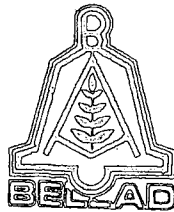


BELL AGROMACHINA  
LIMITED



17TH

ANNUAL REPORT

2005 - 2006



# CELL-AGROMACHINA LTD.

## Board of Directors

|                   |   |                    |
|-------------------|---|--------------------|
| Mr S.G.BELLAD     | - | Executive Director |
| Mr V.G.HIREMATH   | - | Director           |
| Mr MEENA UMACHAGI | - | Director           |

## Auditor

M/s. ADINAVAR & CO.  
Chartered Accountants

## Bankers

STATE BANK OF INDIA  
Commercial Branch  
Station Road, HUBLI.

## Registered Office

HUBLI - 580114.  
A DHARWAD  
S. KHALGHATAGI.  
KARNATAKA STATE

| INDEX  |                            |          |
|--------|----------------------------|----------|
| Sl.No. | Particulars                | Page No. |
| 1.     | Notice                     | 2        |
| 2.     | Directors Report           | 3        |
| 3.     | Corporate Governance       | 5        |
| 4.     | Auditors Report            | 12       |
| 5.     | Balance Sheet              | 17       |
| 6.     | Profit & Loss A/c.         | 19       |
| 7.     | Schedules                  | 20       |
| 8.     | Notes to Accounts          | 27       |
| 9.     | Proxy form/Attendance slip | 28       |

Please bring your copy of the Annual Report to the Meeting

**Notice :**

Notice is hereby given that the Seventeenth Annual General Meeting of BELL AGROMACHINA LIMITED will be held at the registered office on 30-9-2006 at 3-00 p.m. to transact the following business.

**Ordinary Business :**

1. To receive, consider and adopt the Balance Sheet as at 31st March 2006 and the Profit and Loss Account for the year ended on that date. Also Reports of the board of Directors and Auditors there on.
2. To appoint a Director in place of Mr. S.G. Bellad who retires by rotation and being eligible, himself for re-appointment He offers himself.
3. To appoint Auditors and to fix their remuneration. The retiring Auditors M/s H N Adinavar & Co., are eligible for re-appointment.
4. To the company was made continuous loss. In the present situation company to change main object to software development.

By order of the Board  
Sd/-  
(S.G. BELLAD)  
Director

Date : 27th August 2006

Regd. Office : Jodalli-580 114.  
Kalaghatagi Taluk

**NOTES :**

1. A Member entitled to attend and vote or entitled to appoint Proxy, who can attend and vote and proxy need not be a member.
2. The Register of Member and Share Transfer books of company will remain closed from 21-09-2006 to 30-09-2006 (both days inclusive).
3. The shareholders are requested to intimate the change of address if any to the Registered Office.

Directors Report :

Share Holders

Our Directors have pleasure in presenting their 17th Annual General Report together with the Audited Statement of Accounts for the period ended 31st March 2006.

Financial Results :

|                                      | 2005-2006<br>(In Lakhs) | 2004-2005<br>(In Lakhs) |
|--------------------------------------|-------------------------|-------------------------|
| Profit before Depreciation and taxes | --                      | --                      |
| Depreciation                         | --                      | --                      |
|                                      | -----                   | -----                   |
| Profit After Tax (Profit+/-Loss)     | --                      | --                      |
| Profit before tax                    | --                      | --                      |
| Provision for tax                    | Nil                     | Nil                     |
| Profit carried to Balance Sheet      | --                      | --                      |

Comments :

During the twelve months period under review, the company did not able to do any turnover. The Directors regret that they are not in a position to recommend any dividend for the year under review as there is a huge loss.

The company did not make the profits because market for Agricultural Machinery is worst for high cost implements. The supply of spares of Rotary Harrows and diggi, which are available to develop indigenously, had some problems. The business for the year was not promising and the Directors have got hope that the production will start in the coming year. The implements market itself in doldrums because of continuous drought and roadside factories in the competition.

