualified Financial Statements.	The Company continues to adopt appropriate best practices in order to ensure Unqualified Financial Statements.
5	A company may train its Board members in the business model of the company as well as the risk profile of the business parameters of the company, their responsibilities as Directors, and the best ways to discharge them.	Each of the Director on the Board of the Company is an expert in the fields where the company operates
6	The Company may establish a mechanism for employees to report to the Management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. This mechanism could also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit committee in exceptional cases. Once established, the existence of the mechanism may be appropriately communicated within the organization.	Code of Conduct has been put in place which indicates the details of the processes to be followed for preventing any fraud, victimization etc.

CEO/CFO Certification:

In accordance with Clause 49 (I) (D) of the Listing Agreement, a certificate by CEO/ CFO was submitted to the Board.

CEO CERTIFICATION ON CODE OF CONDUCT

I, Rajesh Agarwal, Chairman & Managing Director of BS TransComm Limited hereby confirm that:

- The Company has obtained from all members of the Board and senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel.
- Whistle Blower policy is in place and no personnel have been denied access to the Audit Committee.
- Compliance with mandatory requirements and adoption of the non mandatory requirements of the clause 49 of the Listing Agreement.

Date : August 10, 2011

Place: Hyderabad

For B S TransComm Limited

(Rajesh Agarwal)
Chairman &
Managing Director

CEO/CFO Certification

To
The Board of Directors,
B S TRANSCOMM LIMITED
#504, Trendset Tower,
Road.No.2, Banjara Hills,
Hyderabad - 500034

In Compliance with Clause 49 (V) of the Listing Agreement with Stock Exchanges, I Rajesh Agarwal, Managing Director appointed in terms of the Companies Act, 1956, certify to the Board that:

- (a) I have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of their knowledge and belief:
 - (i) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for Financial Reporting and that they have evaluated the effectiveness of Internal Control Systems of the Company pertaining to Financial Reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit committee:
 - (i) significant changes in internal control over Financial Reporting during the year;
 - (ii) significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's Internal Control System over Financial Reporting.

Place : Hyderabad
Date : August 10, 2011

For B S TransComm Limited

(Rajesh Agarwal)
Chairman &
Managing Director

Compliance Certificate on Corporate Governance

To,
The Members
BS TransComm Limited
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of Corporate Governance of M/s BS TransComm Limited ("the Company") for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the "Guidance note on Certification of Corporate governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 the above mentioned Listing Agreement.

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

For P. Murali & Co.,
Chartered Accountants

M. V. Joshi
Partner
Membership No: 24784

Place: Hyderabad
Date: May 30, 2011

Auditors' Report

To

The Members

BS TRANSCOMM LIMITED.

1. We have audited the attached Balance Sheet of BS TRANSCOMM LIMITED as at 31st March, 2011, the Profit & Loss Account and also the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 statements presentation. We believe that our audit provide 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) Order, (Amendment) 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (herein after referred to as the "Act"), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in annexure referred to 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 purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- e. On the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 from being appointed as the directors of the company in terms of Section 274(1)(g) of the Companies Act, 1956.
- f. In our opinion and to the best of information and according to the explanations given to us, the said accounts read together with significant accounting policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required 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 31st March, 2011;
 - ii) In the case of Profit and Loss Account, of the Profit for the year ended as 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 P. MURALI & CO.,
Chartered Accountants

M.V. JOSHI

Partner

Membership No: 24784

Place: Hyderabad

Date: 30.05.2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF BS TRANSCOMM LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011.

- i). (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the management has conducted partial physical verification of major fixed assets during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, Company has not disposed of any substantial / major part of fixed assets
- ii). (a) As explained to us, the inventory has been physically verified during the year by the management in our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are required to be streamlined and strengthened to be reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanation given to us, and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
- iii). (a) According to the information and explanation given to us, the Company has made an advance of Rs.7,30,22,756/- to its subsidiary and granted a loan of Rs.6,27,77,620/- to its associate company, covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.
- (c) In respect of the loans granted, repayment of the principal amount is as stipulated and payment of interest have been regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) According to the information and explanations given to us, the company has taken unsecured loans from other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The amount involved during the period and outstanding balances of said loans aggregated to Rs. 10.90 Lakhs.
- (f) The rate of interest & other terms and conditions of unsecured loans taken by the company, are not prima facie prejudicial to the interests of the company, and
- (g) Payment of principal amount and interest are regular.
- iv). In our opinion and according to the information and explanation given to us, the internal control systems need to be documented and strengthened to commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets, and for the sale of goods and services. According to the information and explanation given to us, there is no continuing failure to correct major weaknesses in internal control system.
- v). In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
- (a) In our opinion and according to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in respect of other parties are reasonable.
- vi). In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public and therefore, the provisions section 58A and 58AA of the Companies Act, 1956 and rules therefore not applicable to the Company.
- vii). In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- viii). According to the information and explanations given to us, the Central Government has not prescribed the maintenance of the cost records under section 209(1)(d) of the Companies Act, 1956.

- ix). (a) According to the records of the company and information and explanation given to us, the company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and other applicable statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, there are no arrears of statutory dues as at 31st March, 2011 which are outstanding for a period of more than six months from the date they become payable.
- (b) According to the records of the company and information and explanation given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
- x) The Company does not have accumulated losses as at the end of the financial year and the Company has not incurred cash losses during current year under report and in the immediately preceding financial year.
- xi) According to the information and explanations given to us, the company has not defaulted in the repayment of dues to financial institutions, banks or debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advance on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a Chit fund/ Nidhi/ Mutual Benefit fund / Society. Therefore, the provisions of clause 4(xiii) of this order are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of this order are not applicable.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interests of the company does not arise.
- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans taken during the year have been applied for the purpose for which they were obtained .
- xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, We report that there are no funds raised on short-term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of the Companies Act, 1956 during the year and the question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise.
- xix) According to the information and explanations given to us The Company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- xx) According to the records of the company and information and explanation given to us, the Company has raised money by way of public issue during the year and the fund raised by the company has been utilised for the purpose for which it is raised. It has disclosed the utilization of funds in " Notes to Accounts"
- xxi) To the best of our knowledge and belief and according to the information and explanation and explanation given to us, no fraud and or by the Company has been noticed or reported during the course of our audit.

Stand alone Balance Sheet

as at 31st March, 2011

(Rupees)

		Schedules	as at 31.03.2011	as at 31.03.2010
I	SOURCES OF FUNDS			
1	SHAREHOLDERS FUNDS			
	Share Capital	1	218,786,600	141,992,500
	Reserves & Surplus	2	3,007,014,644	694,385,580
2	LOAN FUNDS			
	Secured Loans	3	2,039,254,043	1,668,425,809
	Unsecured Loans	4	1,090,000	354,630,000
3	DEFERRED TAX LIABILITY - NET		46,329,273	42,143,724
	Total		5,312,474,560	2,901,577,613
II	APPLICATION OF FUNDS			
1	FIXED ASSETS			
	Gross Block	5	1,307,043,950	1,186,152,261
	Less: Depreciation		259,419,776	129,328,826
	Net Block		1,047,624,174	1,056,823,435
	Capital Work-in-Progress	6	479,396,015	20,255,994
			1,527,020,189	1,077,079,429
2	INVESTMENTS	7	28,473,962	28,307,312
3	CURRENT ASSETS, LOANS AND ADVANCES			
	Inventories	8	1,019,272,330	538,725,245
	Sundry Debtors	9	3,067,286,614	2,175,262,296
	Cash & Bank Balances	10	216,224,005	90,139,162
	Other Current Assets	11	32,335,835	12,178,480
	Loans & Advances	12	1,023,059,997	403,557,784
			5,358,178,780	3,219,862,967
	LESS: CURRENT LIABILITIES & PROVISIONS			
	a. Current Liabilities	13	1,547,726,016	1,385,479,533
	b. Provisions		129,508,147	48,212,600
			1,677,234,163	1,433,692,133
	Net Current Assets		3,680,944,617	1,786,170,834
4	MISCELLANEOUS EXPENDITURE	14	76,035,792	10,020,038
	(To the extent not written off or adjusted)			
	Significant Accounting Policies & Notes on Accounts	23		
	(Schedules 1 to 23 annexed from part of accounts)			
	Total		5,312,474,560	2,901,577,613

As per our report of even date

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 0072575

For and on behalf of the Board of Directors

M V Joshi
Partner
Membership No: 24784

Rajesh Agrawal
Chairman & Managing Director

Rakesh Agarwal
Managing Director

Mukesh Agarwal
Whole Time Director

Place: Hyderabad
Date: 30.05.2011

Stand alone Profit And Loss Account for the year ended 31st March, 2011

(Rupees)

		Schedules	For the Year ended on 31.03.2011	For the Year ended on 31.03.2010
1	INCOME			
	Sales & Services - Gross		9,181,225,626	5,466,575,015
	Less: Duties & Taxes on Sales		461,507,446	255,864,207
	Net Sales	15	8,719,718,180	5,210,710,808
	Other Income	16	21,000,718	10,247,519
	Total Income		8,740,718,898	5,220,958,328
2	EXPENDITURE			
	Materials Consumed	17	1,979,373,333	2,611,808,004
	(Increase) / Decrease in Stock	18	(41,349,165)	(171,938,022)
	Other Manufacturing Costs & Turnkey Costs	19	5,234,242,389	2,031,507,490
	Personnel Cost	20	207,104,398	71,916,706
	Administrative & Selling Expenses	21		
	Administration Expenses	A	66,180,765	32,008,556
	Selling and Distribution Expenses	B	36,381,806	37,313,711
	Public Issue Expenses Written off	23	19,008,948	-
			7,500,942,475	4,612,616,445
3	PROFIT BEFORE INTEREST, DEPRECIATION & TAX		1,239,776,423	608,341,883
	Interest & Finance Charges	22	343,853,011	186,409,847
	Depreciation	5	130,090,950	55,337,526
	Prior Year's Adjustments - Net		-	346,955
			473,943,961	242,094,328
4	PROFIT BEFORE TAX		765,832,462	366,247,555
	Provision for Income Tax		251,000,000	88,000,000
	Deferred Tax		4,185,549	37,594,610
	Provision for Wealth Tax		205,000	44,000
5	PROFIT AFTER TAX		510,441,913	240,608,945
	Balance brought forward from previous year		534,680,583	294,071,635
	Balance Available for Appropriations		1,045,122,496	534,680,580
	Appropriations:			
	- Proposed Dividend		21,878,660	-
	- Corporate Dividend Tax		3,633,772	-
	Balance Carried to Balance Sheet		1,019,610,064	534,680,580
	Earning per Share - Face Value of Rs 10/-			
	- Basic		23.33	16.95
	- Diluted		29.06	16.95
	Significant Accounting Policies & Notes on Accounts (Schedules 1 to 23 annexed from part of accounts)	23		

As per our report of even date

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 0072575

For and on behalf of the Board of Directors

M V Joshi
Partner
Membership No: 24784

Rajesh Agrawal
Chairman & Managing Director

Rakesh Agarwal
Managing Director

Mukesh Agarwal
Whole Time Director

Place: Hyderabad
Date: 30.05.2011

Cash Flow Statement

for the year ended on 31st March, 2011

(Rupees)

	For the Year ended on 31.03.2011	For the Year ended on 31.03.2010
A		
Cash Flow from Operating activities :		
Net Profit after Interest & Depreciation but before Tax	765,832,462	366,247,555
Depreciation	130,090,950	55,337,526
Interest paid	343,853,011	186,409,847
Interest received	(17,455,155)	(3,369,446)
Profit on Sale of Fixed Assets	-	-
Loss on Sale of Fixed Assets	-	92,634
Bad Debts Written off	-	882,735
Preliminary expenditure written off	19,008,948	-
Operating Profit before working capital changes	1,241,330,216	605,600,850
Adjustments for :		
Loans and Advances	(576,458,894)	(377,929,912)
Debtors	(892,024,318)	(1,193,467,303)
Inventories	(480,547,085)	(253,680,454)
Other current Assets	(20,157,355)	(7,072,569)
Current Liabilities & provision	(41,015,260)	964,100,638
Cash generated from operations	(768,872,695)	(262,448,749)
Add: Income Tax paid	(43,043,319)	(61,756,058)
Add: Fringe Benefit Tax paid	-	-
Miscellaneous Expenditure	(85,024,702)	(1,210,725)
Prior Year Expenses	-	-
Net Cash flow from Operating activities (before & after extraordinary items) " A "	(896,940,716)	(325,415,532)
B		
Net Cash from Investing activities :		
(Purchase) / Sale of fixed assets	(120,891,690)	(829,088,254)
Capital Work in Progress	(459,140,021)	235,299,191
Increase in Creditors for Capital Goods	7,839,860	(7,197,288)
(Purchase) / Sale of investments	(166,650)	(22,347,092)
Interest received	17,455,155	3,369,446
Sale of Fixed Assets	-	166,416
Net cash flow from Investing activities " B "	(554,903,346)	(619,797,580)
C		
Cash Flow from Financing activities		
Issue of Share Capital	1,904,493,680	-
Share Application Money	-	-
Bank borrowings & Unsecured Loan	17,288,234	1,191,514,947
Interest paid	(343,853,011)	(186,409,847)
Net Cash flow from Financing activities " C "	1,577,928,904	1,005,105,100
D		
Net (Decrease) / Increase in Cash and Cash Equivalents (A + B + C)	126,084,842	59,891,988
Cash and Cash Equivalents at the beginning	90,139,162	30,247,175
Cash and Cash Equivalents at the end	216,224,005	90,139,162
(includes funds not available for use - Margin Money)		
Rs. 21,40,16,813/- (Previous Year Rs. 8,40,02,877/-)		

As per our report of even date

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 0072575

For and on behalf of the Board of Directors

M V Joshi
Partner
Membership No: 24784

Rajesh Agrawal
Chairman & Managing Director

Rakesh Agarwal
Managing Director

Mukesh Agarwal
Whole Time Director

Place: Hyderabad
Date: 30.05.2011

Schedules Annexed to and Forming Part Of Accounts

	As at 31.03.2011		As at 31.03.2010	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE : 1				
SHARE CAPITAL				
AUTHORISED				
30,000,000 (Previous year 30,000,000) Equity Shares of Rs.10/- each		300,000,000		300,000,000
Total		300,000,000		300,000,000
ISSUED AND SUBSCRIBED				
2,18,78,660 (Previous year 14,199,250) Equity Shares of Rs.10/- each fully paid up (Includes 6,892,600 Fully Paid equity shares of Rs. 10/- each allotted as Bonus shares in the ratio of 1:1 out of Securities Premium account during 2007-08)		218,786,600		141,992,500
Total		218,786,600		141,992,500
SCHEDULE : 2				
RESERVES AND SURPLUS				
- Securities Premium Account				
As per last Balance Sheet	159,705,000		159,705,000	
Amount received during the period (refer note 4)	1,827,699,580		-	
		1,987,404,580		159,705,000
- Profit & Loss Account				
Balance as per annexed account		1,019,610,064		534,680,580
Total		3,007,014,644		694,385,580

	As at 31.03.2011		As at 31.03.2010	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE : 3				
SECURED LOANS				
Term Loan from				
Punjab National Bank *		239,019,103		303,019,103
IDBI Bank *		65,800,000		103,400,000
Axis Bank *		49,933,382		66,600,050
From Tata Capital *		19,820		200,000,000
Working Capital Loans from				
State Bank of India	559,722,994		34,339,915	
Punjab National Bank	299,791,186		233,033,576	
Syndicate Bank	287,094,459		296,855,476	
State Bank of Hyderabad	263,329,945		-	
State Bank of Mysore	199,239,777		61,427,430	
Axis Bank	73,303,028		36,262,190	
IDBI Bank	-		208,156,912	
Bill Factoring from				
SBI Factors and Commercial Services Pvt. Ltd	-		109,939,065	
		1,682,481,389		980,014,563
Hire Purchase VEHICLES (under Hypothecation)				
BMW Financial Services	1,554,176		-	
HDFC Limited	446,173		-	
Reliance Capital	-		296,054	
ICICI Bank	-		136,101	
		2,000,349		432,155
Interest accrued and due			-	14,959,938
Total		2,039,254,043		1,668,425,809

* includes Rs. 116,600,000/- Due within 12 months (Previous Year Rs. 189,932,600/-)

SCHEDULE : 4				
UNSECURED LOANS				
From Directors & Associates		1,090,000		4,630,000
From Punjab National Bank		-		350,000,000
		1,090,000		354,630,000

SCHEDULE : 5

(Rupees)

	Gross Block - AT COST			Depreciation			Net Block	
	As at 01.04.10	Additions during the Period	Sales / Adjustments during the Period	Up to 01.04.10	For the year	Adjustments during the Period	As at 31.03.11	As at 31.03.10
Freehold Land	62,239,010	-	-	-	-	-	62,239,010	62,239,010
Buildings	439,826,223	-	439,826,223	33,559,803	40,626,642	74,186,445	365,639,778	406,266,420
Plant & Machinery	652,033,659	104,620,135	756,653,794	82,318,180	83,729,348	166,047,528	590,606,266	569,715,479
Factory Equipments	8,947,404	-	8,947,404	3,124,263	809,999	3,934,262	5,013,142	5,823,141
Furniture & Fixtures	3,983,172	1,095,322	5,078,494	1,460,073	660,566	2,120,639	2,957,855	2,523,099
Computers	6,101,978	4,211,912	10,313,890	2,585,732	1,742,521	4,328,253	5,985,637	3,516,246
Office Equipments	3,667,828	568,318	4,236,146	1,032,721	431,402	1,464,123	2,772,023	2,635,107
Vehicles	9,352,987	10,396,003	19,748,990	5,248,054	2,090,472	7,338,526	12,410,464	4,104,933
Total	1,186,152,261	120,891,690	1,307,043,950	129,328,826	130,090,950	-	1,047,624,174	1,056,823,435
Previous Year	357,503,719	829,088,254	439,712	74,171,962	55,337,526	180,662	1,056,823,435	283,331,757

SCHEDULE : 6

CAPITAL WORK-IN-PROGRESS		
- Plant & Machinery under Erection	74,882,505	2,275,262
- Civil Works (incl Site Development & Materials)	104,405,450	3,842,664
- Other Assets	-	-
- Advances on Capital Account	264,473,576	14,138,068
- Pre-operative expenses (vide Annexure - Schedule 23, Para 6)	35,634,484	-
Total of Capital Work-in-Progress	479,396,015	20,255,994
Previous Year	20,255,994	255,555,185

	As at 31.03.2011	As at 31.03.2010
	(Rupees)	(Rupees)
SCHEDULE : 7		
INVESTMENTS		
(at cost - non trade)		
in Immovable properties - Agricultural Land	5,460,820	5,460,820
in Subsidiary Companies		
BS InfraTel Limited - Unquoted	499,400	499,400
49,940 Equity shares of Rs. 10/- each Fully paid		
Sugan Automatics Pvt Ltd - Unquoted	22,347,092	22,347,092
1,305,033 Equity shares of Rs. 10/- each Fully paid		
in SPV - Raichur Sholapur Transmission Company Limited		
33% share in SPV for BOOM Project	166,650	-
Total	28,473,962	28,307,312
SCHEDULE : 8		
INVENTORIES		
Raw Material	358,135,924	208,047,208
Finished Goods	341,849,774	299,742,149
Stores & Consumables	479,181	605,370
Scrap	7,962,379	8,720,839
Work-in-progress (Turnkey Services)	310,845,072	21,609,679
Total	1,019,272,330	538,725,245
SCHEDULE : 9		
SUNDRY DEBTORS		
(Unsecured and considered good)		
Debts outstanding for a period exceeding 6 months	609,251,385	268,440,450
Others Debts	2,424,875,206	1,895,652,301
Other Receivables - Unbilled Revenue	33,160,023	11,169,545
Total	3,067,286,614	2,175,262,296
SCHEDULE : 10		
CASH AND BANK BALANCES		
Cash on Hand	1,463,770	137,427
Balances with Scheduled Banks in:		
Current Accounts	743,422	5,998,858
Fixed Deposits	214,016,813	84,002,877
(Pledged against Guarantees and LC's issued by the bankers as Margin Money)		
Total	216,224,005	90,139,162
SCHEDULE : 11		
OTHER CURRENT ASSETS		
(Unsecured, considered good)		
recoverable in cash or kind for the value to be received	10,991,151	3,393,654
Other Deposits	21,344,684	8,784,826
Total	32,335,835	12,178,480