Outlook :

The company has become active since one year and the company is not able to function properly as the market for the agricultural machinery is not encouraging even to revive the business. The efforts of the Directors over the years have not found any concrete improvement and the company decided its the objects clause of the Memorandum of Association to bring in Software business for the company is slowly building the necessary infrastructure and the establishment of a software technology park in Hubli and the revival of the software markets should give a boost to the business.

**Director's Responsibility Statement:**

In terms of Section 217 (2AA) of the Companies Act, 1956 and for the financial year from 1-4-2005 to 31-3-2006, the Directors hereby state as follows :

1. In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures-
2. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956.
4. The Directors had prepared the annual accounts on going concern basis.

**Fixed Deposits :**

During the period the company has not received any fixed deposit as per companies Act 1956.

**Conservation of Energy, Technology Absorption :**

The prescribed information in respect of Foreign exchange earned and amount to go on conservation of energy and technology absorption as per Sec. 217 (1) (e) of the companies Act 1956, read with companies (disclosure of particulars in the Reports of Board of Directors) Rules, 1988 is as follows. The Company continues its efforts to improve methods of energy conservation and utilisation. As regards technology it presently manufactures with collaborators technical knowhow and continues its development in the country.

ance :

The company has no properties and assets on this date

tors :

Under Articles of the Article of Association of th company Mr. S. G. Bellad retire by on at the 17th Annual General Meeting and being eligible to offer themselves for re- intment.

back:

There are no buy back transactions and hence no defaults are committed by the any.

tors :

M/s. H. N. Adinavar & Co. Chartered Accountants, Hubli retires at the ensuring ial General Meeting as per Companies Act 1956 and are eligible for re-appointment.

culers of Employees :

Particulers of employees U/s. 217 (2A) read with the Companies (Particulers of loyees) Rules 1975 are not given as there are no such employees.

strial Relations :

Relation between the Employees and the management continued to remain col during the year under review. The Directors hereby place on record their appreciation e efficient and loyal services at all levels in developing company's growth. As there io employees presently except one clark.

## Report on Corporate Governance

mpany's Philosophy on code of Corporate Governance :

Corporate Governance is associated with systems and processes and procedures a view to enhance long term shareholder value in a transparent and Good Corporate rnanace includes transparency, accountability, fairness and social responsibility.

Your company believes that the very basis of Corporate Governance is disclosure pennesness paves the way for public confidence in the Corporate system. Working rds this your company has already made Corporate Governance a practice and nues to develop its processes and procedures.

## II. Board of Directors :

The Board is primarily responsible for the over all management of the Company's business.

S.G. Bellad is the a Director of the company generally chairs the Board Meetings. During the financial year 2005-2006 / 4 meetings of the Board were held

The Composition of the Directors and their attendance at the Board meetings during the year and at the last AGM is as follows.

| Director                | Category of Directorship | No. of Board Meeting sheld | No. of Board Meetings attended | Attendance at the last AGM | No. of Director ships of other limited companies |
|-------------------------|--------------------------|----------------------------|--------------------------------|----------------------------|--|
| S.G. Bellad<br>Chairman | Executive Director       | 4                          | 4                              | 1                          | Nil  |
| V.G. Hiremath           | Non Executive Director   | 4                          | 3                              | 1                          | Nil  |
| Meena Umachagi          | Non Executive Director   | 4                          | 4                              | 1                          | Nil  |

### 1. Audit Committee :

The company is not in operation as there is no activity. The company has not constituted any audit commission.

### 2. Compensation Committee :

There is no compensation committee.

### 3. Share Transfer & Investor Grievance Committee :

\* Role of the Committee :

There is no committee, as No. of share holders are less & there is no complaints.

## Composition :

| Name of Director | Position | Stauts                          |
|------------------|----------|---------------------------------|
| S. G. Bellad     | Chairman | Independent, Executive Director |
| V. G. Hiremath   | member   | Independent Director            |

and designation of Compliance Officer : Mrs. Meena Umachagi  
meeting and attendance during the year.

| Members        | No. of meetings held | Attendance |
|----------------|----------------------|------------|
| S. G. Bellad   | 4                    | 4          |
| V. G. Hiremath | 3                    | 3          |

## Remuneration Committee :

The Non-Executive Directors of the Company even not receive any sitting fees for the Meeting attended by them.

The General Meeting, the Company owing to the reason that business transacted in a meeting.

## SHAREHOLDERS MEETINGS :

| Year        | Date      | Venue                                 | Time      |
|-------------|-----------|---------------------------------------|-----------|
| 2001- 2002  | 30-9-2002 | Regd. office Jodalli. Tq. Khalagatagi | 3-00 p.m. |
| 2002- 2003  | 30-9-2003 | - do -                                | 3-30 p.m. |
| 2004- 2005  | 30-9-2004 | - do -                                | 3-30 p.m. |
| 2005 - 2006 | 29-9-2006 | Regd. office Jodalli. Tq. Khalagatagi | 3-00 p.m. |



V. Disclosures :

The company is not in operation since the last two year and therefore there is nothing to report on this point.

VI. Means of communication :

This is about the unaudited results. No.

VII. General information for Shareholders :

17th Annual General Meeting :

- |   |  |
|---|--|
| 1. Date & Time                          | : 30 Sept. 2006 at 3-00 p.m.   |
| 2. Venue                                | : Reg. Office  |
| 3. Financial year of Company            | : April-05 to March-06   |
| 4. Corporate & Registered Office        | : Jodalli, Khalagatagi Taluk (Karnataka)   |
| 5. Exchanges Listed at                  | : Bangalore Stock Exchange Limited (BgSE)<br>Stock Exchange Towers<br>No. 51, 1st Cross, J.C. Road,<br>BANGALORE - 560 027.<br>: The Stock Exchange, Mumbai (BSE)<br>P J Towers, No. 25, Dalal Street,<br>MUMBAI - 400 001<br>The Listing fees for the fiancial year 2006-2007 has been paid |
| 6. Stock Code                           | : BgSE - ADVSYNER BSE - 526433   |
| 7. D'mat ISIN No. in NSDL for           | : INE011E01011   |
| 8. Date of Book Closure                 | : 07-9-2006 30-9-2006 (both days inclusive)  |
| 9. Market Price Data                    | : The high and low prices of the Company's shares on the Mumbai Stock Exchange(BSE) of every month begining April 2005 March 2006 is nil as AS NOT QUOTED :  |
| 11. No. of Employees as on 31-3-2006    | : one  |
| 12. No. of Shareholders as on 31-3-2006 | : -  |
| 13. Investor Services ended 31-3-2006   | : Queries/Requests received during the year Nil  |

| Nature of queries         | Received | cleared |
|---------------------------|----------|---------|
| Change of address         |          |         |
| Transfer related          |          |         |
| D'mat related             |          |         |
| Non-receipt of D/W        | Nil      | Nil     |
| Loss of share certificate | Nil      | Nil     |
| Other*                    | Nil      | Nil     |
| <b>TOTAL</b>              |          |         |

BSE & BGSE have confirmed that as on 31-3-2006 there are no investor complaints/queries pending to be solved the Company

#### Share Transfers

: Physical shares sent for transfers or dematerialisation are generally registered and returned within a period of 30 days from the date of receipt of completed and validly executed documents.

#### Distribution of Shareholding as on 31-3-2006

| No. of shares  | No. of shareholders | % of shareholders | Share Amt. Value in Rs. | % to Total |
|----------------|---------------------|-------------------|-------------------------|------------|
| Upto - 5000    | 1711                | 97.33             | 2,22,72,480             | 66.59      |
| 5001 - 10000   | 19                  | 1.08              | 1,51,200                | 97.00      |
| 10001 - 20000  | 12                  | 0.67              | 21,86,000               | 4.51       |
| 20001 - 30000  | 7                   | 0.40              | 19,09,000               | 6.53       |
| 30001- 40000   | 3                   | 0.17              | 11,59,000               | 5.71       |
| 40001 - 50000  | 2                   | 0.11              | 8,40,000                | 2.52       |
| 50001 - 100000 | 2                   | 0.11              | 11,00,000               | 3.28       |
| 100001         | 2                   | 0.12              | 24,80,000               | 7.42       |
| <b>TOTAL</b>   | <b>1758</b>         | <b>100</b>        | <b>3,34,58,480</b>      | <b>100</b> |