	As at 31.03.2011	As at 31.03.2010
	(Rupees)	(Rupees)
SCHEDULE : 12		
LOANS & ADVANCES		
(Unsecured, considered good, recoverable in cash or in kind for value to be received)		
Advances to Suppliers	863,900,110	364,273,277
Advances to Staff	5,637,703	5,085,153
Advances to Others *	142,411,480	28,512,390
Prepaid Expenses	11,110,704	5,686,965
Total	1,023,059,997	403,557,784
* Includes advance given to Subsidiary (Rs. 73,022,756/-) and Loans to SPV (Rs. 62,777,620/-)		
SCHEDULE : 13		
CURRENT LIABILITIES & PROVISIONS		
a. Current Liabilities		
Sundry Creditors		
Due to Micro Small Medium Enterprises (refer note no. 6)	-	-
Due to Others	948,534,402	1,156,290,787
Creditors for Capital Goods	30,289,957	38,129,814
Advance from Customers	373,589,525	59,373,956
Book overdraft in Current Account with Banks	467,580	526,829
Duties and Taxes	130,216,157	15,962,747
Other Liabilities	64,628,394	115,195,399
	1,547,726,016	1,385,479,533
b. Provisions		
Provision for Taxation	95,340,697	43,499,625
Provision for FBT	1,355,908	1,355,908
Provision for Wealth Tax	251,696	104,000
Provision for Gratuity	2,437,760	730,718
Provision for Leave Encashment	4,609,654	2,522,349
Proposed Dividend	21,878,660	-
Provision for Corporate Dividend Tax	3,633,772	-
Total	1,677,234,163	1,433,692,133
SCHEDULE : 14		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Public Issue Expenses	95,044,740	10,020,038
Less: Written off during the year	19,008,948	-
Total	76,035,792	10,020,038
SCHEDULE : 15		
SALES & OPERATING INCOME		
Sales - Towers & Structural	2,245,054,460	2,749,309,929
Turnkey Services	6,474,639,760	2,447,372,776
Conversion Charges	23,960	14,028,103
	8,719,718,180	5,210,710,808

	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
SCHEDULE : 16		
OTHER INCOME		
Commission	-	390,986
Interest	17,455,155	3,369,446
Credit balances written back	36,681	4,338,534
Other Income	3,508,882	2,148,553
Total	21,000,718	10,247,519
SCHEDULE : 17		
A MATERIALS (includes traded goods)		
Opening Stock	208,047,208	130,618,018
Add: Purchases (Net)	2,054,346,130	2,605,382,720
	2,262,393,338	2,736,000,738
Less: Closing Stock	358,135,924	208,047,208
Consumption of Materials	1,904,257,414	2,527,953,530
B. STORES & SPARES AND CONSUMABLES		
Opening Stock	605,370	13,063,151
Add: Purchases (Net)	74,989,731	71,396,693
	75,595,101	84,459,844
Less: Closing Stock	479,181	605,370
Consumption of Stores & Spares and Consumables	75,115,919	83,854,474
TOTAL (A+B)	1,979,373,333	2,611,808,004
SCHEDULE : 18		
(INCREASE)/DECREASE OF STOCK		
(Increase) / Decrease in Stocks		
Opening Stock		
Finished Goods	299,742,149	135,268,110
Scrap	8,720,839	1,256,856
	308,462,988	136,524,966
Closing Stock		
Finished Goods	341,849,774	299,742,149
Scrap	7,962,379	8,720,839
	349,812,153	308,462,988
(Increase) / Decrease in Stocks	(41,349,165)	(171,938,022)
SCHEDULE : 19		
OTHER MANUFACTURING COSTS		
Crane Hire Charges	1,683,002	735,573
Power & Fuel	29,201,028	11,165,711
Subcontractor Charges	5,091,587,081	1,946,241,109
Transportation Charges	2,816,287	1,331,380
Excise Duty on Finished Goods	14,088,423	17,890,998
Freight, Loading & Unloading Charges	38,900,437	23,801,586
Job Work & Labour charges	47,627,637	28,657,783
Repairs & Maintenance - Building	221,604	220,588
Repairs & Maintenance - Plant & Machinery	1,059,867	541,255
Other Charges	7,057,023	921,507
Total	5,234,242,389	2,031,507,490

	As at 31.03.2011	As at 31.03.2010
	(Rupees)	(Rupees)
SCHEDULE : 20		
PERSONNEL COST		
Salaries, Wages, Bonus and other benefits	190,430,429	64,748,498
Contribution to Provident and other funds	14,392,138	5,773,576
Staff Welfare Expenses	2,281,831	1,394,632
Total	207,104,398	71,916,706
SCHEDULE : 21		
ADMINISTRATIVE AND SELLING EXPENSES		
Rent		
- Premises	5,068,983	2,303,290
- Others	395,163	127,137
Rates & Taxes	1,746,073	1,956,955
Service Tax	474,199	9,879
Insurance	4,810,877	2,790,623
Advertisement	513,824	225,491
Legal and Professional	13,598,825	3,596,375
Postage and Telephone	5,202,639	2,714,640
Printing and Stationery	2,034,865	1,354,923
Security Charges	3,369,043	1,806,508
Travelling and Conveyance	23,808,277	10,712,996
Travelling Expenses - Directors	1,658,249	200,285
Auditors Remuneration	250,000	260,000
Bad Debts written off	-	882,735
Donations	55,461	21,000
Directors Sitting Fees	220,000	220,000
Electricity Charges	1,261,286	854,964
Repairs & Maintenance - Others	1,399,828	1,212,789
Loss on Sale of Fixed Assets	-	92,634
Miscellaneous Expenses	313,173	665,332
Total (A)	66,180,765	32,008,556
SELLING AND DISTRIBUTION EXPENSES		
Freight & Forwarding Expenses	34,747,181	36,605,241
Business Development Expenses	874,018	525,599
Commission on Sales	760,608	182,871
Total (B)	36,381,806	37,313,711
Total (A+B)	102,562,572	69,322,267
SCHEDULE : 22		
INTEREST & FINANCE CHARGES		
INTEREST ON		
Term Loan	72,411,720	29,817,116
Others	234,268,289	125,013,564
Bank & Financial Charges	37,173,002	31,579,166
Total	343,853,011	186,409,847
SCHEDULE : 23		
Public Issue Expenses Written off		
Public Issue Expenses Written off	19,008,948	
	19,008,948	-

NOTES TO ACCOUNTS

SCHEDULE – 23

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Conventions

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income and expenditure in the financial statements are recognized on accrual basis.

2. Use of estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements, the amounts of revenue and expenses during the reported period. Actual results could differ from those of estimates. Any revision to such estimates is recognized in the period the same is determined.

3. Revenue Recognition

Revenue from the sale of goods is recognized at the point of dispatch of materials to customers; income from turnkey services is accounted on the basis of billing to customers and includes unbilled revenue accrued up to the end of the accounting year.

4. Fixed Assets

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation. Apart from taxes (Excluding CENVAT) all costs including financial costs up to the date of commissioning and attributable to the fixed assets, freight and other incidental expenses related to the acquisition and installation of the respective fixed assets are capitalized.

Capital work-in-progress is stated at the amount expended (includes taxes and duties) up to the date of balance sheet and includes advances paid to suppliers and contractors on account of Capital works.

5. Pre – operative expenses

Expenditure during the construction period (including Financing cost relating to borrowed funds for construction or acquisition of Fixed assets) incurred on project during implementation are treated as pre-operative expenses, pending allocation to the assets, and are included under “Capital Work-in-progress”.

6. Borrowing costs

Borrowing cost attributable to acquisition and construction of assets are capitalized as part of cost of such assets up to the date when such assets are ready for intended use.

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

7. Depreciation

Depreciation on Fixed Assets including on the additions is provided on written down basis at the rates specified in the Schedule XIV to the Companies Act, 1956 (as amended from time to time).

8. Impairment of assets

Impairment of asset is reviewed and recognized in the events of changes and circumstances indicate that the carrying amount of an asset is not recoverable. Difference between the carrying amount of an asset and the recoverable value is recognized as impairment loss in the statement of profit and loss in the year of impairment.

9. Inventories

Inventories are valued as under.

- i) Raw materials, stores and spares - at cost.
- ii) Finished Goods and work-in-progress - at cost or net realizable value whichever is lower. Cost include cost of direct material, labor, Factory overhead including excise duty.
- iii) Trading Goods - at cost or net realizable value whichever is lower.
- iv) Scrap - at net realizable value.

10. Investments

Long Term Investments are stated at cost. Cost includes registration and other direct expenses. Provision for diminution other than temporary in the value of Long Term Investments is made in the accounts.

11. Taxes on Income

Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made at current tax rates based on assessable income. Deferred income taxes are recognized for the future tax consequences attributable to timing differences using the tax rates and tax laws that have

been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

12. Contingencies

Loss contingencies arising from claims, litigation, assessments, fines, penalties, etc., are provided for when it is probable that a liability may be incurred and the amount can be reliably estimated.

13. Retirement Benefits

Liability in respect of retirement benefits is provided and charged to the Profit & Loss Account as follows:

II. NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
i) Bills Discounted with banks	689,538,265	243,961,947
ii) Bank Guarantees given by Banks	1,229,922,189	343,929,658
iii) Claims contested by the company	500,000	500,000
iv) Claims by Customs & Income Tax	NIL	NIL
v) Claims by Sales Tax Authorities – contested by the company	33,891,667	NIL
2. Estimated amount of Contracts remaining to be executed on Capital account and not provided for (net of advances)	22,559,000	4,753,723

3. Share capital

The company has during the financial year 2009-10 issued 7,679,410 equity shares of 10/- each at a premium of Rs. 238/- per share pursuant to companies Initial Public Offering.

4. Security Premium

The paid up capital of the company stands increased in the financial year 2009-10 consequent to Issue and allotment of Shares under the Initial Public Offering of the company at Rs 248/- per share of Rs 10/- each at a premium of Rs 238/- per share.

Consequent to the above the security premium account under Reserves & Surplus stands at Rs.1,987,404,580/- for the financial year 2009-10.

5. Secured Loans

Term Loans

- a) Term Loans from IDBI Bank, Axis Bank and Punjab National Bank are secured by:
- o first equitable mortgage and charge on all fixed assets, both present and future of the company situated

Gratuity – Liability in respect of Gratuity to employees is provided based on Actuarial valuation at the balance sheet date done by an Independent actuary.

Leave Encashment – Liability in respect of Leave Encashment is provided based on Actuarial valuation at the balance sheet date done by an Independent actuary.

Provident Fund – Provident Fund is administered through the Regional Provident Fund Commissioner and Company's contribution is remitted accordingly.

14. Earnings per share(EPS)

The company reports its Earning per share (EPS) in accordance with Accounting standard – 20.

at Survey No. 82,83, 92 - 95 & 107, Athvelly Village, Medchal Mandal, R.R.Dist.

- o first equitable mortgage and charge on all fixed assets, both present and future of the company situated at Suvrey No. 41, Majidpally Village, Toopran Mandal, Medak District. Andhra.
 - o further secured by second paripassu charge on entire current assets of the company.
- b) Term Loan from Tata Capital Limited (TCL) taken on 30th Oct 2009 to fund the long term working capital requirement of the company. The loan is secured by unconditional and Irrevocable Personal Guarantees of Mr. Rajesh Agarwal and Mr. Mukesh Agarwal. Promoters have also pledged shares held by them in the company to the tune of 2.0 times of the loan amount till the time of satisfactory clearance of security documentation as prescribed by TCL. Post this, the 0.5 times of such shares pledged would be revoked back by TCL.

Further the above loan is secured by a charge on Land situated at Sy.No. 119, 120, 121 and 122 at athvelly village, Medchal Mandal, Ranga Reddy District admeasuring Ac.3.10 guntas.

Term Loan from Tata Capital Limited (TCL) has been paid back during the year.

Working Capital loans

Working Capital loans from Syndicate Bank, Axis Bank, Punjab National Bank, State Bank of India and State Bank of Mysore & State Bank of Hyderabad is under a working capital consortium with State Bank of India being the consortium Leader.

The working capital loans are secured by first exclusive charge on stocks, receivables, spares, consumables and other current assets of the Company, present and future. Collateral security of equitable mortgage of property situated at Plot No. 42 (part) in Survey No. 258/1 & 259 situated at Jeedimetla Industrial Area, Shapurnagar, RR District, AP admeasuring appx 22,439.26 sq. yrds in the name of Agarwal Developers and Residential Flat No: 103, 2nd Floor Block "D", Trendset Valley View Apartments at Banjara Hills, Road Number 6, Hyderabad in the name of Mr Rakesh Agarwal & Mr Mukesh Agarwal. The above loans are further secured by Pari passu second charge on the entire fixed assets of our Company, both present and future.

All Term Loan (except Tata Capital Limited) & Working Capital Loans are further secured by:

- o 30% pledge of equity shares of promoters holding as collateral security ranking paripasu
- o Exclusive 10.48% pledge of shares of the Promoters in favour of State Bank of India
- o Corporate guarantee of i-Vantage India Private Ltd,

9. Particulars of Managerial Remuneration (in Rupees)

Particulars	Year ended 31.03.2011				Year ended 31.03.2010			
	Chairman & Managing Director *	Managing Director*	Whole-time Director*	Executive Director **	Chairman & Managing Director *	Managing Director*	Whole-time Director*	Executive Director
Particulars	36,00,000	24,00,000	24,00,000	20,35,000	24,65,000	24,00,000	24,00,000	16,45,000
Salary/ Commission	-	-	-	-	-	-	-	-
Perquisites & other benefits	-	-	-	-	-	-	-	-
PF & other funds	36,00,000	24,00,000	24,00,000	20,35,000	24,65,000	24,00,000	24,00,000	16,45,000
Total								

- o Personal guarantees of Shri Rajesh Agrawal (Managing Director), Shri Rakesh Agarwal (Joint Managing Director) and Shri Mukesh Agarwal (Whole time Director) of the company

6. Un-Secured Loans

Short Term Loan from Punjab National Bank taken on 31st Dec 2009 to build up the Net working capital and for meeting the deficit on account of cash flow mismatches.

Mr. Rajesh Agarwal, Mr Rakesh Agarwal and Mr. Mukesh Agarwal have given personal security for the above loan by way of postdated cheque.

This loan has been paid back during the current year.

7. Details of Preoperative Expenditure – Included under Capital Work in Progress

Particulars	2010-11 (Amount in Rs.)	2009-10 (Amount in Rs.)
Consultant Fees	1,232,750	NIL
Electricity Charges	720,000	NIL
Salaries & Wages (includes statutory contributions)	10,004,186	NIL
Travel Expenses	99,921	NIL
Other Miscellaneous Expenses	23,577,627	NIL
Total	35,634,484	NIL

8. Micro, Small and Medium Enterprises Development Act

The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence names of Micro, Small and Medium Enterprises to whom the company owes any sum together with interest unpaid as on the date of balance sheet is not ascertainable.

* The Board approved the payment of remuneration in the form of commission to the Managing Director, Joint Managing Director and the Whole-time Director. The same was fixed at 1% of Net profit after Tax but before Director Commission or the remuneration already fixed whichever is lower.

** Executive Director Salary of the Company is paid till Feb 2011.

10. Auditors' Remuneration

(Rupees)

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
Statutory Audit Fees	150,000	150,000
Tax Audit Fees	50,000	50,000
Certification & Others	550,000	50,000
Service Tax	77,250	25,750
Total	827,250	275,750

11. Related Party Disclosures :

l) List of Related parties with whom transactions have taken place and nature of relationship:

- | | | |
|--|---|------------------------------------|
| i) Subsidiary | : | BS InfraTel Ltd |
| | : | Sugan Automatics Private Limited |
| ii) Key management personnel | : | Mr. Rajesh Agrawal |
| | : | Mr. Rakesh Agarwal |
| | : | Mr. Mukesh Agarwal |
| | : | Mr. D G Sohony |
| | | (Executive Director till Feb 2011) |
| iii) Relatives of Key management personnel | : | Mrs. Reema Agarwal |
| | : | Mrs. Rakhee Agarwal |
| | : | Mrs. Shalini Agarwal |
| | : | Mrs. Shakuntala Devi Agarwal |
| iv) Concerns in which Key management personnel have substantial interest - (significant interest entities) | : | Shivganga Infrastructures Ltd. |
| | : | Agarwal Developers |
| | : | I-Vantage India Pvt. Ltd. |
| | : | I-Vantage Apac Pvt. Ltd. |

II) Aggregated related party transactions:

(Rupees)

Sl. No	Particulars	Key Management Personnel		Relatives of Key Management Personnel		Subsidiary & Associate Companies	
		Current Year	Previous year	Current Year	Previous Year	Current Year	Previous Year
1.	Remuneration/ Commission	10,435,000	8,910,000	-	-	-	-
2.	Advances given	36,604	730,058	-	-	58,957,035	20,618,000
3.	Advances received back	-	730,058	-	-	1,000,000	8,000,000
4.	Unsecured Loan taken/ (Repayment)	-	-	800,000	(400,000)	-	-
5.	Reimbursement of Expenses - paid	-	-	-	-	2,272,196	2,314,439
6.	Reimbursement of Expenses - received	-	-	-	-	-	3,398,166
7.	Share Purchase **	-	14,731,962	-	-	-	-
8.	Sales	-	-	-	-	17,366,757	81,350,018
9.	Interest paid/ (Received)	-	-	-	-	5,317,510	(197,206)
10.	Advance for Land Purchase	7,500,000	-	-	-	-	-

** Share purchase pertains to the Investment bought by the company in M/s Sugan Automatics Pvt Ltd from the promoters. The Investment was bought at the same price at which it was acquired by the promoters and as on date the amount is still payable by the company to the promoters for such purchase.

12. Additional information pursuant to the provision of paragraphs 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956 is as under:

(A) Capacity & Production:

	Year ended 31.03.2011 De-licensed	Year ended 31.03.2010 De-licensed
a) Licensed capacity *	-	
b) Installed capacity (As certified by the Management & relied upon by the auditors being a technical matter)		
Towers Manufacturing **	120,000*	120,000*
Integrated Structural Mill (Tonnes per annum)	90,000*	90,000*
Actual Production	79,173	44,839

* The Products manufactured by the company are under De-licensed category.

** Galvanizing Unit for 84000 MTPA is under commissioning.

(B) Production/ Sales & Stock:

	As at 31.03.2011		As at 31.03.2010	
	Quantity (Tonnes)	Value (Rs. In Lakhs)	Quantity (Tonnes)	Value (Rs. In Lakhs)
c) Opening Stock of				
- Goods	8407.615	3,480.18	3919.980	1,751.92
(Includes Traded Goods)	(1520.412)		(1325.213)	
d) Closing Stock of				
- Goods	7857.545	3,653.15	8407.615	3,480.18
(Includes Traded Goods)	(668.812)		(1520.412)	
e) Production/ Dealt	81153.864	--	88353.899	--
f) Sales	81743.772	30,160.48	83429.040	27,672.16
(Includes Traded Goods)	(2832.820)		(43319.850)	

(C) Raw Material Consumed :

	As at 31.03.2011		As at 31.03.2010	
	Quantity (Tonnes)	Value (Rs. In Lakhs)	Quantity (Tonnes)	Value (Rs. In Lakhs)
g) Raw Material Consumed *				
- Steel	73934.041	14577.09	39100.729	8,256.81

* There is no other individual item of Raw Material consumed exceeding 10% of the total value of Raw Material Consumed

(D) Value of Raw Material Consumed (Imported & Indigenous) and Components & Spare parts:

	As at 31.03.2011		As at 31.03.2010	
	%	Value (Rs. In Lakhs)	%	Value (Rs. in Lacs)
h) Raw Material consumed				
Imported	0.00	0.00	0.00	0.00
Indigenous	100.00	14,577.09	100.00	8,256.81
	-----	-----	-----	-----
Total	100.00	14,577.09	100.00	8,256.81
	-----	-----	-----	-----
i) Value of Imported				
Components & Spare parts	NIL	NIL	NIL	NIL

13. Earning per Share (EPS)

The Basic and Diluted EPS is Calculated as under:

(Rupees)

Particulars	March 31 st 2011	March 31 st 2010
a) Profit after Tax during the year (Rs.)	510,517,037	240,608,945
b) Earnings available to Equity Shareholders for Basic & Diluted EPS(Rs.)	510,517,037	240,955,900
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	21,878,660	14,199,250
- Diluted	17,565,567	14,199,250
d) Earning per Share (b/a)		
- Basic	23.33	16.97
- Diluted	29.06	16.97
e) Nominal Value per Share	10	10

14. Deferred Taxation

Deferred Tax is accounted in respect of the timing difference on a Liability method. Deferred Tax asset has been recognized to the extent of virtual certainty of its realization.