16. Share holding in Physical &  
Electronic form as on 31-3-2006 :

| Particulars  |                  |              |
|--------------|------------------|--------------|
|              | No. of shares    | % of holding |
| Physical     | 12,50,800        | 40.10        |
| <b>TOTAL</b> | <b>12,50,800</b> | <b>40.10</b> |

17. Shareholding pattern as on 31-3-2006 :

| Category   | No. of shares    | % age      |
|--|------------------|------------|
| Indian Promoters<br>(including Persons<br>acting in concert) | 12,57,848        | 40.35      |
| Mutual Funds & UTI   | Nil              | Nil        |
| Institutions/Banks   | Nil              | Nil        |
| Private Corporate<br>Bodies                                  | Nil              | Nil        |
| Indian Public  | 1,48,800         | 42.51      |
| NRT's OCB's  | 6,00,000         | 17.14      |
| <b>TOTAL</b>   | <b>33,45,848</b> | <b>100</b> |

18. Investor Correspondence

: All enquiries clarifications and Correspondences should be addressed to the company to the Compliance Officer at the following address

Compliance Officer :

Mrs. Meena Umachagi

Reg. Office Jodalli Kalghatagi Taluk.

Acknowledgement :

The Directors wish to place on record their sincere thanks to the bankers, employees for the confidence imposed on the company for their full co-operation and support in development of the company. Company is not able to get company secretary and it is trying to fill up the vacancy.

For and on behalf of the  
Board of Directors

Place : Jodalli  
Date : 27th Aug. 2006

For and on behalf of the  
Board of Directors  
Sd/-  
Chariman

BELL-AGROMACHINA LTD.  
 JODALLI Tq. KALAGHATAGI  
 Cashflow Statement for the Year Ended 31 st March, 2006

| CASH FLOW FROM OPERATING ACTIVITIES :           | As at 31-03-06 | 2005-06<br>(Rupees) |
|---|----------------|---------------------|
| Profit before tax                               | -----          | -----               |
| Adjustments for :                               |                |                     |
| Depreciation and amortisation                   | -----          | -----               |
| Interest paid                                   | -----          | -----               |
| Issue Expenses                                  | -----          | -----               |
| / (Gain) on realisation of Assets               | -----          | -----               |
| Interest Received                               | -----          | -----               |
| Operating Profit before Working Capital Charges | -----          | -----               |
| Adjustments for :                               |                |                     |
| Inventory                                       | -----          | -----               |
| Prepaid Stock                                   | -----          | -----               |
| Trade Debtors                                   | -----          | -----               |
| Loans and Advances                              | -----          | -----               |
| Current Liabilities and Provisions              | -----          | -----               |
| Cash generated from operations                  | -----          | -----               |
| Interest paid                                   | -----          | -----               |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>       | <b>-----</b>   | <b>-----</b>        |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>      |                |                     |
| Purchase of fixed assets                        | -----          | -----               |
| Increase in Interest Accrued                    | -----          | -----               |
| Advance for capital Assets (Subsidy)            | -----          | -----               |
| Dividend / Purchase of Investments              | -----          | -----               |
| Interest Received                               | -----          | -----               |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>       | <b>-----</b>   | <b>-----</b>        |

**CASH FLOW FROM FINANCING ACTIVITIES**

|  |     |     |
|--|-----|-----|
| Term Loan repayments   | --- | --- |
| Proceeds from issue of Share Capital                           | --- | --- |
| Share issue expenses   | --- | --- |
| Secured / Unsecured Loans                                      | --- | --- |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                   | --- | --- |
| <b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>      | --- | --- |
| <b>CASH AND CASH EQUIVALENTS, at the beginning of the year</b> | --- | --- |
| <b>CASH AND CASH EQUIVALENTS end of the year</b>               | --- | --- |

|              |                |  |
|--------------|----------------|--|
| Hubli        | Sd/-           | For and on behalf of the Board Directors |
| 27 Aug. 2006 | Sd/-           |  |
|              | Meena Umachagi | S. G. Bellad                             |
|              | (Director)     | (Executive Director)                     |