(Rupees)

Particulars	Deferred Tax Asset/ (Liability) as on 31.03.2011	Deferred Tax Asset/ (Liability) as on 31.03.2010
Deferred Tax Liability on account of timing difference in		
i) Depreciation	(47,618,802)	(43,249,441)
Deferred Tax Asset on account of timing difference in		
i) Provision for Leave Encashment & Gratuity	1,289,529	1,105,717

15. Utilisation of IPO Funds

The company has raised Rs.19,045 Lakhs from IPO during the year; utilisation of the said funds is as follows:

Particulars	Amount (Rs In Lacs)
Funds received through IPO	19,044.94
Utilisation of funds	
Repayment of Loans	5,499.80
Capital Expenditure	4,773.76
General Corporate Purpose	109.00
IPO Expenses	950.45
Total	11,333.01
Balance as on 31 March 2011 *	7,711.93

* As on 31 Mar 2011 balance of unutilised funds used in existing working capital requirement on a temporary basis

16. Employee Benefits :

A) Defined Benefit Plan

The details of the Company's post – retirement benefit plans for its employees including whole time directors are given below which are certified by an Independent Actuary.

Particulars	Gratuity (Rs.)		Compensated absences (Rs.)	
	2010-11	2009-10	2010-11	2009-10
(A) Net Assets / (Liability) recognized in the balance sheet As at 31st March				
Present Value of Obligation	2,437,760	7,30,718	46,09,654	25,22,349
Fair Value of Plan Assets	-	-	-	-
Liability / (Assets)	-	-	-	-
Unrecognized past service Cost				
Liability / (Assets) recognized in the Balance Sheet	2,437,760	7,30,718	46,09,654	25,22,349
(B) Component of Employer's Expense				
Current service cost	1,588,178	4,74,072	-	-
Interest cost	189,738	72,178	-	-
Expected return on planned assets	-	-	-	-
Net actuarial gain / (loss)	(70,874)	(3,54,408)	-	-
Past service cost	-	-	-	-
Expenses to be Recognized in the Profit and loss Account as per actuarial valuation	1,707,042	1,91,842	-	-
Actual expenses/(Excess provision written back) recognized in the Profit & Loss Account	1,707,042	1,91,842	20,87,305	17,65,194
(C) Movement in the Net Liability recognized in the Balance Sheet				

Opening Net Liability as on 1 st April	7,30,718	5,38,876	25,22,349	7,57,155
Expenses/(Excess provision written back) recognized in the Profit & Loss Account	1,707,042	1,91,842	20,87,305	17,65,194
Employer contribution	-	-	-	-
Payment made to employee on retirement	-	-	-	-
Closing Net Liability as on 31 st March,2009	2,437,760	7,30,718	46,09,654	25,22,349

(D) Actuarial Assumptions				
Discount Rate (Per annum)	8.10%	8.20%	8.10%	8.20%
Mortality	LIC(1994-96) ultimate	LIC(1994-96) ultimate	LIC(1994-96) ultimate	LIC(1994-96) ultimate
Expected Rate of return on Plan Asset (per annum)	0.00%	0.00%	0.00%	0.00%
Salary Escalation rate (Per Annum)	7.00%	7.00%	7.00%	7.00%
Valuation Method	Projected unit cost method	Projected unit cost method	Projected unit cost method	Projected unit cost method

Note:

1) Actuarial valuation is worked out considering attrition rate and estimates of future salary increase taking into account of inflation, Seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B) Defined contribution plan

Amount recognized as an expense and included in schedule 20 under the head "contribution to provident and other funds" Rs. 14,392,138/- (Previous year Rs. 57,73,576/-).

17. Employee stock purchase plan (ESPP)

During the year 2008-09 the company announced an Employee Stock Purchase Plan (ESPP) to its eligible employees as defined in Employee Stock Purchase Plan Scheme approved by the Shareholders at the Extraordinary General Meeting of the Company held on 20th May 2008. On 7th June 2008, 64,250 equity shares of Rs.10/- each at a price of Rs.50/- per share including premium of Rs.40/- per share were allocated to the eligible employees in terms of the Scheme. The fair value of share as valued by the merchant banker as on 31st March 2008 is Rs.33.13 per share. Since, the fair value of the share is less than the allotted price; no disclosure is made for Employee Stock compensation as per the "Employee stock option scheme and Employee Stock Purchase Scheme Guidelines 1999 (as amended) issued by Securities and Exchange Board of India.

Details of information relating to ESPP are as below:

Sl. No	Particulars	
1	Rights attached to the allotted shares to eligible employees	- Rank pari-passu with existing shares and eligible for listing - right to receive dividend or the right to vote or to enjoy any other benefits
2	Lock - in period	- one year from the date of allotment
3	Fair value price estimated by the merchant bankers	Rs. 33.13 per share
4	Allotted price	Rs. 50/- per share (Face value of Rs.10/- each)

5	No.of Equity shares allotted during the year	64,250
6	Out standing no.of shares for allotment at the end of the year	---nil---
7	Employee stock compensation Expenses arising from allotment of shares under ESPP.	---nil---

18. Segment Reporting

The Company is primarily engaged in the business of Engineering, Procurement and Construction business (EPC). As such there is no other separate reportable segment as defined by Accounting Standard - 17 "Segmental Reporting".

19. Misc. Expenditure

Share issue expenses:

Expenditure related to the public issue of shares amounting to Rs. 95,044,740/- will be written off / adjusted commencing with the current year and as such an amount of Rs. 19,008,948/- is charged to Profit & Loss account in the current financial year.

20. Balances relating to Debtors, Creditors, Loans and Advances are subject to reconciliation & confirmation.

21. During the year the Company has made an investment of Rs 166,650/- by acquiring 1/3rd share in SPV for BOOM Project awarded by Rural Electrification Corporation.

Details of Investments made by company:

Particulars	March 31 st 2011	March 31 st 2010
Land at Cherlapally	5,460,820	5,460,820
BS Infratel Limited	499,400	499,400
Sugan Automatics Private Limited	22,347,092	22,347,092
Investment in SPV for BOOM Project – Raichur Sholapur Transmission Company Limited	166,650	-

22. Cash Inflow/ Outflow in Foreign Currency

	31 st March 2011	31 st March 2010
Capital Purchases	Rs. 2,480,075/-	Rs. 35,066,794/-
Material Purchases	Rs. 2,775,245/-	NIL
Professional Fees	Rs. 456,756/-	NIL
Others (Re-imbursement of expenses)	Rs. 1,217,769/-	NIL

For and on behalf of the Board of Directors

23. Figures for the previous year have been rearranged/ regrouped / recast wherever necessary to conform to the current year presentation/ classification.

Rajesh Agrawal **Rakesh Agarwal** **Mukesh Agarwal**
Chairman & Managing Director *Managing Director* *Whole Time Director*

24. Figures are rounded off to the nearest rupee.

Signatures to Schedules 1 to 23

As per our report of even date

INFORMATION PERSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS

I. Registration Details

Registration No.	0	1	-	4	2	3	7	5
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State Code.	0	1
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Balance Sheet Date	3	1	-	0	3	-	1	1
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II. Capital raised during the year (Rupees in thousands)

Public Issue	7	6	7	9	4	.	1	0
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Right Issue	-	-	-	-	-	-	-	-
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Bonus Issue	-	-	-	-	-	-	-	-
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Private Placement	-	-	-	-	-	-	-	-
-------------------	---	---	---	---	---	---	---	---

III. Position of Mobilisation and deployment of Funds (Rupees in thousands)

Total Liabilities	5	3	1	2	4	7	4	.	5	6
-------------------	---	---	---	---	---	---	---	---	---	---

Total Assets	5	3	1	2	4	7	4	.	5	6
--------------	---	---	---	---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid-up Capital	2	1	8	7	8	6	.	6	6
-----------------	---	---	---	---	---	---	---	---	---

Reserves & Surplus	3	0	0	7	0	1	4	.	6	4
--------------------	---	---	---	---	---	---	---	---	---	---

Share Capital Suspense	-	-	-	-	-	-	-	-	-
------------------------	---	---	---	---	---	---	---	---	---

Unsecured Loans	1	0	9	0	.	0	0	0	0
-----------------	---	---	---	---	---	---	---	---	---

Share Application Money	-	-	-	-	-	-	-	-	-
-------------------------	---	---	---	---	---	---	---	---	---

Secured Loans	2	0	3	9	2	5	4	.	0	4
---------------	---	---	---	---	---	---	---	---	---	---

Deferred Tax Liability	4	6	3	2	9	.	2	7
------------------------	---	---	---	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets	1	5	2	7	0	2	0	.	1	9
------------------	---	---	---	---	---	---	---	---	---	---

Investments	2	8	4	7	3	.	9	6
-------------	---	---	---	---	---	---	---	---

Net Current Assets	3	6	8	0	9	4	4	.	6	2
--------------------	---	---	---	---	---	---	---	---	---	---

Accumulated Losses	-	-	-	-	-	-	-	-	-
--------------------	---	---	---	---	---	---	---	---	---

Misc. Expenditure	7	6	0	3	5	.	7	9
-------------------	---	---	---	---	---	---	---	---

IV. Performance of Company (Rupees in thousands)

Turnover	8	7	4	0	7	1	8	.	9	0
----------	---	---	---	---	---	---	---	---	---	---

Total Expenditure	7	9	7	4	8	8	5	.	5	4
-------------------	---	---	---	---	---	---	---	---	---	---

Profit/(Loss) after Tax	5	1	0	4	4	1	.	9	1
-------------------------	---	---	---	---	---	---	---	---	---

Profit/(Loss) before Tax	7	6	5	8	3	2	.	4	6
--------------------------	---	---	---	---	---	---	---	---	---

Earnings per share in Rs.	2	3	.	3	3
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Dividend Rate %	1	0
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V. Generic Names of three Principal Products/Services of Company (as per monetary Term)

Item Code No. (ITC Code)	-	-	-	-	-	-	-	-
Manufacturing & TSP	7	2	1	6	5	0	0	0
Manufacturing & TSP	7	3	0	8	2	0	1	0

Statement Pursuant to Section 212 of the Companies Act, 1956

S. No.	Particulars	Subsidiary I	Subsidiary II
1	Name of Subsidiary	B S Infratel Limited	Sugan Automatics Private Limited
2	Financial Year Ending of Subsidiary	31.03.2011	31.03.2011
3	Holding Company's Interest	517	1,03,21,704
4.	The Net aggregate amount of Profits or losses for the Current period of the Subsidiary so far it concerns the members of the Holding Company		
	a. dealt with or provided for in the accounts of holding company	(9,988)	78,040
	b. not dealt with or provided for in the accounts of Holding Company.	-	-
5.	The Net aggregate of Profits or losses for the previous financial years of the subsidiary so far as it concerns the members of the holding company		
	a. dealt with or provided for in the accounts of Holding Company	(16,980)	12,48,142
	b. not dealt with or provided for in the accounts of Holding Company	-	-

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report of the Company together with the Audited Financial Statement of Accounts for the year ended March 31, 2011.

Financial Performance :

The Financial Performance for the year under review i.e. ending on March 31, 2011 is summarized in the following table:

	(Rs. in Lakhs)	
	March 31, 2011	March 31, 2010
Total Income	140.54	344.52
Profit Before Interest Depreciation & Tax	40.20	57.53
Less:		
Interest & Financial Charges	2.52	2.03
Depreciation	28.15	18.5
Prior Year Adjustment/ Amortization	0.12	1.33
Profit Before Tax	9.40	35.68
Less: Provision for Taxation	8.17	15.95
Profit After Tax	1.23	19.73
Surplus Brought forward from previous year	31.20	11.47
Profit available for appropriation	32.44	31.21
Earnings per Share	0.06	1.19

Review of Operations

During the Financial Year 2010-11, your Company's revenue has decreased to Rs.140.54 Lakhs from Rs. 344.52 Lakhs in 2009-10, a fall of 59.21%. The EBIDTA was at Rs. 40.20 Lakhs as against Rs. 57.53 Lakhs in the year 2009-10 and PBT of the Company decreased to Rs. 9.40 Lakhs during the year under review as against Rs.35.68Lakhs in 2009-10.

Business Review and Future Outlook

Sugan Automatics Private Limited ("SAPL") is currently carrying on the business of manufacturing, designing and development of products for remote management of telecommunication infrastructure, energy management solutions for the telecom sector and the utilities segments.

Human Resource Management

Human Resource is one of the key elements of your Company's growth.

The Human Resource ("HR") function has over the years fully developed its capabilities and set up a scalable recruitment and

Human Resource Management process, which enables us to attract and retain higher caliber employees.

HR has played a critical role in supporting the business goals during the various changes in the sector as well as in the Company. During the last year, your Company has undertaken various initiatives in the areas of talent adequacy, capability enhancement and growing leaders from within.

Directors

In accordance with the Section 256 of the Companies Act, 1956, Mr. Rajesh Agarwal, Director and Mr. Rakesh Agarwal, Director of the Company retire by rotation at the ensuing Annual General Meeting and are eligible to offer their services for re-appointment. A brief profile of the above Directors is given in the Notice of Eighteenth Annual General Meeting.

The Board recommends the above appointments/ re-appointments for your approval.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that

- (i) In the preparation of the accounts for the year under review, the applicable accounting standards read with the requirements set out under Schedule VI to the Companies Act, 1956 have been followed along with proper explanation relating to material departures.
- (ii) The Directors have selected 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 Year 2010-11 and of the Profit and Loss of the company for the year under review.
- (iii) The Directors have taken proper 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 fraud and other irregularities.

- (iv) The Directors have prepared the accounts for the year under review on a "going concern" basis.

Corporate Governance

i) Companies Philosophy on Corporate Governance

The Company believes that Corporate Governance is a systematic process, which enhances the wealth generating capacity of the Company through efficient conduct of business. The Company is committed to improve its service to all the stakeholders through transparency and professionalism in all decisions and by maintaining high standards of ethics, integrity and accountability in letter and spirit.

ii) Board of Directors

The Company's Board comprises of seven directors.

The composition and category of the Board as on March 31, 2011 are as under:

S.No	Name of the Director	Category
1.	Mr. Surendran Nagilla	Managing Director
2.	Mr. Rajesh Agrawal	Director
3.	Mr. Rakesh Agarwal	Director
4.	Mr. Mukesh Agarwal	Director
5.	Mr. Sridhar Komaragiri	Whole Time Director
6.	Mr. Sasidhar Rayasam	Whole Time Director
7.	Mr. Prem Kumar Bajaj	Director

iii) Board Procedure

The Board of Directors meets at least once in a Quarter to review the company's performance and Financial Results and more often, if considered necessary to transact any other Business.

iv) Details of Directos seeking re-appointments

S.No	Name	Date of Birth	Date of Appointment	Qualification
1.	Rajesh Agarwal	Oct 30, 1970	June 06, 2009	B. Com
2.	Rakesh Agarwal	May 20, 1975	June 06, 2009	B. Com

Auditors

The Statutory Auditors of the Company, M/s. Sharad & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received a letter from the Statutory Auditors to the effect that their reappointment, if made, would be within the prescribed limits under 224(1B) of the Companies

Act, 1956 and they have not been disqualified for reappointment within the meaning of Section 226 of the said Act.

Public Deposits

Your Company has not accepted any deposits during the year within the meaning of Section 58 (A) of the Companies Act, 1956 and the Companies Rules, 1975.

Particulars of Employees

There were no employees covered under the provisions of section 217(2A) of the Companies Act 1956 read with the Companies(Particulars of Employees) Rules, 1975 (as amended) for the Financial Year ended March 31, 2011.

Particulars of Technology Absorption, Foreign Exchange Earnings and Outgo.

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given by way of an Annexure-1 which forms part of this Report.

Acknowledgements

Your Directors wish to place on record their gratitude to the Bankers, Contractors, Joint Venture partners, Employees of the company for their continued support. Your Directors take this opportunity to commend the continued commitment and dedication of employees at all levels and look forward for valuable sustained support and encouragement.

Date: August 10, 2011

Place: Hyderabad

For and on behalf of the
Board of directors

Chairman

Annexure – 1 to the Directors' Report

Statutory Information

Information under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

FORM A

(Form for Disclosure of particulars with respect to conservation of energy)

S.No	Particulars	Unit	Year 2010-11	Year 2009-10
A.	POWER & FUEL CONSUMPTION:			
	1.Electricity	Units/KWH	78,250	16,268
	a) Purchased:	Rs.	636,884/-	98,520/-
	Total Amount	Rs.	8	6
	Rate/Unit		NIL	NIL
	b) Own Generation: Through Diesel	Ltrs (appx.)	Ltrs (appx.)	Ltrs (appx.)
	2. Coal: Reheating of Billets (Specify quality and where used)			
	3. Furnace Oil			
B.	CONSUMPTION PER UNIT OF PRODUCTION			
	Electricity	(Units/ Mts)	NIL	NIL
	C" Grade Coal			
	Fuel	(Liters/ Mts)	NIL	NIL
	Others (Furnace Oil) –	(Ltrs/ Mts)	NA	NA

FORM B

(Form for disclosure of particulars with respect to Technology Absorption)

A. RESEARCH & DEVELOPMENT (R & D)

1. Specific area in which R&D carried out by the Company.

- The Company has undertaken R&D in area of energy Conservation & Management, Remote Site Monitoring, Smart Metering, Fuel Management devices and various advance versions on intelligent data devices.
- Building Alternate Energy related Solution.
- Operational Control and providing real time information on Cell site performance

2. Benefits derived as a result of the above R & D.

- Company believes they would be a huge potential of increase in remote monitoring of cell sites efficiency.
- Company believes that they would be efficient energy managed & conservation with utilization of alternate energy solutions and reduction in carbon footprint.
- Operational efficiencies in the management of infrastructure and energy Audit.

3. Future plan of action.

- Company continuously endeavours to continue its R&D in Energy Management Solution & Conservation and develop products that would reduce the traditional energy utilization and capitalize on alternate energy solutions.
- Development of embedded products and solutions for infrastructure management.

4. Expenditure on R & D

(a)Capital	:	Rs. 5,37,02,187	NIL
(b)Recurring	:	NIL	NA
(c)Total	:	Rs. 5,37,02,187	NIL
(d)Total R & D expenditure as	:	386.7%	NIL

Percentage of total turnover

B. FUTURE PLAN, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Expands its R&D in areas of remote infra management of telecom cell sites through out India through a (Tower Operating Centre (TOC) and Building Technology based energy efficient solutions for both Telecom Power Sector.

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

(a) Earnings	:	Rs. 17,78,088	
(b) Outgo	:	Rs. 3,48,943	

Date : August 10, 2011

Place : Hyderabad

For and on behalf of the Board of Directors

Chairman

Auditors' Report

TO THE MEMBERS,

SUGAN AUTOMATICS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of SUGAN AUTOMATICS PRIVATE LIMITED, as at 31st March 2011, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 the 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, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.

4. Further to our comments above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
- ii) In our opinion proper books of account as required by law

have been kept by the Company so far as appears from our examination of such books.

iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

iv) In our opinion the Balance Sheet Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956;

v) On the basis of written representations received from the directors of the company as at 31st March, 2011 and taken on record by the board of directors, we report that no director is disqualified from being appointed as a director of the company under clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in so far as it relates to the Balance-Sheet, of the state of affairs of the Company as at 31 March 2011, and
- ii) in so far as it relates to the Profit and Loss Account, of the Profit of the company for the year ended on that date
- iii) in so far it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

For SHARAD & ASSOCIATES
Chartered Accountants
Firm Reg.No.063775

Hyderabad, dated this
30th day of May 2011

SHARAD SINHA, Partner
Mem No: 202692

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF SUGAN AUTOMATICS PRIVATE LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011.