**Auditors Certificate**

We have examined the above Cash Flow statement of Bell Agromachina Ltd., for the year ended March 31, 2006. The statement has been prepared by the Company in accordance with the requirements of the Listing agreement with the Stock Exchange and is based on and in agreement with corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 27th Aug 2006 to the Members of the Company.

|             |                          |
|-------------|--------------------------|
| Hubli       | For H. N. Adinavar & Co. |
| 27 Aug 2006 | Sd/-                     |
|             | H. N. Adinavar           |
|             | (Proprietor)             |

**AUDITOR'S REPORT**  
**TO THE MEMBERS OF BELL AGROMACHINA LTD., JODALLI, Tq. Kalaghatgi.**

We have audited the attached Balance Sheet of M/s. BELL AGROMACHINA LTD, Jodalli, Tal. : Kalghatagi as on 31st March 2006 and the Profit and Loss Account for the year ended on that date annexed there to. 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.

1. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting

principles used and significant estimates made by the management, as well as evaluate the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. 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 hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.

3. Further to our comments in the Annexure referred to in paragraph 2 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 account, as required by law, have been kept by the company, so far as appears from our examination of those books:

c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.

d) In our opinion the Balance Sheet and Profit & Loss Account dealt with by this report comply with the mandatory Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956.

e) In our opinion and based on information and explanation given to us, none of the directors are disqualified as on 31st March, 2006 from being appointed as directors in terms of section 274 (1) (g) of the Companies Act, 1956:

f) In our opinion and to the best of our information and according to the explanation given to us, the accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956 in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:

(I) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2006 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. statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For H. N. Adinavar & Co.  
Chartered Accountants  
Sd/-  
H. N. Adinavar  
(Proprietor)

at Hubli  
Date: 15/04/2006

ANNEXURE TO AUDITOR'S REPORT OF BELL AGROMACHINA LTD.,  
FOR THE YEAR ENDED 31st MARCH 2006

Referred to in paragraph 2 of our report of even date

1. In respect of its fixed assets :

a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, 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 physical verification.

c) In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.

2. In respect of loans. Secured or unsecured. granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act. 1956:

The company has taken unsecured loans from the other companies in the same group- The terms and conditions are not prejudicial to the interest of the company.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of fixed assets. During the course of our audit, we have not observed any major weaknesses in internal controls.

5. In respect of transactions covered under Section 301 of the Companies Act, 1956, no irregularities noticed.

6. The Company has not accepted any deposits from the public.

7. The company has not done any business during the year. Hence, internal audit was not carried out.

8. The Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act. 1956.

9. (a) The company is regular in depositing the undisputed statutory dues of Income tax

other statutory dues with the appropriate authorities. There are no undisputed statutory dues including Provident fund, Investor Education and Protection Fund and Sales Employees State Insurance, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues. According to the information and the aforesaid no dues were outstanding as on 31st March, 2006 for a period of more than six months from the date of becoming payable.

For H. N. Adinavar & Co.  
Chartered Accountants

Sd/-

H. N. Adinavar  
(Proprietor)

ii

Aug 2006



M/S. BELL-AGROMACHINA LTD.,  
JODALLI Tq. KALAGHATAGI

NOTES ON ACCOUNTS

Notes on Accounts forming part of the Balance Sheet as on 31st March, 2006 and the Profit and Loss Account for the year ending 31st March, 2006

1. The figures for the previous year were regrouped and reclassified wherever necessary.
2. Other particulars as per clause 4(c) and (d) of Part II of Schedule VI not applicable.

Significant Accounting Policies

1. The financial statements have been prepared on the historical cost convention and in accordance with normally accepted accounting principles.
2. Fixed assets are valued at historical cost less depreciation which has been provided according to written down value method. No depreciation is provided during the year under Audit.
3. The expenses incurred are accounted for on accrual basis.
4. The incomes earned are accounted for on accrual basis.
5. The company has not done any business during the year under Audit.