(i) In respect of fixed assets :

- (a) The Company has not maintained proper records and registers showing full particulars including quantitative details and situation of fixed assets.
- (b) A major portion of fixed assets has been physically verified during the year by the management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company and the nature of its assets. According to information and expansion given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year or after the balance sheet date, in our opinion, do not constitute substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.

(ii) In respect of inventories;

- (a) As explained to us, inventories were physically verified during the year by the management. In our opinion, having regard to the nature and location of the stocks, frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to information and explanations given to us, the company has maintained proper records of its inventories. The discrepancies noticed on verification of between the physical stocks and the same have been properly dealt with in the books of accounts.

- (iii) According to the information and explanations given to us, the company has not granted loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act; 1956. Accordingly, sub clauses(b), (c),

- (d), of clause (iii) of this Order are not applicable
- (e) According to the information and explanations given to us, the company has taken unsecured loans from other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period and the outstanding balances of said loans aggregated to Rs. 741.78 Lakhs and Rs.741.78 Lakhs respectively
- (f) The rate of interest and other terms and conditions of unsecured loans taken by the company, are not prima facie prejudicial to the interest of the company; and
- (g) Payment of the principal amount and interest are regular.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and sale of goods and services and we have not observed any continuing failure to correct major weaknesses in such internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in respect of other parties are reasonable.
- (vi) In our opinion and according to information and explanations given to us, the company has not accepted any deposit as referred to in sections 58A & 58AA or any other provisions of the Companies Act, 1956.
- (vii) We are informed that in view of the internal control procedures commensurate with the size of the company and the nature of its business, which in our opinion is adequate. The Company has no separate internal audit system.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, for the products dealt with by the company during the year under report.

- (ix) (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including provident fund, Investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, Service tax, custom duty, excise duty, cess and any other applicable statutory dues with the appropriate authorities . According to the information and explanations given to us, there are no arrears of statutory dues as at 31st March 2011 which are outstanding for a period of more than six months from the date they became payable.
- (b) According to the information & explanations given to us and the books and records examined by us, as at 31" March 2011 there are no disputed dues outstanding in the books of account in respect of income tax, wealth tax, Service tax, customs duty, Sales Tax, Excise Duty and cess.
- (x) The company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not taken any loans from financial institution, bank or debenture holders and hence the question of default in repayment of dues to a financial institution, banks or debenture holders does not arise (xii) In our opinion and according to the Information and explanations given to us f the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or nidhi / mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the order are not applicable to the company (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the order are not applicable.
- (xv) According to information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions. (xvi) In our opinion and according to the information and explanations given to us the company has not raised any term loans during the year.
- (xvii) On the basis of an overall examination of the Balance Sheet of the Company, in ur opinion and according to the information and examination given to us there were no funds raised on short term basis which have been used for long term investments.
- (xviii) According to the information and explanations given to us, the company has made preferential allotment of shares to parties covered in the register maintained under section 301 of the companies Act, 1956. The rate at which shares are issued is not prejudicial to the interest of the company.
- (xix) No debentures have been issued by the company during the year.
- (xx) The company has not raised money by public issues during the year.
- (xxi) Based on our audit procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For SHARAD & ASSOCIATES
Chartered Accountants
Firm Reg.No.06377S

Hyderabad, dated this
30th day of May 2011

SHARAD SINHA, Partner
Mem No: 202692

BALANCE SHEET

as at 31st March, 2011

	Schedules	As on 31.03.2011 (Rupees)	As on 31.03.2010 (Rupees)
SOURCES OF FUNDS			
1 SHAREHOLDERS FUNDS			
Share Capital	1	20,633,000	20,633,000
Reserves & Surplus	2	7,453,275	7,329,891
2 LOAN FUNDS			
Secured Loans		-	-
Unsecured Loans	3	74,258,606	12,866,335
3. DEFERRED TAX LIABILITY - NET			
Total		102,344,881	40,829,226
APPLICATION OF FUNDS			
1 FIXED ASSETS			
Gross Block	4	80,484,081	30,684,930
<u>Less : Depreciation</u>		5,635,880	2,820,898
Net Block		74,848,200	27,864,032
2 CURRENT ASSETS, LOANS AND ADVANCES			
Inventories		99,211,998	88,897,246
Sundry Debtors		35,569,119	31,764,841
Cash & Bank Balances		4,197,484	3,779,949
Loans & Advances		12,395,488	9,867,184
3. LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	6	122,897,368	119,260,055
Provisions		984,628	2,282,621
Net Current Assets		27,492,093	12,766,544
4. DEFERRED TAX ASSET			
Total		102,344,881	40,829,226
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	14		

As per our report of even date attached
For SHARAD & ASSOCIATES
Chartered Accountants
Firm Regn No: 063775

For and on behalf of the Board of Directors

SHARAD SINHA
PARTNER

Surendran Nagilla
Managing Director

Sridhar Komargiri
Wholetime Director

Sasidhar Rayasam
Wholetime Director

Membership No: 202692
Place: Hyderabad
Date: 30.05.2011

PROFIT & LOSS ACCOUNT for the year ended 31st March,2011

	Schedules	As on 31.03.2011 (Rupees)	As on 31.03.2010 (Rupees)
INCOME			
Sales & Operating Income	7	13,887,535	33,489,308
Other Income	8	166,549	962,319
Total Income		14,054,084	34,451,627
EXPENDITURE			
Raw Material Consumption	10	7,847,432	58,779,770
(Increase)/ Decrease in Stock	11	(1,596,975)	(51,722,727)
Employees Remuneration & Benefits	12	1,264,327	7,127,335
Other Expenses		2,519,714	14,513,901
		10,034,498	28,698,278
PROFIT BEFORE INTEREST, DEPRECIATION & TAX			
		4,019,585	5,753,349
Interest & Finance Charges	13	251,808	202,726
Depreciation	4	2,814,984	1,849,267
Prior Year's Adjustments - net		11,915	133,359
		3,078,707	2,185,352
PROFIT BEFORE TAX			
		940,878	3,567,997
Provision for Taxation		180,000	1,500,000
Deferred Tax		194,061	94,650
Prior year Tax - (excess)/ shortfall		443,434	-
NET PROFIT FOR THE YEAR			
		123,383	1,973,347
Balance brought forward from previous year		3,120,759	1,147,412
Balance Carried to Balance Sheet		3,244,143	3,120,759
EARNINGS PER SHARE - Face Value of Rs 10/- each			
- Basic		0.06	1.19
- Diluted		0.06	1.19
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	14		

As per our report of even date attached
For SHARAD & ASSOCIATES
Chartered Accountants
Firm Regn No: 063775

For and on behalf of the Board of Directors

SHARAD SINHA
PARTNER

Surendran Nagilla
Managing Director

Sridhar Komargiri
Wholetime Director

Sasidhar Rayasam
Wholetime Director

Membership No: 202692
Place: Hyderabad
Date: 30.05.2011

Schedules Annexed to and Forming Part Of Accounts

	As on 31.03.2011 (Rupees)	As on 31.03.2010 (Rupees)
SCHEDULE : 1		
SHARE CAPITAL		
AUTHORISED		
25,00,000/- Equity Shares of Rs.10/- each (Previous Year 25,00,000 Equity Shares of Rs.10/- each)	25,000,000	25,000,000
	25,000,000	25,000,000
ISSUED,SUBSCRIBED & PAID UP		
20,63,300/- Equity Shares of Rs.10/- each (Previous Year 20,63,300 Equity Shares of Rs.10/- each)	20,633,000	20,633,000
Total	20,633,000	20,633,000
SCHEDULE : 2		
RESERVES AND SURPLUS		
Securities Premium Account		
As per las Balance Sheet	4,209,132	4,209,132
Profit & Loss Account		
Balance as per annexed account	3,244,143	3,120,759
Total	7,453,275	7,329,891
SCHEDULE : 3		
UNSECURED LOANS		
From Directors	-	-
From Shareholders & Relatives	80,850	80,850
From Holding Company	74,177,756	12,785,485
Total	74,258,606	12,866,335

As per our report of even date attached
For SHARAD & ASSOCIATES
Chartered Accountants
Firm Regn No: 063775

For and on behalf of the Board of Directors

SHARAD SINHA
PARTNER

Surendran Nagilla
Managing Director

Sridhar Komargiri
Wholetime Director

Sasidhar Rayasam
Wholetime Director

Membership No: 202692
Place: Hyderabad
Date: 30.05.2011

SCHEDULE – 4 - FIXED ASSETS

S.No.	Name of Asset TANGIBLE ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01.04.2010	Additions during the Period	Sales / Ad- justments during the Period	TOTAL	Up to 31.03.2010	For the year during the year	Deletion during the year	TOTAL	As at 31.03.11	As at 31.03.10
1	Furniture	193,415	3,388,181	-	3,581,596	106,628	368,741	-	475,369	3,106,227	86,787
2	Lease Hold Improvements	-	10,875,321	-	10,875,321	(0)	332,305	-	332,305	10,543,016	0
3	Computer	1,586,255	1,625,525	-	3,211,780	883,767	425,498	-	1,309,265	1,902,515	702,488
4	Vehicles	360,929	-	-	360,929	360,929	-	-	360,929	-	-
5	Cell Phones	24,000	-	-	24,000	21,907	381	-	22,288	1,712	2,093
6	Plant and Machinery	275,758	-	-	275,758	97,578	32,251	-	129,828	145,930	178,180
7	Air Conditioner	58,190	1,929,500	-	1,987,690	29,148	115,074	-	144,221	1,843,469	29,042
8	Electrical Equipments	90,643	890,267	-	980,910	3,841	111,935	-	115,776	865,134	86,802
9	Office Equipments	131,440	1,686,748	-	1,818,188	23,255	190,184	-	213,439	1,604,749	108,185
10	Telephone Equipments	61,880	-	-	61,880	3,371	8,139	-	11,510	50,370	58,509
11	Testing Equipments	417,300	889,963	-	1,307,263	79,049	145,321	-	224,371	1,082,892	338,251
	Total (A)	3,199,810	21,285,505	-	24,485,315	1,609,474	1,729,828	-	3,339,302	21,146,012	1,590,336
	Previous Year Figures (C)	4,292,512	635,768	1,728,470	3,199,810	1,032,642	764,111	187,279	1,609,474	1,590,336	3,259,870

S.No.	Name of Asset TANGIBLE ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01.04.2010	Additions during the Period	Sales / Ad- justments during the Period	TOTAL	Up to 31.03.2010	For the year	Deletion during the year	TOTAL	As at 31.03.11	As at 31.03.10
1	PDC-IDD	2,272,824	-	-	2,272,824	883,876	757,608	-	1,641,484	631,340	1,388,948
2	PDC-Motor ID	3,206,663	-	-	3,206,663	-	-	-	-	3,206,663	3,206,663
3	PDC-Smart Meter	2,372,958	-	-	2,372,958	-	-	-	-	2,372,958	2,372,958
4	PDC-Shunt Box	982,644	-	-	982,644	327,548	327,548	-	655,096	327,548	655,096
5	PDC-ACEM	1,239,707	888,240	-	2,127,947	-	-	-	-	2,127,947	1,239,707
6	PDC-AMR	1,404,379	1,088,515	-	2,492,894	-	-	-	-	2,492,894	1,404,379
7	PDC-DCEM	2,465,319	3,975,065	-	6,440,384	-	-	-	-	6,440,384	2,465,319
8	PDC-FMS	3,455,775	2,293,941	-	5,749,716	-	-	-	-	5,749,716	3,455,775
9	PDC-IDD Version-II	4,164,549	4,358,242	-	8,522,791	-	-	-	-	8,522,791	4,164,549
10	PDC - IDD Version-III	2,807,699	2,565,364	-	5,373,063	-	-	-	-	5,373,063	2,807,699
11	PDC- IDD Version -IV	1,888,838	2,074,410	-	3,963,248	-	-	-	-	3,963,248	1,888,838
12	PDC- POC WTTL	1,223,765	1,174,392	-	2,398,157	-	-	-	-	2,398,157	1,223,765
13	PDC- POC IT	-	4,486,221	-	4,486,221	-	-	-	-	4,486,221	-
14	PDC - IDD AST	-	1,237,676	-	1,237,676	-	-	-	-	1,237,676	-
15	PDC Alternate Energy	-	518,663	-	518,663	-	-	-	-	518,663	-
16	PDC - Blue Tooth Printer	-	288,096	-	288,096	-	-	-	-	288,096	-
17	PDC-General R&D (Core R&D)	-	234,644	-	234,644	-	-	-	-	234,644	-
18	PDC-HHD	-	1,287,422	-	1,287,422	-	-	-	-	1,287,422	-
19	PDC Reliance POC	-	626,434	-	626,434	-	-	-	-	626,434	-
20	PDC-RIAMS	-	70,157	-	70,157	-	-	-	-	70,157	-
21	PDC-RMS-TechM (GTL)	-	487,883	-	487,883	-	-	-	-	487,883	-
22	PDC-Smart Network Optimizer	-	538,265	-	538,265	-	-	-	-	538,265	-
23	PDC-Street Light Monitoring System	-	313,016	-	313,016	-	-	-	-	313,016	-
24	General R & D Expenses(PDC)	-	7,000	-	7,000	-	-	-	-	7,000	-
	TOTAL (B)	27,485,120	28,513,646	-	55,998,766	1,211,424	1,085,156	-	2,296,580	53,702,186	26,273,696
	Previous Year Figures (D)	6,187,348	21,297,736	-	27,485,120	126,268	1,085,156	-	1,211,424	26,273,696	6,061,116
	Grand Total (A+B)	30,684,930	49,799,151	-	80,484,081	2,820,898	2,814,984	-	5,635,882	74,848,198	27,864,032
	Grand Total (C+D)	10,479,860	21,933,504	1,728,470	30,684,930	1,158,910	1,849,267	187,279	2,820,898	27,864,032	9,320,986

Schedules annexed to and forming part of accounts

	As on 31.03.2011 (Rupees)	As on 31.03.2010 (Rupees)
SCHEDULE : 5		
CURRENT ASSETS, LOANS & ADVANCES		
A.INVENTORIES	99,211,998	88,897,246
B.SUNDRY DEBTORS		
(Unsecured,considered good)		
Debts outstanding for a period exceeding 6 months	32,281,131	-
Others	3,287,988	20,243,578
Other Receivable-Unbilled Revenue	-	11,521,263
Total	35,569,119	31,764,841
C.CASH AND BANK		
Cash in Hand	26,892	813,304
With Scheduled Banks		
Current Accounts	4,170,592	2,966,645
Total	4,197,484	3,779,949
D.LOANS & ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or kind or value to be received		
Deposits	1,196,428	200,796
Other Advances	126,499	7,810
TDS Receivable	677,516	677,516
Advance to Suppliers	-	85,180
Dues from Government departments	5,917,100	4,901,929
VAT Receivable	4,477,946	3,993,954
Total	12,395,488	9,867,184
SCHEDULE : 6		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors for Goods	116,686,543	108,656,548
Sundry Creditors for Expenses	1,698,427	5,389,516
Other Liabilities	2,234,033	1,672,077
Service Tax Payable	838,188	782,128
TDS Payable	1,440,177	850,374
Advances Received	-	1,909,412
Total	122,897,368	119,260,055
PROVISIONS :		
Provision for Income Tax	390,220	1,719,293
Provision for Grauity	203,251	126,003
Provision for Leave Encashment	391,157	437,325
Total	984,628	2,282,621

	As on 31.03.2011 (Rupees)	As on 31.03.2010 (Rupees)
SCHEDULE : 7		
SALES AND OPERATING INCOME		
Sales	8,787,535	17,771,608
Installation & Commissioning Services	3,000,000	13,917,700
Consulting Income	2,100,000	1,800,000
Total	13,887,535	33,489,308
SCHEDULE : 8		
OTHER INCOME		
Interest Earned on FDs	-	9,728
Other Income	166,549	421,182
Profit on Sale of Asset	-	458,809
Rental Income	-	72,600
Total	166,549	962,319
SCHEDULE : 9		
RAW MATERIAL CONSUMPTION		
Opening Stock of Raw Material	36,765,174	-
Add : Purchases (net of Returns)	16,565,209	95,544,944
Add: Goods dismantled and moved to Raw Material Stock	19,350,095	-
Less : Closing Stock	64,833,046	36,765,174
Raw Material Consumption	7,847,432	58,779,770
SCHEDULE : 10		
INCREASE/ DECREASE IN STOCKS		
FINISHED GOODS		
Opening Stock	52,132,072	409,345
Less: Goods dismantled and moved to Raw Material Stock	19,350,095	-
Closing Stock	34,378,952	52,132,072
Increase/ (Decrease) in stock	1,596,975	51,722,727
SCHEDULE : 11		
EMPLOYEES REMUNERATION & BENEFITS		
Salaries to Staff	566,876	5,169,984
Staff Welfare Expenses	55,794	154,351
Directors Remuneration	641,657	1,803,000
Total	1,264,327	7,127,335

As per our report of even date attached
For SHARAD & ASSOCIATES
Chartered Accountants

Firm Regn No: 063775

For and on behalf of the Board of Directors

SHARAD SINHA
PARTNER

Surendran Nagilla
Managing Director

Sridhar Komargiri
Wholetime Director

Sasidhar Rayasam
Wholetime Director

Membership No: 202692
Place: Hyderabad
Date: 30.05.2011

Schedules annexed to and forming part of accounts

	As on 31.03.2011 (Rupees)	As on 31.03.2010 (Rupees)
SCHEDULE : 12		
OTHER EXPENSES		
Auditors Remuneration	60,000	76,821
Business Promotion Expenses	6,718	49,675
Professional & Consulting Charges	160,806	318,852
Conveyance	24,651	333,102
Electricity Charges	155,203	103,117
Freight & Transport Charges	293,622	746,791
General Expenses	86,362	83,445
Installation Charges	371,790	7,208,552
Insurance	46,308	12,229
Jobwork Charges	14,002	2,770,295
Labour Charges	11,814	32,662
Office Expenses	32,859	129,670
Rent	123,394	423,738
Postage & Courier	918	44,808
Printing & Stationery	68,772	160,306
Rates & Taxes	95,814	195,961
Repairs & Maintenance	56,226	183,360
Security Charges	397,575	95,770
Telephone Expenses	346,436	686,985
Travelling Expenses	164,783	640,902
Balances Written off	-	99,774
Vehicle Maintenance	1,151	10,323
Consumables	-	63,003
Web Designing Charges	-	42,300
Miscellaneous Expenses	511	1,461
Total	2,519,714	14,513,901
SCHEDULE : 13		
INTEREST AND FINANCE CHARGES		
Interest	213,310	197,756
Bank Charges	38,498	4,970
Total	251,808	202,726

As per our report of even date attached
For SHARAD & ASSOCIATES
Chartered Accountants

Firm Regn No: 063775

For and on behalf of the Board of Directors

SHARAD SINHA
PARTNER

Surendran Nagilla
Managing Director

Sridhar Komargiri
Wholetime Director

Sasidhar Rayasam
Wholetime Director

Membership No: 202692
Place: Hyderabad
Date: 30.05.2011

Cash Flow Statement

or The Year Ended On 31st March,2011

	For the Year ended on 31.03.2011	For the Year ended on 31.03.2010
A Cash Flow from Operating activities :		
Net Profit after Interest & Depreciation but before Tax	952,793	3,701,356
Depreciation	2,814,984	1,849,267
Interest paid	251,808	202,726
Interest received	-	9,728
Profit on Sale of Fixed Assets	-	(458,809)
Operating Profit before working capital changes	4,019,585	5,304,269
Adjustments for :		
Loans and Advances	(2,528,304)	(8,570,233)
Debtors	(3,804,278)	(18,300,919)
Inventories	(10,314,752)	(88,487,901)
Current Liabilities & provision	4,116,147	95,783,438
Cash generated from operations	(8,511,602)	(14,271,347)
Add: Income Tax paid	(1,956,826)	-
Add: Fringe Benefit Tax paid	-	(69,587)
Prior Year Expenses	(455,349)	(133,359)
B Net Cash flow from Operating activities (before & after extraordinary items) " A "	(10,923,777)	(14,474,293)
Net Cash from Investing activities :		
(Purchase) / Sale of fixed assets	(49,799,151)	(21,933,504)
Interest received	-	(9,728)
Sale of Fixed Assets		2,000,000
Net cash flow from Investing activities " B "	(49,799,151)	(19,943,232)
C Cash Flow from Financing activities		
Issue of Share Capital	-	15,633,000
Share Premium	-	4,209,132
Share Application Money	-	(2,650,000)
Bank borrowings & Unsecured Loan	61,392,271	12,785,485
Interest paid	(251,808)	(202,726)
Net Cash flow from Financing activities " C "	61,140,463	29,774,891
D Net (Decrease) / Increase in Cash and Cash Equivalents (A + B + C)	417,535	(4,642,634)
Cash and Cash Equivalents at the beginning	3,779,949	8,422,583
Cash and Cash Equivalents at the end	4,197,484	3,779,949
	0	0

As per our report of even date attached
For SHARAD & ASSOCIATES
Chartered Accountants
Firm Regn No: 063775

For and on behalf of the Board of Directors

SHARAD SINHA
PARTNER

Surendran Nagilla
Managing Director

Sridhar Komargiri
Wholetime Director

Sasidhar Rayasam
Wholetime Director

Membership No: 202692
Place: Hyderabad
Date: 30.05.2011

SCHEDULE – 14

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Conventions

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income and expenditure in the financial statements are recognized on accrual basis.