Hubli  
25 Aug 2006

For and on behalf of the Board of Directors

( Shri S. G. Bellad )  
Executive Director

( Mrs. Meena Umachagi )  
Director

BELL-AGROMACHINA LTD.,  
JODALLI Tq. KALAGHATAGI  
BALANCE SHEET AS AT 31st MARCH 2006

| RESOURCE OF FUNDS<br>SHAREHOLDERS FUNDS | SCHEDULES    | AS AT 31-03-06        | AS AT 31-03-05        |
|---|--------------|-----------------------|-----------------------|
| Share Capital                           | A            | 3,15,86,500.00        | 3,15,86,500.00        |
| Reserves & Surplus                      | B            | 18,71,980.00          | 18,71,980.00          |
| <b>NON FUNDS</b>                        |              |                       |                       |
| Secured Loans                           | C            | 0.00                  | 0.00                  |
| Unsecured Loans                         | D            | 0.00                  | 0.00                  |
|   | <b>TOTAL</b> | <u>3,34,58,480.00</u> | <u>3,34,58,480.00</u> |
| <b>LOCATION OF FUNDS:</b>               |              |                       |                       |
| <b>FIXED ASSETS</b>                     |              |                       |                       |
| Land & Block                            | E            | 1,23,74,643.44        | 1,23,74,643.44        |
| Depreciation                            |              | 35,15,418.00          | 35,15,418.00          |
| Block                                   |              | <u>88,59,225.44</u>   | <u>88,59,225.44</u>   |
| <b>INVESTMENTS AND DEPOSITS</b>         |              |                       |                       |
|   | F            | <u>2,000.00</u>       | <u>2,000.00</u>       |
|   |              | <u>2,000.00</u>       | <u>2,000.00</u>       |
| <b>CURRENT ASSETS &amp; LOANS</b>       |              |                       |                       |
| <b>ADVANCES</b>                         |              |                       |                       |
| Stores                                  | G            | 47,03,968.12          | 47,03,968.12          |
| Trade Debtors                           | H            | 0.00                  | 0.00                  |
| Bank & Bank Balance                     | I            | 76,976.25             | 76,976.25             |
| Loans and Advances                      | J            | 1,54,006.00           | 1,54,006.00           |
| Inventory                               | K            | 0.00                  | 0.00                  |
|   |              | <u>48,32,950.37</u>   | <u>48,32,950.37</u>   |
| <b>PROVISIONS</b>                       |              |                       |                       |
|   | L            | <u>1,79,650.00</u>    | <u>1,79,650.00</u>    |

|                        |   |                       |                       |
|------------------------|---|-----------------------|-----------------------|
| NET CURRENT ASSETS     |   | 47,53,300.37          | 48,34,500.37          |
| ADD. MISC. EXPENDITURE | M | 17,14,723.92          | 17,14,723.92          |
| Profit and Loss A/c.   |   | 1,30,48,030.27        | 1,79,66,830.24        |
| Loss for the Year      |   | 81,200.00             | 81,200.00             |
|                        |   | <u>3,34,58,480.00</u> | <u>3,34,58,480.00</u> |

NOTES TO ACCOUNTS AND Q  
SIGNIFICANT ACCOUNTING POLICIES R

SCHEDULES A TO M AND NOTES ON ACCOUNTS VIDE SCHEDULE "R" WITH SIGNIFICANT ACCOUNTING POLICIES

Place : Hubli  
Date : 25 Aug. 2006

In terms of our Audit report of even date  
For H. N. Adinavar & Co.,  
Chartered Accountants

Sd/-  
S.G. Bellad  
(Executive Director)

Sd/-  
Meena Umachagi  
(Director)

Sd-  
H. N. Adinavar  
(Proprietor)