2. Use of estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements, the amounts of revenue and expenses during the reported period. Actual results could differ from those of estimates. Any revision to such estimates is recognized in the period the same is determined.

3. Revenue Recognition

Revenue from the sale of goods is recognized at the point of dispatch of materials to customers; income from turnkey services and Consultancy services are accounted on the basis of billing to customers and includes unbilled revenue accrued up to the end of the accounting year.

4. Fixed Assets

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation. Apart from taxes (Excluding CENVAT) all costs including financial costs up to the date of commissioning and attributable to the fixed assets, freight and other incidental expenses related to the acquisition and installation of the respective fixed assets are capitalized

5. Depreciation

Written Down Value method of Depreciation is adopted for appropriate presentation of Financial Statements. Depreciation on Fixed Assets including on the additions is provided on written down basis at the rates specified in the Schedule XIV to the Companies Act, 1956 (as amended from time to time).

6. Impairment of assets

Impairment of asset is reviewed and recognized in the events of changes and circumstances indicate that the carrying amount of an asset is not recoverable. Difference between the carrying amount of an asset and the recoverable value is recognized as impairment loss in the statement of profit and loss in the year of impairment.

7. Inventories

Inventories are valued as under.

- i) Raw materials, stores and spares - at cost.
- ii) Finished Goods - at cost or net realizable value whichever is lower. Cost includes cost of direct material, labor and overhead.

8. Taxes on Income

Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made at current tax rates based on assessable income. Deferred income taxes are recognized for the future tax consequences attributable to timing differences using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

9. Contingencies

Loss contingencies arising from claims, litigation, assessments, fines, penalties, etc., are provided for when it is probable that a liability may be incurred and the amount can be reliably estimated.

10. Accounting for Intangible Assets and Deferred revenue Expenditure

Company is engaged in the business of Product Development mainly catering to Telecom and Power Sector. In Compliance With AS -26 " Accounting Standard for Intangible Assets" issued by ICAI, The Product development expenses have been amortized over a period of 36 Months from the date of Commercial production.

11. Retirement Benefits

Liability in respect of retirement benefits is provided and charged to the Profit & Loss Account as follows:

Gratuity – Liability in respect of Gratuity to employees is provided based on Actuarial valuation at the balance sheet date done by an Independent actuary.

Leave Encashment – Liability in respect of Leave Encashment is provided based on Actuarial valuation at the balance sheet date done by an Independent actuary.

Provident Fund – Provident Fund is administered through the Regional Provident Fund Commissioner and Company's contribution is remitted accordingly.

12. Earnings per share(EPS)

The company reports its Earning per share (EPS) in accordance with Accounting standard – 20.

13. Borrowing costs

Borrowing cost attributable to acquisition and construction of assets are capitalized as part of cost of such assets up to the date when such assets are ready for intended use.

II. NOTES ON ACCOUNTS

1. Contingent Liability - Rs. NIL

2. Capital Contracts :

Estimated amount of contracts remaining to be executed on capital account and not provided for – Rs. NIL

3. Micro, Small and Medium Enterprises Development Act
The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence names of Micro, Small and Medium Enterprises to whom the company owes any sum together with interest unpaid as on the date of balance sheet is not ascertainable.

4. Particulars of Managerial Remuneration

(in Rupees)

Particulars	Year ended 31.03.2011				Year ended 31.03.2010			
	Surendran Nagilla	Sridhar Komaragiri	Sasidhar Rayasam	Suguna Surendran Nagilla	Surendran Nagilla	Sridhar Komaragiri	Sasidhar Rayasam	Suguna Surendran Nagilla
Salary	41,55,000	27,15,000	17,55,000	NIL	32,80,000	21,65,000	15,55,000	4,45,000
Perquisites & other benefits	1,65,000	1,65,000	1,65,000	NIL	1,65,000	1,65,000	1,65,000	-
Total	43,20,000	28,80,000	19,20,000	NIL	34,45,000	23,30,000	17,20,000	4,45,000

5. Auditors' Remuneration

(in Rupees)

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
Statutory Audit Fees	45,000	45,000
Tax Audit Fees	15,000	15,000
Certification & Others	-	-
Service Tax	6,180	6,180
Total	66,180	66,180

6. Related Party Disclosures:

I) List of Related parties with whom transactions have taken place and nature of relationship:

- i) Holding Co., : BS TransComm Ltd
- ii) Key management personnel : Mr. Nagilla Surenderan
: Mr. Sridhar Komaragiri
: Mr. Sasidhar Rayasam
- iii) Relatives of Key management personnel : Mrs. Suguna Surendran Nagilla
- iv) Concerns in which Key management personnel
have substantial interest : Nil
- (significant interest entities)

II) Aggregated related party transactions:

Sl. No	Particulars	Key Management Personnel		Relatives of Key Management Personnel		Holding Companies	
		Current Year	Previous year	Current Year	Previous Year	Current Year	Previous Year
1.	Remuneration	86,25,000	70,00,000	4,80,000	4,45,000	NIL	NIL
2.	Advances given	NIL	42,00,000	71,202	8,00,000	NIL	NIL
3.	Advances received back	NIL	45,25,030	NIL	9,36,915	NIL	NIL
4.	Advances taken	NIL	NIL	NIL	NIL	NIL	NIL
5.	Advance returned back	NIL	15,37,559	NIL	NIL	NIL	NIL
6.	Unsecured Loan taken	NIL	NIL	NIL	NIL	5,65,66,043	1,56,08,000
7.	Reimbursement of Expenses	4,95,000	4,95,000	NIL	NIL	NIL	NIL
8.	Share Allotment	NIL	32,72,670	NIL	2,10,000	NIL	NIL
9.	Purchases	NIL	NIL	NIL	NIL	1,77,42,048	8,13,50,018
10.	Interest Paid	NIL	NIL	NIL	NIL	48,26,228	1,97,206
11.	Sale of Land & Building	NIL	NIL	NIL	20,00,000	NIL	NIL

7. Additional information pursuant to the provision of paragraphs 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956 is as under:

(A) Production/ Sales & Stock:

		As at 31.03.2011		As at 31.03.2010	
		Nos.	Value (Rs. In Lakhs)	Nos.	Value (Rs. In Lakhs)
A	Opening Stock of				
	- IDD	4888	379.03	17	2.27
	- Shunt Box	5859	142.29	650	1.83
	Cables & Accessories (Kits)	0	NIL	0	NIL

B	Closing Stock of				
	- IDD	4878	298.88	4888	379.03
	- Shunt Box	1473	35.78	5859	142.29
	- Cables & Accessories (Kits)	0	NIL	0	NIL
	-DCEM Kits	373	9.12	NIL	-
C	Production/ Dealt				
	- IDD	110	4958		
	- Shunt Box	NIL	7656		
	- Cables & Accessories (Kits)	NIL	NIL	1003	NIL
	- DCEM Kits	1973	-	NIL	-
D	Sales				
	- IDD	10	1.92	87	13.82
	- Shunt Box	10	1.04	2447	102.77
	- Cables & Accessories (Kits)	NIL	NIL	1003	21.06
	- DCEM Kits	1600	72.00	-	-

(B) Raw Material Consumed:

		As at 31.03.2011		As at 31.03.2010	
		Nos.	Value (Rs. In Lakhs)	Nos.	Value (Rs. In Lakhs)
E	Raw Material Consumed				
	- Various Components	NIL	78.47	NIL	587.80

(C) Value of Raw Material Consumed (Imported & Indigenous) and Components & Spare parts:

		As at 31.03.2011		As at 31.03.2010	
		%	Value (Rs. In Lakhs)	%	Value (Rs. In Lakhs)
F	Raw Material consumed				
	Imported	0	NIL	0	NIL
	Indigenous	100	78.47	100	587.80
	Total	100	78.47	100	587.80
G	Value of Imported				
	Components & Spare parts	NIL	NIL	NIL	NIL

8. Earning per Share (EPS)

The Basic and Diluted EPS is Calculated as under:

Particulars	March 31st 2011	March 31st 2010
a) Profit after Tax during the year (Rs.)	1,23,383	19,73,347
b) Earnings available to Equity Shareholders for Basic & Diluted EPS(Rs.)	1,35,298	21,06,706
c) Weighted average Number of Shares taken for computation of EPS		

- Basic	20,63,300	17,77,518
- Diluted	20,63,300	17,77,518
d) Earning per Share (b/a)		
- Basic	0.06	1.19
- Diluted	0.06	1.19
e) Nominal Value per Share	10	10

9. Segment Reporting

Company is engaged in the business of Product Development mainly catering to Telecom and Power Sector. Hence, separate disclosure as required under accounting standard – 17 “Segmental Reporting” is not considered.

10. Intangible Assets

During the year, Company has incurred expenditure on various products under development stage. These products are unique in their nature since the same are not available off the shelf and has been developed by the company using intellectual resources and domain expertise under it’s control.

Capitalization of these Products is as follows:-

Name of the Product	Capitalized Cost (Rs.)
PDC –ACEM	8,88,240
PDC-AMR	10,88,515
PDC-DCEM	39,75,065
PDC-FMS	22,93,941
PDC-IDD Version-II	43,58,242
PDC - IDD Version-III	25,65,364
PDC- IDD Version –IV	20,74,410
PDC- POC WTTL	11,74,392
PDC- POC IT	44,86,221
PDC - IDD AST	12,37,676
PDC Alternate Energy	5,18,663
PDC - Blue Tooth Printer	2,88,096
PDC-General R&D (Core R&D)	2,41,644
PDC-HHD	12,87,422
PDC Reliance POC	6,26,434
PDC-RIAMS	70,157
PDC-RMS-TechM (GTL)	4,87,883
PDC-Smart Network Optimizer	5,38,265
PDC-Street Light Monitoring System	3,13,016

11. Deferred Taxation

Deferred Tax is accounted in respect of the timing difference on a Liability method. Deferred Tax asset has been recognized to the extent of virtual certainty of its realization.

Particulars	Deferred Tax Asset/ (Liability) as on 31.03.2011	Deferred Tax Asset/ (Liability) as on 31.03.2010
Deferred Tax Asset on account of timing difference in		
i) Depreciation	(1,79,083)	24,582
ii) Provision for Leave Encashment & Gratuity	1,83,672	1,74,068
Total Deferred Tax Asset/ (Liability)	4,589	1,98,650

12. Employee Benefits:

A) Defined Benefit Plan

The details of the Company's post – retirement benefit plans for its employees including whole time directors are given below which are certified by an Independent Actuary.

Particulars	Gratuity (Rs.)		Compensated absences (Rs.)	
	2010-11	2009-10	2010-11	2009-10
(A) Net Assets / (Liability) recognized in the balance sheet As at 31st March				
Present Value of Obligation	2,03,251	1,26,003	3,91,157	4,37,325
Fair Value of Plan Assets Liability / (Assets)	-	-	-	-
Unrecognized past service Cost	-	-	-	-
Liability / (Assets) recognized in the Balance Sheet	2,03,251	1,26,003	3,91,157	4,37,325
(B) Component of Employer's Expense				
Current service cost	94,092	-	-	-
Interest cost	18,030	-	-	-
Expected return on planned assets	-	-	-	-
Net actuarial gain / (loss)	(34,874)	-	-	-
Past service cost	-	-	-	-
Expenses to be Recognized in the Profit and loss Account as per actuarial valuation	-	-	-	-
Actual expenses/(Excess provision written back) recognized in the Profit & Loss Account	2,03,251	1,26,003	3,91,157	4,37,325

(C) Movement in the Net Liability recognized in the Balance Sheet				
Opening Net Liability as on 1st April	1,26,003	-	4,37,325	-
Expenses/(Excess provision written back) recognized in the Profit & Loss Account	2,03,251	1,26,003	3,91,157	4,37,325
Employer contribution	-	-	-	-
Payment made to employee on retirement	-	-	-	-
Closing Net Liability as on 31st March	2,03,251	1,26,003	3,91,157	4,37,325
(D) Actuarial Assumptions				
Discount Rate (Per annum)	8.10%	8.20%	8.10%	8.20%
Mortality	LIC(1994-96) ultimate	LIC(1994-96) ultimate	LIC(1994-96) ultimate	LIC(1994-96) ultimate
Expected Rate of return on Plan Asset	(per annum)	0.00%	0.00%	0.00%
Salary Escalation rate (Per Annum)	7.00%	7.00%	7.00%	7.00%
Valuation Method	Projected unit credit method	Projected unit cost method	Projected unit credit method	Projected unit cost method

Note:

- 1) Actuarial valuation is worked out considering attrition rate and estimates of future salary increase taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B) Defined contribution plan

Amount recognized as an expense and included in schedule 11 under the head "Salaries to Staff" Rs. 77,248/-.

13. Travelling Expenses include Directors Travelling expenses of Rs.3,36,369/- (Previous Year Rs.3,60,672/-)
14. Foreign Exchange Inflow of US\$ 40,000 towards Consulting Income and Outflow of US\$ 8,478.24 towards purchase of electronic components for R&D purpose.
15. Balances relating to Debtors, Creditors, Loans and Advances are subject to reconciliation & confirmation.
16. Figures for the previous year have been rearranged/ regrouped / recast wherever necessary to conform to the current year presentation/ classification.
17. Figures are rounded off to the nearest rupee.

Signatures to Schedules 1 to 14

As per our report of even date

For Sharad & Associates,

Chartered Accountants

Firm Regn No: 063775

Sharad Sinha
Partner

Membership No: 202692

Surenderan Nagilla
Wholetime
Director

Sridhar Komargiri
Managing
Director

Sasidhar Rayasam
Wholetime
Director

Place: Hyderabad
Date : 30-5-2011

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Third Annual Report of the Company together with the Audited Financial Statement of Accounts for the year ended March 31, 2011.

Financial Performance:

The Company has not commenced commercial operations.

Directors

In accordance with the Section 256 of the Companies Act, 1956 Mr. Rajesh Agarwal, Director and Mr. Mukesh Agarwal, Director of the Company retire by rotation at the ensuing Annual General Meeting and are eligible to offer their services for re-appointment. A brief profile of the above Directors is given in the Notice of Third Annual General Meeting.

The Board recommends the above re-appointments for your approval.

Directors Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that

- (i) In the preparation of the accounts for the year under review, the applicable accounting standards read with the requirements set out under Schedule VI to the Companies Act, 1956 have been followed along with proper explanation relating to material departures.
- (ii) The Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2010-11 and of the Profit and Loss of the company for the year under review.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing fraud and other irregularities.
- (iv) The Directors have prepared the accounts for the year under review on a "going concern" basis.

Corporate Governance

i) Companies Philosophy on Corporate Governance

The Company believes that Corporate Governance is a systematic process, which enhances the wealth generating capacity of the Company through efficient conduct of business. The Company is committed to improve its service to all the stakeholders through transparency and professionalism in all decisions and by maintaining high standards of ethics, integrity and accountability in letter and spirit.

ii) Board of Directors

The Company's Board comprises of Three Directors.

The composition and category of the Board as on March 31, 2011 are as under:

S.No	Name of the Director	Category
1.	Mr. Rajesh Agarwal	Director
2.	Mr. Rakesh Agarwal	Director
3.	Mr. Mukesh Agarwal	Director

iii) Board Procedure

The Board of Directors meets at least once in a Quarter to discuss the matters relating to the operations of the Company and, if considered necessary to transact any other Business.

iv) Details of Directors seeking re-appointment

S. No	Name	Date of Birth	Date of Appointment	Qualification
1	Rajesh Agarwal	October 30, 1970	June 10, 2008	B. Com
2	Mukesh Agarwal	December 27, 1977	March 27, 2009	B. Com

Auditors

The Statutory Auditors of the Company, M/s. Bhaskara Rao & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received a letter from the Statutory Auditors to the effect that their reappointment, if made, would be within the prescribed limits under 224(1B) of the Companies Act, 1956

and they have not been disqualified for reappointment within the meaning of Section 226 of the said Act.

Public Deposits

Your Company has not accepted any deposits during the year within the meaning of Section 58 (A) of the Companies Act, 1956 and the Companies Rules, 1975.

Particulars of Employees

There were no employees covered under the provisions of section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) for the Financial Year ended March 31, 2011.

Particulars of Technology Absorption, Foreign Exchange Earnings and Outgo.

The Company is yet to commence its commercial operations and hence no information required under Section 217(i) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is provided.

Acknowledgements

Your Directors wish to place on record their gratitude to the Bankers, contractors, Joint Venture partners, Employees of the company for their continued support. Your Directors take this opportunity to commend the continued commitment and dedication of employees at all levels and look forward for valuable sustained support and encouragement.

Date: August 10, 2011

Place: Hyderabad

For and on behalf of the Board of directors

Chairman

**INFORMATION PERSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS**

I. Registration Details

Registration No.	0	1	-	5	9	5	9	5
------------------	---	---	---	---	---	---	---	---

State Code.	0	1
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Balance Sheet Date	3	1	-	0	3	-	1	1
--------------------	---	---	---	---	---	---	---	---

II. Capital raised during the year (Rupees in thousands)

Public Issue				-	-			
--------------	--	--	--	---	---	--	--	--

Right Issue				-	-			
-------------	--	--	--	---	---	--	--	--

Bonus Issue				-	-			
-------------	--	--	--	---	---	--	--	--

Private Placement				-	-			
-------------------	--	--	--	---	---	--	--	--

III. Position of Mobilisation and deployment of Funds (Rupees in thousands)

Total Liabilities								5	0	0
-------------------	--	--	--	--	--	--	--	---	---	---

Total Assets								5	0	0
--------------	--	--	--	--	--	--	--	---	---	---

SOURCES OF FUNDS

Paid-up Capital								5	0	0
-----------------	--	--	--	--	--	--	--	---	---	---

Reserves & Surplus								5	0	0
--------------------	--	--	--	--	--	--	--	---	---	---

Unsecured Loans								-	-	
-----------------	--	--	--	--	--	--	--	---	---	--

Share Capital Suspense								-	-	
------------------------	--	--	--	--	--	--	--	---	---	--

Secured Loans								-	-	
---------------	--	--	--	--	--	--	--	---	---	--

Share Application Money								-	-	
-------------------------	--	--	--	--	--	--	--	---	---	--

Deferred Tax Liability								-	-	
------------------------	--	--	--	--	--	--	--	---	---	--

APPLICATION OF FUNDS

Net Fixed Assets								-	-	
------------------	--	--	--	--	--	--	--	---	---	--

Investments								-	-	
-------------	--	--	--	--	--	--	--	---	---	--

Net Current Assets								4	1	8 . 1 7
--------------------	--	--	--	--	--	--	--	---	---	---------

Deferred Tax Assets								1	2	. 1 9
---------------------	--	--	--	--	--	--	--	---	---	-------

Accumulated Losses								6	9	. 6 4
--------------------	--	--	--	--	--	--	--	---	---	-------

Misc. Expenditure								-	-	
-------------------	--	--	--	--	--	--	--	---	---	--

IV. Performance of Company (Rupees in thousands)

Turnover								-	-	
----------	--	--	--	--	--	--	--	---	---	--

Total Expenditure								1	0	. 0 0
-------------------	--	--	--	--	--	--	--	---	---	-------

Profit/(Loss) after Tax								(1	0 . 0 0)
-------------------------	--	--	--	--	--	--	--	---	---	-----------

Profit/(Loss) before Tax								(1	0 . 0 0)
--------------------------	--	--	--	--	--	--	--	---	---	-----------

Earnings per share in Rs.								(0	. 2 0)
---------------------------	--	--	--	--	--	--	--	---	---	---------

Dividend Rate %								-	-	
-----------------	--	--	--	--	--	--	--	---	---	--

V. Generic Names of three Principal Products/Services of Company (as per monetary Term)

Item Code No. (ITC Code)										
---------------------------	--	--	--	--	--	--	--	--	--	--

Manufacturing & TSP	7	3	0	8	2	0	1	0
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Auditors' Report

To
The Members
BS INFRATEL LIMITED.

1. We have audited the attached Balance Sheet of BS INFRATEL LIMITED as at 31st March, 2011, and the Profit & Loss Account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 statements presentation. We believe that our audit provide 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) Order, (Amendment) 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (herein after referred to as the "Act"), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in 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 purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books;
 - c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - e. On the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 from being appointed as the directors of the company in terms of Section 274(1) (g) of the Act;
 - f. In our opinion and to the best of information and according to the explanations given to me, the said accounts read together with significant accounting policies and other notes to the schedules 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 31st March, 2011; and
 - ii) In the case of Profit and Loss Account, of the loss for the year ended as on that date and

For SHARAD & ASSOCIATES
Chartered Accountants
Firm Reg.No.063775

Hyderabad, dated this
30th day of May 2011

SHARAD SINHA, Partner
Mem No: 202692

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF BS INFRA TEL LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011.

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us during the course of our audit, we further state that:

- i) There are no fixed assets held by the company, accordingly clause 4(i) (b) & (c) are not applicable
- ii) No business was transacted during the year and there is no stock-in-trade. Accordingly clause 4(ii) (b) & (c) are not applicable
- iii) According to the information and explanations given to us, the company has not granted /taken any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub clauses (b), (c), (d), (f) & (g) of clause (iii) of this Order are not applicable
- iv) In our opinion, and according to the information and explanations given to us the internal control systems are commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. According to the information and explanations given to us, there is no continuing failure to correct major weaknesses in the internal control system.
- v) According to the information and explanations given to us, there were no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clause 4(v)(b) is not applicable
- vi) The Company has not accepted any deposits from the public during the year.
- vii) The Company is not listed and its paid up capital and reserves and turnover are below the prescribed limit, hence clause (vii) relating to internal audit system is not applicable.
- viii) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- ix) a) According to the records of the company, the company is regular in depositing undisputed statutory dues including income tax, cess and any other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues as at 31st March 2011 which are outstanding for a period of more than six months from the date they became payable.
- b) According to the information & explanations given to us

and the books and records examined by us, as at 31st March 2011 there are no disputed dues outstanding in the books of account in respect of income tax, wealth tax, customs duty, Sales Tax, Excise Duty and cess.

- x) The company has been registered for a period of less than 5 years. Hence clause 4(x) of the order is not applicable.
- xi) According to the information and explanations given to us, the company has not taken any loans from financial institution, bank or debenture holders and hence the question of default in repayment of dues to a financial institution, banks or debenture holders does not arise.
 - xii) According to the information and explanations given to us, the company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
 - xiii) The company is not a chit fund or nidhi /mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the order are not applicable to the company.
 - xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the order are not applicable.
 - xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
 - xvi) In our opinion and according to the information and explanations given to us the company has not raised any term loans during the year.
 - xvii) According to the information and examination given to us and on an overall examination of the Balance Sheet of the Company, we report that there are no funds raised on short term basis during the year.
 - xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
 - xix) No debentures have been issued by the company during the year.
 - xx) The company has not raised money by public issues during the year.
 - xxi) Based on our audit procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For P MURALI & CO.,
Chartered Accountants

Place: Hyderabad
Date: 30.05.2011

M V JOSHI
Partner
Membership No: 024784

Balance Sheet

as at 31st March, 2011

(Rupees)

	Schedules	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	1	500,000	500,000
LOAN FUNDS			
Secured Loans		-	-
Unsecured Loans		-	-
TOTAL		500,000	500,000
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block		-	-
Less: Depreciation		-	-
Net Block		-	-
DEFERED TAX ASSET		12,190	12,190
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances		455,170	455,170
Less: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities		37,000	27,000
NET CURRENT ASSETS		418,170	428,170
PROFIT & LOSS ACCOUNT		69,640	59,640
TOTAL		500,000	500,000
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	3		
(Schedules 1 to 3 annexed form part of accounts)			

As per our report of even date

For P. Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

For and on behalf of the Board

M V Joshi
Partner
Membership No: 24784

Mukesh Agarwal
Director

Rakesh Agarwal
Director

Mukesh Agarwal
Director

Place: Hyderabad
Date: 30.05.2011

Profit And Loss Account for the year ended 31st March, 2011

(Rupees)

	Schedules	For the year ended 31.03.2011	for the year ended 31.03.2010
1 INCOME			-
Total Income		-	-
2 EXPENDITURE			-
Auditors Remuneration		10,000	10,000
ROC Filing Fees			4,250
Professional Charges			2,750
Preliminary Expenditure Written off	2		-
Total Expenditure		10,000	17,000
Profit/(Loss) Before Tax		(10,000)	(17,000)
Provision for Income Tax (Current Year)		-	-
3 Deferred Tax			-
Profit/ (Loss) After Tax Carried from Last Year's Balance Sheet		(59,640)	(42,640)
Profit/ (Loss) After Tax Carried to Balance Sheet		(69,640)	(59,640)
4 EARNINGS PER SHARE - Face Value Rs 10/- each (see note 7 of II of Schedule 3)			
- Basic		(0.20)	(0.34)
- Diluted		(0.20)	(0.34)
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	3		
(Schedules 1 to 3 annexed form part of accounts)			

As per our report of even date

For P. Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

For and on behalf of the Board

M V Joshi
Partner
Membership No: 24784

Rajesh Agrawal
Director

Rakesh Agarwal
Director

Mukesh Agarwal
Director

Place: Hyderabad
Date: 30.05.2011

Schedules Forming Part of Balance Sheet and Profit & Loss Account

Consolidated Schedules Annexed to and Forming Part of Accounts

(Rupees)

	As at 31.03.2011	As at 2010
SCHEDULE: 1		
SHARE CAPITAL		
Authorised:		
50,000 Equity Shares of Rs.10/- each	500,000	500,000
Issued, Subscribed and Paid up:		
50,000 Equity Shares of Rs. 10/-each	500,000	500,000
SCHEDULE: 2		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenditure		
Less: Written off during the year		
Balance		

SCHEDULE – 3

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

Accounting Conventions

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

Use of estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements, the amounts of revenue and expenses during the reported period. Actual results could differ from those of estimates. Any revision to such estimates is recognized in the period the same is determined.

Taxes on Income

Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made at current tax rates based on assessable income. Deferred income taxes are recognized for the future tax consequences attributable to

timing differences using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Contingencies

Loss contingencies arising from claims, litigation, assessments, fines, penalties, etc., are provided for when it is probable that a liability may be incurred and the amount can be reliably estimated.

II. NOTES ON ACCOUNTS

1. There were no employees during the year.
2. **Contingent Liability – NIL**
3. **Micro, Small and Medium Enterprises Development Act**
There are no parties registered under the Micro, Small and Medium Enterprises Development Act, 2006 with which the company has any dealings during the year.

4. Auditors' Remuneration

(In Rupees)

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
Statutory Audit Fees	10,000	10,000
Tax Audit Fees	-	-
Certification & Others	-	-
Service Tax	-	-
Total	10,000	10,000

5. Related Party Disclosures :

List of Related parties and nature of relationship:

- i) Holding Company : BS TransComm Ltd
- ii) Key management personnel : Mr. Rajesh Agrawal
: Mr. Rakesh Agarwal
: Mr. Mukesh Agarwal

6. Earning per Share (EPS)

The Basic and Diluted EPS is computed in accordance with the Accounting Standard – 20 issued under the companies (accounting standards) rules, 2006 as under:

Particulars	March 31 st 2011	March 31 st 2010
a) Profit /(Loss) after Tax during the year (Rs.)	(10,000)	(17,000)
b) Earnings available to Equity Shareholders for Basic & Diluted EPS(Rs.)	(10,000)	(17,000)
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	50,000	50,000
- Diluted	50,000	50,000
d) Earning per Share (b/a) (Rs.)		
- Basic	(0.20)	(0.34)
- Diluted	(0.20)	(0.34)
e) Nominal Value per Share (Rs.)	10	10

As per our report of even date

For P. Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

M V Joshi
Partner
Membership No: 24784

Rajesh Agrawal
Director

For and on behalf of the Board

Rakesh Agarwal
Director

Mukesh Agarwal
Director

Place: Hyderabad

Date: 30.05.2011

7. Deferred Taxation

Deferred Tax is accounted in respect of the timing difference on a Liability method. Deferred Tax asset has been recognized to the extent of virtual certainty of its realization.

(Rupees)

Particulars	Deferred Tax Asset/ Liability) as on 31.03.2011	Deferred Tax Asset/ Liability) as on 31.03.2010
Deferred Tax Asset on account of timing difference in		
i) Preliminary Expenditure written off	NIL	NIL

8. Miscellaneous Expenditure

The Company has written off the entire Preliminary Expenditure in line with accounting standard - 26

9. Figures for the Previous Year have been arranged / regrouped / recast wherever necessary to conform to the current year presentation/ classification.

10. Figures are rounded off to the nearest rupee.

Auditors' Report on Consolidated Financial Statements

To
The Members
BS TRANSCOMM LIMITED.

1. We have audited the attached Consolidated Balance Sheet of BSTRANSCOMM LIMITED ('the Company') and its subsidiaries as at 31st March, 2011 and the Consolidated Profit & Loss Account for the year ended on the date annexed thereto and Consolidated Cash flow Statement for the period ended on that date. These Consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are prepared, in all material respects, in accordance with an identified financial reporting framework and 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. We believe that our audit provides a reasonable basis for our opinion.
3. We have audited the Financial Statements of BS Infratel Limited and did not Audit the Financial Statements of its Subsidiary Sujan Automatics Private Limited as at 31st March, 2011. These financial statements and other financial information have been audited by other auditor whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 for Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.
5. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the said 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 consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2011.
 - (b) In the case of the Consolidated Profit and Loss Account of the consolidated results of operations of the Company and its subsidiaries for the year then ended and
 - (c) In the case of the Consolidated cash flows Statement, of the Consolidated Cash flows of the Company and its subsidiaries for the year then ended.

For SHARAD & ASSOCIATES
Chartered Accountants
Firm Reg.No.063775

Hyderabad, dated this
30th day of May 2011

SHARAD SINHA, Partner
Mem No: 202692

Consolidated Balance Sheet

as at 31st March, 2011

(Rupees)

	Schedules	As at 31.03.2011	As at 31.03. 2010
I SOURCES OF FUNDS			
1 SHAREHOLDERS FUNDS			
Share Capital	1	218,786,600	141,992,500
Reserves & Surplus	2	2,999,715,961	687,883,057
2 LOAN FUNDS			
Secured Loans	3	2,039,254,043	1,668,425,809
Unsecured Loans	4	1,170,850	354,630,000
3 DEFERRED TAX LIABILITY - NET		46,312,494	41,932,884
4 MINORITY INTEREST		10,322,221	10,276,890
Total		5,315,562,169	2,905,141,140
II APPLICATION OF FUNDS			
1 FIXED ASSETS			
Gross Block	5	1,387,528,031	1,216,837,191
Less: Depreciation		265,055,656	132,149,724
Net Block		1,122,472,375	1,084,687,467
Capital Work-in-Progress	6	479,396,015	20,255,994
		1,601,868,389	1,104,943,461
2 INVESTMENTS	7	5,627,470	5,460,820
3 CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	8	1,111,177,161	621,179,536
Sundry Debtors	9	3,001,969,926	2,122,271,119
Cash & Bank Balances	10	220,876,658	94,374,281
Other Current Assets	11	43,927,308	21,275,158
Loans & Advances	12	949,673,856	391,461,955
		4,327,624,909	3,250,562,049
Less: Current Liabilities & Provisions			
a. Current Liabilities	13	1,569,762,178	1,420,010,569
b. Provisions		130,492,775	50,495,221
		1,700,254,953	1,470,505,791
Net Current Assets		3,627,369,955	1,780,056,258
4 Goodwill		4,660,563	4,660,563
5 Miscellaneous Expenditure	14	76,035,792	10,020,038
(To the extent not written off or adjusted)			
6 Significant accounting policies & notes on accounts	23		
(Schedules 1 to 23 annexed form part of accounts)			
Total		5,315,562,169	2,905,141,140

As per our report of even date

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 0072575

For and on behalf of the Board of Directors

M V Joshi, Partner
Membership No: 24784

Rajesh Agrawal
Chairman & Managing Director

Rakesh Agarwal
Managing Director

Mukesh Agarwal
Whole Time Director

Place: Hyderabad
Date: 30.05.2011

Consolidated Profit And Loss Account for the year ended 31st March, 2011

(Rupees)

	Schedules	For the Year ended on 31.03.2011	For the Year ended on 31.03.2010
1 INCOME			
Sales & Services - Gross		9,179,802,461	5,426,193,574
Less: Duties & Taxes on Sales		462,937,714	259,313,248
Net Sales	15	8,716,864,747	5,166,880,326
Other Income	16	15,849,756	11,012,083
Total Income		8,732,714,503	5,177,892,409
2 EXPENDITURE			
Materials Consumed	17	1,970,479,797	2,593,267,984
(Increase) / Decrease in Stock	18	(42,946,140)	(223,660,749)
Other Manufacturing Costs & Turnkey Costs	19	5,234,933,617	2,042,328,792
Personnel Cost	20	208,368,725	79,044,041
Administrative & Selling Expenses	21		
Administration Expenses	A	68,012,534	35,668,479
Selling and Distribution Expenses	B	36,388,524	37,363,386
Public Issue Expenses Written off	23	19,008,948	-
		7,494,246,006	4,564,011,933
3 PROFIT BEFORE INTEREST, DEPRECIATION & TAX		1,238,468,498	613,880,477
Interest & Finance Charges	22	338,787,308	186,414,817
Depreciation	5	132,905,934	57,186,793
Prior Year's Adjustments - Net	23	11,915	480,314
		471,705,157	244,081,924
4 PROFIT BEFORE TAX		766,763,340	369,798,552
Provision for Income Tax		251,180,000	89,500,000
Deferred Tax		4,379,610	37,689,260
Provision for Wealth Tax		205,000	44,000
Prior year Tax - (excess)/ shortfall		443,434	-
Unrealised Profits - Intergroup Transactions		864,212	6,442,955
5 NET PROFIT AFTER TAX		509,691,084	236,122,337
Balance brought forward from previous year		529,426,148	294,028,995
Minority Share of Profit / (Loss)		45,331	725,185
Balance Carried to Balance Sheet		1,039,071,901	529,426,148
Appropriations:			
- Proposed Dividend		21,878,660	-
- Corporate Dividend Tax		3,633,772	-
Balance Carried to Balance Sheet		1,013,559,469	529,426,148
6. EARNING PER SHARE - FACE VALUE OF RS 10/-			
- Basic		23.32	16.61
- Diluted		29.04	16.61
7. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	23		
(Schedules 1 to 23 annexed from part of accounts)			

As per our report of even date
For P Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

For and on behalf of the Board of Directors

M V Joshi, *Partner*
Membership No: 24784

Rajesh Agrawal
Chairman & Managing Director

Rakesh Agarwal
Managing Director

Mukesh Agarwal
Whole Time Director

Place: Hyderabad
Date: 30.05.2011

Consolidated Cash Flow Statement for the year ended on 31st March, 2011

(Rupees)

	For the Year ended on 31.03.2011	For the Year ended on 31.03.2010
A Cash Flow from Operating activities :		
Net Profit after Interest & Depreciation but before Tax	766,763,340	369,798,552
Depreciation	132,905,934	57,186,793
Interest paid	301,575,809	154,830,131
Interest received	(12,137,645)	(3,181,419)
Profit on Sale of Fixed Assets	-	(458,809)
Loss on Sale of Fixed Assets	-	92,634
Bad Debts Written off	-	882,735
Unrealised Profits - Intergroup Transactions	(864,212)	(6,442,955)
Preliminary expenditure written off	-	-
Operating Profit before working capital changes	1,188,243,227	572,707,662
Adjustments for :		
Loans and Advances	(515,168,582)	(374,930,761)
Debtors	(879,698,807)	(1,140,476,126)
Inventories	(489,997,625)	(336,134,745)
Other current Assets	(22,652,150)	(7,072,569)
Current Liabilities & provision	(46,958,131)	999,404,295
Deferred Tax for Subsidiary - Opening	-	(293,300)
Cash generated from operations	(766,232,068)	(286,795,543)
Add: Income Tax paid	(43,043,319)	(61,756,058)
Add: Fringe Benefit Tax paid	-	-
Miscellaneous Expenditure	(66,015,754)	(7,119,431)
Prior Year Expenses	(443,434)	-
Minority Share of Profit / (Loss)	45,331	725,185
Net Cash flow from Operating activities (before & after extraordinary items) " A "	(875,779,906)	(356,396,217)
B. Net Cash from Investing activities :		
(Purchase) / Sale of fixed assets	(170,690,840)	(851,021,758)
Capital Work in Progress	(459,140,021)	235,299,191
Increase in Creditors for Capital Goods	(190,139)	(7,197,288)
(Purchase) / Sale of investments	(166,650)	-
Interest received	12,137,645	3,181,419
Sale of Fixed Assets	-	2,166,416
Fixed Assets of Subsidiary - Opening	-	(9,320,986)
Net cash flow from Investing activities " B "	(618,050,004)	(626,893,005)
C. Cash Flow from Financing activities		
Issue of Share Capital	1,904,493,680	-
Share Application Money	-	-
Bank borrowings & Unsecured Loan	17,369,084	1,191,514,947
Interest paid	(301,575,809)	(154,830,131)
Minority Interest	45,331	10,276,341
Net Cash flow from Financing activities " C "	1,620,332,287	1,046,961,157
D. Net (Decrease) / Increase in Cash and		
Cash Equivalents (A + B + C)	126,502,377	63,671,936
Cash and Cash Equivalents at the beginning	94,374,281	30,702,345
Cash and Cash Equivalents at the end	220,876,659	94,374,281
(includes funds not available for use - Margin Money		
Rs. 214,016,813/- (Previous Year Rs. 84,002,877/-)	0	0

As per our report of even date

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

M V Joshi, Partner
Membership No: 24784

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 30.05.2011

Rajesh Agrawal
Chairman & Managing Director

Rakesh Agarwal
Managing Director

Mukesh Agarwal
Whole Time Director

Schedules Forming Part Of Consolidated

Balance Sheet And Profit & Loss Account

	As at 31.03.2011		As at 31.03.2010	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE : 1				
SHARE CAPITAL				
AUTHORISED				
30,000,000 (Previous year 30,000,000) Equity Shares of Rs.10/- each		300,000,000		300,000,000
Total		300,000,000		300,000,000
ISSUED AND SUBSCRIBED				
2,18,78,660 (Previous year 14,199,250) Equity Shares of Rs.10/- each fully paid up		218,786,600		141,992,500
(Includes 6,892,600 Fully Paid equity shares of Rs. 10/- each allotted as Bonus shares in the ratio of 1:1 out of Securities Premium account during 2007-08)				
Total		218,786,600		141,992,500
SCHEDULE : 2				
RESERVES AND SURPLUS				
- Securities Premium Account				
As per last Balance Sheet	159,705,000			
Amount received during the period (refer note 4)	1,827,699,580		-	
		1,987,404,580		163,914,132
Share Premium		-		(4,209,132)
- Profit & Loss Account				
Balance as per annexed account		1,012,311,378		528,178,057
Total		2,999,715,958		687,883,057

	As at 31.03.2011		As at 31.03.2010	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE : 3				
SECURED LOANS				
Term Loan from				
IDBI Bank *		65,800,000		103,400,000
Axis Bank *		49,933,382		66,600,050
Punjab National Bank *		239,019,103		03,019,103
Tata Capital *		19,820		200,000,000
Working Capital Loans from				
IDBI Bank		-		208,156,912
Syndicate Bank	287,094,459			296,855,476
Axis Bank	73,303,028			36,262,190
Punjab National Bank	299,791,186			233,033,576
State Bank of India	559,722,994			34,339,915
State Bank of Mysore	199,239,777			61,427,430
State Bank of Hyderabad	263,329,945			-
Bill Factoring from				
SBI Factors and Commercial Services Pvt. Ltd		-		109,939,065
		1,682,481,389		980,014,563
Hire Purchase VEHICLES (under Hypothecation)				
ICICI Bank		-		136,101
Reliance Capital		-		296,054
BMW Financial Services	1,554,176			-
HDFC Limited	446,173			-
		2,000,349		432,155
Interest accrued and Due				14,959,938
				-
Total		2,039,254,043		1,668,425,809
* includes Rs. 116,600,000/- Due within 12 months (Previous Year Rs. 189,932,600/-)				
SCHEDULE : 4				
UNSECURED LOANS				
From Directors & Associates		1,170,850		4,630,000
From Punjab National Bank		-		350,000,000
		1,170,850		354,630,000

SCHEDULE : 5 - FIXED ASSETS

	Gross Block - AT COST				Depreciation			Net Block	
	As at 01.04.10	Additions during the Period	Sales / Adjustments during the Period	Up to 31.03.11	Up to 01.04.10	For the year	Adjustments during the Period	Up to 31.03.11	As at 31.03.11
									As at 31.03.10
Freehold Land	62,239,010	-	-	62,239,010	-	-	-	-	62,239,010
Buildings	439,826,223	10,875,321	-	450,701,543	33,559,803	40,958,947	-	74,518,750	376,182,793
Plant & Machinery	652,309,417	104,620,135	-	756,929,552	82,415,758	83,761,599	-	166,177,356	590,752,195
Factory Equipments	8,947,404	-	-	8,947,404	3,124,263	809,999	-	3,934,262	5,013,142
Furniture & Fixtures	4,176,587	4,483,503	-	8,660,090	1,566,701	1,029,307	-	2,596,008	6,064,082
Computers	7,688,233	5,837,437	-	13,525,670	3,469,499	2,168,019	-	5,637,518	7,888,152
Office Equipments	4,451,281	5,964,796	-	10,416,077	1,193,293	1,002,435	-	2,195,729	8,220,348
Vehicles	9,713,916	10,396,003	-	20,109,919	5,608,983	2,090,472	-	7,699,455	12,410,464
Total	1,189,352,071	142,177,194	-	1,331,529,265	130,938,300	131,820,778	-	262,759,078	1,068,770,187
Previous Year	361,796,231	829,724,022	2,168,182	1,189,352,071	75,204,604	56,101,637	367,941	130,938,300	1,058,413,771
INTANGIBLE ASSETS									
PDC-IDD	2,272,824	-	-	2,272,824	883,876	757,608	-	1,641,484	631,340
PDC-Motor ID	3,206,663	-	-	3,206,663	-	-	-	-	3,206,663
PDC-Smart Meter	2,372,958	-	-	2,372,958	-	-	-	-	2,372,958
PDC-Shunt Box	982,644	-	-	982,644	327,548	327,548	-	655,096	327,548
PDC -ACEM	1,239,707	888,240	-	2,127,947	-	-	-	-	2,127,947
PDC-AMR	1,404,379	1,088,515	-	2,492,894	-	-	-	-	2,492,894
PDC-DCEM	2,465,319	3,975,065	-	6,440,384	-	-	-	-	6,440,384
PDC-FMS	3,455,775	2,293,941	-	5,749,716	-	-	-	-	5,749,716
PDC-IDD Version-II	4,164,549	4,358,242	-	8,522,791	-	-	-	-	8,522,791
PDC - IDD Version-III	2,807,699	2,565,364	-	5,373,063	-	-	-	-	5,373,063
PDC- IDD Version -IV	1,888,838	2,074,410	-	3,963,248	-	-	-	-	3,963,248
PDC- POC WTTL	1,223,765	1,174,392	-	2,398,157	-	-	-	-	2,398,157

PDC- POC IT	-	4,486,221		4,486,221	-	-	-	-	4,486,221	-
PDC - IDD AST	-	1,237,676		1,237,676	-	-	-	-	1,237,676	-
PDC Alternate Energy	-	518,663		518,663	-	-	-	-	518,663	-
PDC - Blue Tooth Printer	-	288,096		288,096	-	-	-	-	288,096	-
PDC-General R&D (Core R&D)	-	234,644		234,644	-	-	-	-	234,644	-
PDC-HHD	-	1,287,422		1,287,422	-	-	-	-	1,287,422	-
PDC Reliance POC	-	626,434		626,434	-	-	-	-	626,434	-
PDC-RIAMS	-	70,157		70,157	-	-	-	-	70,157	-
PDC-RMS-TechM (GTL)	-	487,883		487,883	-	-	-	-	487,883	-
PDC-Smart Net-work Optimizer	-	538,265		538,265	-	-	-	-	538,265	-
PDC-Street Light Monitoring System	-	313,016		313,016	-	-	-	-	313,016	-
General R & D Expenses(PDC)	-	7,000		7,000	-	-	-	-	7,000	-
	27,485,120	28,513,646		55,998,766	1,211,424	1,085,156			53,702,186	26,273,696

SCHEDULE : 6

CAPITAL WORK-IN-PROGRESS										
- Plant & Machinery under Erection									74,882,505	2,275,262
- Civil Works (incl Site Development & Materials)									104,405,450	3,842,664
- Other Assets									-	-
- Advances on Capital Account									264,473,576	14,138,068
- Pre-operative expenses (vide Annexure - Schedule 23, Para 6)									35,634,484	-
Total of Capital Work-in-Progress									479,396,015	20,255,994
Previous Year									20,255,994	255,555,185

	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
SCHEDULE : 7		
INVESTMENTS		
(at cost - non trade)		
in Immovable properties - Agricultural Land	5,460,820	5,460,820
in Subsidiary Company - BS InfraTel Limited - Unquoted	-	-
49,940 Equity shares of Rs. 10/- each Fully paid	-	-
in Subsidiary Company - Sujan Automatics Pvt Ltd - Unquoted	-	-
1,305,033 Equity shares of Rs. 10/- each Fully paid		
in SPV - Raichur Sholapur Transmission Company Limited		
33% share in SPV for BOOM Project	166,650	-
Total	5,627,470	5,460,820
SCHEDULE : 8		
INVENTORIES		
Raw Material	358,135,924	208,047,208
Finished Goods	433,754,605	382,196,440
Stores & Consumables	479,181	605,370
Scrap	7,962,379	8,720,839
Work-in-progress (Turnkey Services)	310,845,072	21,609,679
Total	1,111,177,161	621,179,536
SCHEDULE : 9		
SUNDRY DEBTORS		
(Unsecured and considered good)		
Sundry Debtors		
Debts outstanding for a period exceeding 6 months	641,532,516	268,440,450
Others Debts	2,327,277,388	1,831,139,861
Other Receivables - Unbilled Revenue	33,160,023	22,690,808
Total	3,001,969,927	2,122,271,119
SCHEDULE : 10		
CASH AND BANK BALANCES		
Cash on Hand	1,490,661	950,731
Balances with Scheduled Banks in:		
Current Accounts	5,369,184	9,420,673
Fixed Deposits	214,016,813	84,002,877
(Pledged against Guarantees and LC's issued by the bankers as Margin Money)		
Total	220,876,658	94,374,281
SCHEDULE : 11		
OTHER CURRENT ASSETS		
(Unsecured, considered good)		
recoverable in cash or kind for the value to be received	10,991,151	3,393,654
Other Deposits	22,541,112	8,985,622
Duties and Taxes	10,395,045	8,895,883
Total	43,927,308	21,275,158

	As at 31.03.2011	As at 31.03.2010
	(Rupees)	(Rupees)
SCHEDULE : 12		
LOANS & ADVANCES		
(Unsecured, considered good, recoverable in cash or in kind for value to be received)		
Advances to Suppliers	863,900,110	364,358,457
Advances to Staff	5,637,703	5,085,153
Advance Tax & TDS	677,516	677,516
Advances to Others	68,347,823	15,653,865
Prepaid Expenses	11,110,704	5,686,965
Total	949,673,856	391,461,955
SCHEDULE : 13		
CURRENT LIABILITIES & PROVISIONS		
a. Current Liabilities		
Sundry Creditors		
Due to Micro Small Medium Enterprises (refer note no. 6)	-	-
Due to Others	849,371,623	1,076,924,285
Creditors for Capital Goods	146,976,500	146,786,362
Advance from Customers	373,589,525	61,283,368
Book overdraft in Current Account with Banks	467,580	526,829
Duties and Taxes	132,494,522	17,595,249
Other Liabilities	66,862,427	116,894,476
	1,569,762,178	1,420,010,569
b. Provisions		
Provision for Taxation	95,730,917	45,218,918
Provision for FBT	1,355,908	1,355,908
Provision for Wealth Tax	251,696	104,000
Provision for Gratuity	2,641,011	856,721
Provision for Leave Encashment	5,000,811	2,959,674
Proposed Dividend	21,878,660	-
Provision for Corporate Dividend Tax	3,633,772	-
Total	1,700,254,953	1,470,505,791
SCHEDULE : 14		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Public Issue Expenses	95,044,740	10,020,038
Less: Written off during the year	19,008,948	-
Total	76,035,792	10,020,038
SCHEDULE : 15		
SALES & OPERATING INCOME		
Sales	2,237,101,027	2,689,761,747
Conversion Charges	23,960	14,028,103
Turnkey Services	6,477,639,760	2,461,290,476
Consultancy Charges	2,100,000	1,800,000
	8,716,864,747	5,166,880,326

	As at 31.03.2011	As at 31.03.2010
SCHEDULE : 16		
OTHER INCOME		
Commission	-	390,986
Interest	12,137,645	3,181,419
Profit on Sale of Fixed Assets	-	458,809
Credit balances written back	36,681	4,338,534
Other Income	3,675,430	2,569,735
Rent	-	72,600
Total	15,849,756	11,012,083
SCHEDULE : 17		
MATERIALS (includes traded goods)		
Opening Stock	244,812,382	130,618,018
Add: Purchases (Net)	2,054,170,371	2,623,607,874
Add: Goods dismantled and moved to Raw Material Stock	19,350,095	-
	2,318,332,848	2,754,225,892
Less: Closing Stock	422,968,970	244,812,382
Consumption of Materials	1,895,363,878	2,509,413,510
B. STORES & SPARES AND CONSUMABLES		
Opening Stock	605,370	13,063,151
Add: Purchase (Net)	74,989,731	71,396,693
	75,595,101	84,459,844
Less: Closing Stock	479,181	605,370
Consumption of Stores & Spares and Consumables	75,115,919	83,854,474
TOTAL (A+B)	1,970,479,797	2,593,267,984
SCHEDULE : 18		
(INCREASE)/DECREASE OF STOCK		
(Increase) / Decrease in Stocks		
Opening Stock		
Finished Goods	351,874,221	135,677,455
Scrap	8,720,839	1,256,856
	360,595,060	136,934,311
Less: Goods dismantled and moved to Raw Material Stock	19,350,095	-
	341,244,965	136,934,311
Closing Stock		
Finished Goods	376,228,726	351,874,221
Scrap	7,962,379	8,720,839
	384,191,105	360,595,060
(Increase) / Decrease in Stocks	(42,946,140)	(223,660,749)

	As at 31.03.2011	As at 31.03.2010
	(Rupees)	(Rupees)
SCHEDULE : 19		
OTHER MANUFACTURING & SUBCONTRACTOR COSTS		
Crane Hire Charges	1,683,002	735,573
Power & Fuel	29,201,028	11,165,711
Subcontractor Charges	5,091,587,081	1,946,241,109
Transportation Charges	3,109,909	2,078,171
Excise Duty on Finished Goods	14,088,423	17,890,998
Freight, Loading & Unloading Charges	38,900,437	23,801,586
Job Work & Labour charges	48,025,243	38,669,291
Repairs & Maintenance - Building	221,604	220,588
Repairs & Maintenance - Plant & Machinery	1,059,867	541,255
Other Charges	7,057,023	984,510
Total	5,234,933,617	2,042,328,792
SCHEDULE : 20		
PERSONNEL COST		
Salaries, Wages, Bonus and other benefits	191,638,962	71,721,482
Contribution to Provident and other funds	14,392,138	5,773,576
Staff Welfare Expenses	2,337,625	1,548,983
Total	208,368,725	79,044,041
SCHEDULE : 21		
ADMINISTRATIVE AND SELLING EXPENSES		
Rent		
- Premises	5,192,377	2,727,028
- Others	395,163	127,137
Rates & Taxes	1,841,887	2,157,166
Service Tax	474,199	9,879
Insurance	4,857,185	2,802,852
Advertisement	513,824	225,491
Legal and Professional	13,759,631	3,917,977
Postage and Telephone	5,549,993	3,446,433
Printing and Stationery	2,103,637	1,515,229
Security Charges	3,766,618	1,902,278
Travelling and Conveyance	23,997,711	11,687,000
Travelling Expenses - Directors	1,658,249	200,285
Auditors Remuneration	320,000	346,821
Bad Debts written off	-	982,509
Donations	55,461	21,000
Directors Sitting Fees	220,000	220,000
Electricity Charges	1,416,489	958,081
Repairs & Maintenance - Others	1,457,205	1,406,472
Loss on Sale of Fixed Assets	-	92,634
Miscellaneous Expenses	432,905	922,208
Total	68,012,534	35,668,479

SELLING AND DISTRIBUTION EXPENSES		
Freight & Forwarding Expenses	34,747,181	36,605,241
Business Development Expenses	880,736	575,274
Commission on Sales	760,608	182,871
Total (B)	36,388,524	37,363,386
Total (A+B)	104,401,058	73,031,866
SCHEDULE : 22		
INTEREST ON		
Term Loan	72,411,720	29,817,116
Others	229,164,089	125,013,565
Bank & Financial Charges	37,211,500	31,584,136
Total	338,787,308	186,414,817
SCHEDULE : 23		
Public Issue Expenses Written off		
Public Issue Expenses Written off	19,008,948	-
Prior Period Expense W/off	-	-
	19,008,948	

NOTES TO CONSOLIDATED ACCOUNTS

SCHEDULE – 23

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Conventions

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income and expenditure in the financial statements are recognized on accrual basis.

2. Use of estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements, the amounts of revenue and expenses during the reported period. Actual results could differ from those of estimates. Any revision to such estimates is recognized in the period the same is determined.

3. Principles of consolidation

The consolidated financial statements relates to BS TRANSCOMM LIMITED and its subsidiary BS INFRATEL LIMITED (share holding 99.88%, incorporated in India) and SUGAN AUTOMATICS PRIVATE LIMITED (share holding 63.25%,incorporated in India) as at March 31st, 2011 have been prepared on the following basis;

a) The financial statements of the company and its subsidiary have been consolidated on line-by-line basis by adding together the book values of like items of Assets, Liabilities, income and expenses, after fully eliminating intra – group balances,intra group transactions and unrealized profits on stocks arising out of intra group transactions as per Accounting standard 21 – “consolidated financial statements” notified by the companies(Accounting standard) rules, 2006

b) Minority interest in the net assets of the consolidated subsidiary is identified and presented in consolidated balance sheet separately from current liabilities and equity of the company.

Minority interest in the net assets of consolidated subsidiary consists of;

a. the amount of equity attributable to minorities at the date on which investment in subsidiary is made and

b. The minorities share of movement in the equity since the date the parent subsidiary relationship came in to existence.

c) Minority interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the companies separate financial statements

4. Revenue Recognition

Revenue from the sale of goods is recognized at the point of dispatch of materials to customers; income from turnkey services is accounted on the basis of billing to customers and includes unbilled revenue accrued up to the end of the accounting year.

5. Fixed Assets

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation. Apart from taxes (Excluding CENVAT) all costs including financial costs up to the date of commissioning and attributable to the fixed assets, freight and other incidental expenses related to the acquisition and installation of the respective fixed assets are capitalized.

Capital work-in-progress is stated at the amount expended (includes taxes and duties) up to the date of balance sheet and includes advances paid to supplies and contractors towards capital work.

6. Pre – operative expenses

Expenditure during the construction period (including Financing cost relating to borrowed funds for construction or acquisition of Fixed assets) incurred on project during implementation are treated as pre-operative expenses, pending allocation to the assets, and are included under “Capital Work-in-progress”.

7. Borrowing costs

Borrowing cost attributable to acquisition and construction of assets are capitalized as part of cost of such assets up to the date when such assets are ready for intended use.

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

8. Depreciation

Depreciation on Fixed Assets including on the additions is provided on written down basis at the rates specified in the Schedule XIV to the Companies Act, 1956 (as amended from time to time).

9. Impairment of assets

Impairment of asset is reviewed and recognized in the events of changes and circumstances indicate that the carrying amount of an asset is not recoverable. Difference between the carrying amount of an asset and the recoverable value is recognized as impairment loss in the statement of profit and loss in the year of impairment.

10. Inventories

Inventories are valued as under.

- i) Raw materials, stores and spares - at cost.
- ii) Finished Goods and work-in-progress - at cost or net realizable value whichever is lower. Cost include cost of direct material, labor, Factory overhead including excise duty.
- iii) Trading Goods - at cost or net realizable value whichever is lower.
- iv) Scrap - at net realizable value.

11. Investments

Long Term Investments are stated at cost. Cost includes registration and other direct expenses. Provision for diminution other than temporary in the value of Long Term Investments is made in the accounts.

12. Taxes on Income

Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made at current tax rates based on assessable income. Deferred income taxes are recognized for the future tax consequences attributable to timing differences using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty

that sufficient future taxable income will be available against which such deferred tax assets can be realized.

13. Contingencies

Loss contingencies arising from claims, litigation, assessments, fines, penalties, etc., are provided for when it is probable that a liability may be incurred and the amount can be reliably estimated.

14. Retirement Benefits

Liability in respect of retirement benefits is provided and charged to the Profit & Loss Account as follows:

Gratuity – Liability in respect of Gratuity to employees is provided based on Actuarial valuation at the balance sheet date done by an Independent actuary.

Leave Encashment – Liability in respect of Leave Encashment is provided based on Actuarial valuation at the balance sheet date done by an Independent actuary.

Provident Fund – Provident Fund is administered through the Regional Provident Fund Commissioner and Company's contribution is remitted accordingly.

15. Earnings per share (EPS)

The company reports its Earning per share (EPS) in accordance with Accounting standard – 20.

II. NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
i) Bills Discounted with banks	689,538,265	243,961,947
ii) Bank Guarantees given by Banks	1,229,922,189	343,929,658
iii) Claims contested by the company	500,000	500,000
iv) Claims by Customs & Income Tax	NIL	NIL
v) Claims by Sales Tax Authorities – contested by the company	33,891,667	NIL
2.Estimated amount of Contracts remaining to be executed on Capital account and not provided for (net of advances)	22,559,000	4,753,723

3. Share capital

The company has during the financial year 2010-11 issued 7,679,410 equity shares of 10/- each at a premium of Rs.238/- per share pursuant to companies Initial Public Offering.

4. Security Premium

The paid up capital of the company stands increased in the financial year 2010-11 consequent to Issue and allotment of Shares under the Initial Public Offering of the company at Rs 248/- per share of Rs 10/- each at a premium of Rs 238/- per share.

Consequent to the above the security premium account under Reserves & Surplus stands at Rs.1,987,404,580/- during the financial year 2010-11.

5. Secured Loans

Term Loans

a) Term Loans from IDBI Bank, Axis Bank and Punjab National Bank are secured by:

- first equitable mortgage and charge on all fixed assets, both present and future of the company situated at Survey No. 82,83, 92-95 & 107, Athvelly Village, Medchal Mandal, R.R.Dist.
- first equitable mortgage and charge on all fixed assets, both present and future of the company situated at Survey No. 41, Majidpally Village, Toopran Mandal, Medak District. Andhra.
- further secured by second paripassu charge on entire current assets of the company.

b) Term Loan from Tata Capital Limited (TCL) taken on 30th Oct 2009 to fund the long term working capital requirement of the company. The loan is secured by unconditional and Irrevocable Personal Guarantees of Mr. Rajesh Agarwal and Mr. Mukesh Agarwal. Promoters have also pledged shares held by them in the company to the tune of 2.0 times of the loan amount till the time of satisfactory clearance of security documentation as prescribed by TCL. Post this, the 0.5 times of such shares pledged would be revoked back by TCL.

Further the above loan is secured by a charge on Land situated at Sy.No. 119, 120, 121 and 122 at athvelly village, Medchal Mandal, Ranga Reddy District admeasuring Ac.3.10 guntas.

Term Loan from Tata Capital Limited (TCL) has been paid back during the year.

Working Capital loans

Working Capital loans from Syndicate Bank, Axis Bank, Punjab National Bank, State Bank of India and State Bank of Mysore & State Bank of Hyderabad is under a working capital consortium with State Bank of India being the consortium Leader.

The working capital loans are secured by first exclusive charge on stocks, receivables, spares, consumables and other current assets of the Company, present and future. Collateral security of equitable mortgage of property situated at Plot No. 42 (part) in Survey No. 258/1 & 259 situated at Jeedimetla Industrial Area, Shapurnagar, RR District, AP admeasuring appx 22,439.26 sq. yds in the name of Agarwal Developers and Residential Flat No: 103, 2nd Floor Block "D", Trendset Valley View

Apartments at Banjara Hills Road Number 6 Hyderabad in the name of Mr Rakesh Agarwal & Mr Mukesh Agarwal. The above loans are further secured by Pari passu second charge on the entire fixed assets of our Company, both present and future.

All Term Loan (except Tata Capital Limited) & Working Capital Loans are further secured by:

- 30% pledge of equity shares of the company held by promoters as collateral security ranking paripasu
- Corporate guarantee of i-Vantage India Private Ltd,
- Personal guarantees of Shri Rajesh Agrawal (Managing Director), Shri Rakesh Agarwal (Joint Managing Director) and Shri Mukesh Agarwal (Whole time Director) of the company

6. Un-Secured Loans

Short Term Loan from Punjab National Bank taken on 31st Dec 2009 to build up the Net working capital and for meeting the deficit on account of cash flow mismatches.

Mr. Rajesh Agarwal, Mr Rakesh Agarwal and Mr. Mukesh Agarwal have given personal security for the above loan by way of postdated cheque.

This loan has been paid back during the current year.

7. Details of Preoperative Expenditure – Included under Capital Work in Progress

Particulars	2010-11 (Amount in Rs.)	2009-10 (Amount in Rs.)
Consultant Fees	1,232,750	NIL
Electricity Charges	720,000	NIL
Salaries & Wages (includes statutory contributions)	10,004,186	NIL
Travel Expenses	99,921	NIL
Other Miscellaneous Expenses	23,577,627	NIL
Total	35,634,484	NIL

8. Micro, Small and Medium Enterprises Development Act

The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence names of Micro, Small and Medium Enterprises to whom the company owes any sum together with interest unpaid as on the date of balance sheet is not ascertainable.

9. Particulars of Managerial Remuneration (in Rupees)

Particulars	Year ended 31.03.2011				Year ended 31.03.2010			
	Managing Director *	Joint Managing Director*	Whole-time Director*	Executive Director **	Managing Director	Joint Managing Director	Whole-time Director	Executive Director
Salary/ Commission	36,00,000	24,00,000	24,00,000	20,35,000	24,65,000	24,00,000	24,00,000	16,45,000
Perquisites & other benefits	-	-	-	-	-	-	-	-
PF & other funds	-	-	-	-	-	-	-	-
Total	36,00,000	24,00,000	24,00,000	20,35,000	24,65,000	24,00,000	24,00,000	16,45,000

* The Board approved the payment of remuneration in the form of commission to the Managing Director, Joint Managing Director and the Whole-time Director. The same was fixed at 1% of Net profit after Tax but before Director Commission or the remuneration already fixed whichever is lower.

* Executive Director Salary of the Company is paid till Feb 2011.

Auditors' Remuneration

(In Rupees)

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
Statutory Audit Fees	1,50,000	1,50,000
Tax Audit Fees	50,000	50,000
Certification & Others	5,50,000	50,000
Service Tax	77,250	25,750
Total	8,27,250	275,750

11) Related Party Disclosures:

I) List of Related parties with whom transactions have taken place and nature of relationship:

- | | | |
|--|---|------------------------------------|
| i) Subsidiary | : | BS Infratel Ltd |
| | : | Sugan Automatics Private Limited |
| ii) Key management personnel | : | Mr. Rajesh Agrawal |
| | : | Mr. Rakesh Agarwal |
| | : | Mr. Mukesh Agarwal |
| | : | Mr. D G Sohony |
| | | (Executive Director till Feb 2011) |
| iii) Relatives of Key management personnel | : | Mrs. Reema Agarwal |
| | : | Mrs. Rakhee Agarwal |
| | : | Mrs. Shalini Agarwal |
| | : | Mrs. Shakuntala Devi Agarwal |
| iv) Concerns in which Key management personnel have substantial interest | : | Shivganga Infrastructures Ltd. |
| - (significant interest entities) | : | Agarwal Developers |
| | : | I-Vantage India Pvt Ltd |
| | : | I-Vantage Apac Pvt.Ltd. |

II) Aggregated related party transactions:

Sl. No	Particulars	Key Management Personnel		Relatives of Key Management Personnel		Subsidiary & Associate Companies	
		Current Year	Previous year	Current Year	Previous Year	Current Year	Previous Year
1.	Remuneration/ Commission	10,435,000	8,910,000	-	-	-	-
2.	Advances given	36,604	730,058	-	-	58,957,035	20,618,000
3.	Advances received back	-	730,058	-	-	1,000,000	8,000,000
4.	Unsecured Loan taken/ (Repayment)	-	-	-	(400,000)	-	-
5.	Reimbursement of Expenses - paid	-	-	-	-	2,272,196	2,314,439
6.	Reimbursement of Expenses - received	-	-	-	-	-	3,398,166
7.	Share Purchase **	-	14,731,962	-	-	-	-
8.	Sales	-	-	-	-	17,366,757	81,350,018
9.	Interest paid/ (Received)	-	-	-	-	5,317,510	(197,206)
10	Advance for Land Purchase	7,500,000	-	-	-	-	-

** Share purchase pertains to the Investment bought by the company in M/s Sugan Automatics Pvt Ltd from the promoters. The Investment was bought at the same price at which it was acquired by the promoters and as on date the amount is still payable by the company to the promoters for such purchase.

12. Additional information pursuant to the provision of paragraphs 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956 is as under:

(A) Capacity & Production:

	Year ended 31.03.2011 Delicensed	Year ended 31.03.2010 Delicensed
a) Licensed capacity *	-	-
b) Installed capacity (As certified by the Management & relied upon by the auditors being a technical matter)		
Towers Manufacturing **	120000*	120000*
Integrated Structural Mill (Tonnes per annum)	90000*	90000*
Actual Production	79173	44839

* The Products manufactured by the company are under De-licensed category.

** Galvanizing Unit for 84000 MTPA is under commissioning.

(B) Production/ Sales & Stock:

	As at 31.03.2011		As at 31.03.2010	
	Quantity (Tonnes)	Value (Rs. In Lakhs)	Quantity (Tonnes)	Value (Rs. In Lakhs)
c) Opening Stock of				
- Goods (Includes Traded Goods)	8407.615 (1520.412)	3,480.18	3919.980 (325.213)	1,751.92
d) Closing Stock of				
- Goods (Includes Traded Goods)	7857.545 (668.812)	3,653.15	8407.615 (1520.412)	3,480.18
e) Production/ Dealt	81153.864	--	88353.899	--
f) Sales (Includes Traded Goods)	81743.772 (2832.820)	30,160.48	83429.040 (43319.850)	27,672.16

(C) Raw Material Consumed:

g) Raw Material Consumed *				
- Steel	73934.041	14577.09	39100.729	8,290.99

* There is no individual item of Raw Material consumed exceeding 10% of the total value of Raw Material Consumed

(D) Value of Raw Material Consumed (Imported & Indigenous) and Components & Spare parts:

	As at 31.03.2011		As at 31.03.2010	
	%	Value in Lacs	%	Value in Lacs
h) Raw Material consumed				
Imported	0.00	0.00	0.00	0.00
Indigenous	100.00	14,577.09	100.00	8,256.81
	-----	-----	-----	-----
Total	100.00	14,577.09	100.00	8,256.81
	-----	-----	-----	-----
i) Value of Imported Components & Spare parts	NIL	NIL	NIL	NIL

13. Earning per Share (EPS)

The Basic and Diluted EPS is Calculated as under:

Particulars	March 31 st 2011	March 31 st 2010
a) Profit after Tax during the year (Rs.)	510,427,341	235,397,152
b) Earnings available to Equity Shareholders for Basic & Diluted EPS(Rs.)	510,427,341	235,397,152
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	21,878,660	14,199,250
- Diluted	17,754,922	14,199,250
d) Earning per Share (b/a)		
- Basic	23.33	16.61
- Diluted	28.75	16.61
e) Nominal Value per Share	10	10

14. Deferred Taxation

Deferred Tax is accounted in respect of the timing difference on a Liability method. Deferred Tax asset has been recognized to the extent of virtual certainty of its realization.

A) Parent Company : BS TransComm Limited

(Rupees)

Particulars	Deferred Tax Asset/ (Liability) as on 31.03.2011	Deferred Tax Asset/ (Liability) as on 31.03.2010
Deferred Tax Liability on account of timing difference in		
i) Depreciation	(47,618,802)	(43,249,441)
Deferred Tax Asset on account of timing difference in		
ii) Provision for Leave Encashment & Gratuity	1,289,529	1,105,717

B) Subsidiary Companies :

(i) Sujan Automatics Private Limited

(Rupees)

Particulars	Deferred Tax Asset/ (Liability) as on 31.03.2011	Deferred Tax Asset/ (Liability) as on 31.03.2010
Deferred Tax Asset on account of timing difference in		
i) Depreciation	(1,79,083)	24,582
ii) Provision for Leave Encashment & Gratuity	1,83,672	1,74,068
Total Deferred Tax Asset	4,589	1,98,650

ii) BS Infratel Limited

(Rupees)

Particulars	Deferred Tax Asset/ (Liability) as on 31.03.2011	Deferred Tax Asset/ (Liability) as on 31.03.2010
Deferred Tax Asset on account of timing difference in		
i) Loss Carried forward	12,190	12,190
Total Deferred Tax Asset	12,190	12,190

15. Utilisation of IPO Funds

The company has raised Rs.19045 Lakhs from IPO during the year; utilisation of the said funds is as follows:

Particulars	Amount (Rs In Lacs)	
Funds received through IPO		19,044.94
Utilisation of funds		
Repayment of Loans	5,499.80	
Capital Expenditure	4,773.76	
General Corporate Purpose	109.00	
IPO Expenses	950.45	
		11333.01
Balance as on 31 March 2011 *		7,711.93
* As on 31 Mar 2011 balance of unutilised funds used in existing working capital requirement on a temporary basis		

16. Employee Benefits:

A) Parent Company : BS TransComm Limited

a) Defined Benefit Plan

The details of the Company's post – retirement benefit plans for its employees including whole time directors are given below which are certified by an Independent Actuary.

Particulars	Gratuity (Rs.)		Compensated absences (Rs.)	
	2010-11	2009-10	2010-11	2009-10
(A) Net Assets / (Liability) recognized in the balance sheet As at 31st March				
Present Value of Obligation	2,437,760	7,30,718	46,09,654	25,22,349
Fair Value of Plan Assets	-	-	-	-
Liability / (Assets)				
Unrecognized past service Cost	-	-	-	-
Liability / (Assets) recognized in the Balance Sheet	2,437,760	7,30,718	46,09,654	25,22,349
(B) Component of Employer's Expense				
Current service cost	1,588,178	4,74,072	-	-
Interest cost	189,738	72,178	-	-
Expected return on planned assets	-	-	-	-
Net actuarial gain / (loss)	(70,874)	(3,54,408)	-	-
Past service cost	-	-	-	-
Expenses to be Recognized in the Profit and loss Account as per actuarial valuation	1,707,042	1,91,842	-	-
Actual expenses/(Excess provision written back) recognized in the Profit & Loss Account	1,707,042	1,91,842	20,87,305	17,65,194
(C) Movement in the Net Liability recognized in the Balance Sheet				
Opening Net Liability as on 1 st April	7,30,718	5,38,876	25,22,349	7,57,155
Expenses/(Excess provision written back) recognized in the Profit & Loss Account	1,707,042	1,91,842	20,87,305	17,65,194
Employer contribution	-	-	-	-
Payment made to employee on retirement	-	-	-	-
Closing Net Liability as on 31 st March,2009	2,437,760	7,30,718	46,09,654	25,22,349
(D) Actuarial Assumptions				
Discount Rate (Per annum)	8.10%	8.20%	8.10%	8.20%
Mortality	LIC(1994-96) ultimate	LIC(1994-96) ultimate	LIC(1994-96) ultimate	LIC(1994-96) ultimate
Expected Rate of return on Plan Asset (per annum)	0.00%	0.00%	0.00%	0.00%
Salary Escalation rate (Per Annum)	7.00%	7.00%	7.00%	7.00%
Valuation Method	Projected unit cost method	Projected unit cost method	Projected unit cost method	Projected unit cost method

Note:

1) Actuarial valuation is worked out considering attrition rate and estimates of future salary increase taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Subsidiary Companies :

Sugan Automatics Private Limited

Defined Benefit Plan

A) The details of the Company's post – retirement benefit plans for its employees including whole time directors are given below which are certified by an Independent Actuary.

particulars	Gratuity (Rs.)		Compensated absences (Rs.)	
	2010-11	2009-10	2010-11	2009-10
(A) Net Assets / (Liability) recognized in the balance sheet As at 31st March				
Present Value of Obligation	2,03,251	1,26,003	3,91,157	4,37,325
Fair Value of Plan Assets				
Liability / (Assets)	-	-	-	-
Unrecognized past service Cost	-	-	-	-
Liability / (Assets) recognized in the Balance Sheet	2,03,251	1,26,003	3,91,157	4,37,325
(B) Component of Employer's Expense				
Current service cost	94,092	-	-	-
Interest cost	18,030	-	-	-
Expected return on planned assets	-	-	-	-
Net actuarial gain / (loss)	(34,874)	-	-	-
Past service cost	-	-	-	-
Expenses to be Recognized in the Profit and loss Account as per actuarial valuation	-	-	-	-
Actual expenses/(Excess provision written back) recognized in the Profit & Loss Account	2,03,251	1,26,003	3,91,157	4,37,325
(C) Movement in the Net Liability recognized in the Balance Sheet				
Opening Net Liability as on 1 st April	1,26,003	-	4,37,325	-
Expenses/(Excess provision written back) recognized in the Profit & Loss Account	2,03,251	1,26,003	3,91,157	4,37,325
Employer contribution	-	-	-	-
Payment made to employee on retirement	-	-	-	-
Closing Net Liability as on 31 st March	2,03,251	1,26,003	3,91,157	4,37,325

(D) Actuarial Assumptions				
Discount Rate (Per annum)	8.10%	8.20%	8.10%	8.20%
Mortality	LIC(1994-96) ultimate	LIC(1994-96) ultimate	LIC(1994-96) ultimate	LIC(1994-96) ultimate
Expected Rate of return on Plan Asset (per annum)	0.00%	0.00%	0.00%	0.00%
Salary Escalation rate (Per Annum)	7.00%	7.00%	7.00%	7.00%
Valuation Method	Projected unit credit method	Projected unit cost method	Projected unit credit method	Projected unit cost method

Note:

1) Actuarial valuation is worked out considering attrition rate and estimates of future salary increase taking into account of inflation, Seniority, promotion and other relevant factors, such as supply and demand in the employment market.

BS Infratel Limited

The relevant provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952, Employees State Insurance Act, 1948, Payment of Gratuity Act 1972 and Payment of Bonus Act, 1965 are not applicable to the company.

B) Defined contribution plan

Amount recognized as an expense and included in schedule 20 under the head "contribution to provident and other funds" Rs. 1,43,92,138/- (Previous year Rs. 57,73,576/-).

17. Employee stock purchase plan (ESPP)

During the year 2008-09 the company announced a Employee stock purchase plan (ESPP) to its eligible employees as defined in employee stock purchase plan scheme approved by the shareholders at the Extraordinary General Meeting of the Company held on 20th May 2008. On 7th June 2008, 64,250 equity shares of Rs.10/- each at a price of Rs.50/- per share including premium of Rs.40/- per share were allocated to the eligible employees in terms of the scheme. The fair value of share as valued by the merchant banker as on 31st March 2008 is Rs.33.13 per share. Since, the fair value of the share is less than the allotted price; no disclosure is made for employee stock compensation as per the "Employee stock option scheme and Employee stock purchase scheme guidelines 1999 (as amended) issued by securities and exchange board of India.

Details of information relating to ESPP are as below:

Sl.No	Particulars	
1	Rights attached to the allotted shares to eligible employees	- Rank pari-passu with existing shares and eligible for listing - right to receive dividend or the right to vote or to enjoy any other benefits
2	Lock - in period	- one year from the date of allotment
3	Fair value price estimated by the merchant bankers	Rs. 33.13 per share
4	Allotted price	Rs. 50/- per share (Face value of Rs.10/- each)
5	No.of Equity shares allotted during the year	64,250
6	Out standing no.of shares for allotment at the end of the year	---nil---
7	Employee stock compensation Expenses arising from allotment of shares under ESPP.	---nil---

18. Segment Reporting

The Company is primarily engaged in the business of Engineering, Procurement and Construction business (EPC). As such there is no other separate reportable segment as defined by Accounting Standard - 17 "Segmental Reporting".

19. Misc. Expenditure

Share issue expenses:

Expenditure related to the public issue of shares amounting to Rs. 95,044,740/- will written off / adjusted commencing with the current year and as such an amount of Rs. 18,953,824/- is charged to Profit & Loss account.

20. Balances relating to Debtors, Creditors, Loans and Advances are subject to reconciliation & confirmation.

21. During the year the Company has made an investment of Rs 62,944,270/- by acquiring 1/3rd share in SPV for BOOM Project awarded by Rural Electrification Corporation.

Details of Investments made by company:

Particulars	March 31 st 2011	March 31 st 2010
Land at Cherlapally	5,460,820	5,460,820
BS Infratel Limited	499,400	499,400
Sugan Automatics Private Limited	22,347,092	22,347,092
Investment in SPV for BOOM Project	62,944,270	-

22. Cash Inflow/ Outflow in Foreign Currency

Capital Purchases

31st March 2011 31st March 2010
Rs. 6,929,845/- Rs. 35,066,794/-

23. Figures for the previous year have been rearranged/ regrouped / recast wherever necessary to conform to the current year presentation/ classification.

24. Figures are rounded off to the nearest rupee.

Signatures to Schedules 1 to 23

As per our report of even date

For P. Murali & Co.,

Chartered Accountants

Firm Regn No: 007257S

For and on behalf of the Board of Directors

M V Joshi

Partner

Membership No: 24784

Rajesh Agrawal
Chairman & Managing Director

Rakesh Agarwal
Managing Director

Mukesh Agarwal
Whole Time Director

Place: Hyderabad

Date: 30.05.2011