BELL-AGROMACHINA LTD.,  
JODALLI Tq. KALAGHATAGI  
PROFIT & LOSS A/C FOR THE YEAR ENDED 31 MARCH, 2006

| PARTICULARS                                 | SCHEDULES | AS AT 31-03-06        | AS AT 31-03-05        |
|---|-----------|-----------------------|-----------------------|
| INCOME                                      |           |                       |                       |
| Salaries                                    | N         | 0.00                  | 0.00                  |
| Contingent Income                           |           | 0.00                  | 0.00                  |
| Increase / Decrease in Stock                |           | 0.00                  | 0.00                  |
|   | TOTAL (1) | <u>0.00</u>           | <u>0.00</u>           |
| EXPENDITURE                                 |           |                       |                       |
| Cost of Goods Sold                          | O         | 0.00                  | 0.00                  |
| Administration & Selling Exp.               | P         | 0.00                  | 0.00                  |
| Interest (KSFC)                             |           | 0.00                  | 0.00                  |
| Depreciation                                | E         | 0.00                  | 0.00                  |
| Minority Expenses                           |           |                       |                       |
| Transfer off                                |           | 0.00                  | 0.00                  |
|   | TOTAL (2) | <u>0.00</u>           | <u>0.00</u>           |
| PROFIT : TOTAL (1-2)                        |           | 0.00                  | 0.00                  |
| Less : Last year Loss c/f                   |           | 1,80,48,030.27        | 1,79,66,830.27        |
| PROFIT & LOSS CARRIED OVER TO BALANCE SHEET |           | <u>1,80,48,030.27</u> | <u>1,79,66,830.27</u> |
| REFERENCES TO ACCOUNTS                      | R         |                       |                       |

Place : Hubli  
Date : 25 Aug. 2006

In terms of our Audit report of even date  
For H. N. Adinavar & Co.,  
Chartered Accountants

Sd/-  
S.G. Bellad  
(Executive Director)

Sd/-  
Meena Umachagi  
(Director)

Sd-  
H. N. Adinavar  
(Proprietor)

SCHEDULES TO ACCOUNTS 31-03-2006  
SCHEDULE- A

|  | AS AT 31-03-06               | AS AT 31-03-05               |
|--|------------------------------|------------------------------|
| <b>SHARE CAPITAL</b>                             |                              |                              |
| <b>AUTHORISED CAPITAL</b>                        |                              |                              |
| 35,00,000 equity shares of<br>Rs. 10/- each.     | 3,50,00,000.00               | 3,50,00,000.00               |
| <b>ISSUED SUBSCRIBED AND PAID<br/>UP CAPITAL</b> |                              |                              |
| 35,00,000. equity shares of<br>Rs. 10/- each     | 3,50,000.00                  | 3,50,00,000.00               |
| Less : Calls in arrears                          | <u>34,13,500.00</u>          | <u>34,13,500.00</u>          |
| <b>TOTAL</b>                                     | <u><u>3,15,86,500.00</u></u> | <u><u>3,15,86,500.00</u></u> |

**SCHEDULE -B**

|                          |             |             |
|--------------------------|-------------|-------------|
| State Investment Subsidy | 0.00        | 0.00        |
| Profit and Loss A/c      | <u>0.00</u> | <u>0.00</u> |
|                          | 0.00        | 0.00        |

**SCHEDULE -C SECURED LOANS****TERM LOAN (Karnataka State Fin. Corpn.)**

|                            |             |             |
|----------------------------|-------------|-------------|
| Principal A/c No. 09028470 | 0.00        | 0.00        |
| Interest due but not paid  | <u>0.00</u> | <u>0.00</u> |
| A                          | 0.00        | 0.00        |
| Principal A/C No. 09028455 | <u>0.00</u> | <u>0.00</u> |
| Interest due but not paid  | <u>0.00</u> | <u>0.00</u> |
| B                          | 0.00        | 0.00        |
| Principal A/C No. 09028430 | <u>0.00</u> | <u>0.00</u> |
| Interest due but not paid  | <u>0.00</u> | <u>0.00</u> |
| C                          | 0.00        | 0.00        |
| Principal A/C No. 09028495 | <u>0.00</u> | <u>0.00</u> |
| Interest due but not paid  | <u>0.00</u> | <u>0.00</u> |
| D                          | 0.00        | 0.00        |
| Principal A/C No. 09028485 | <u>0.00</u> | <u>0.00</u> |
| Interest due but not paid  | <u>0.00</u> | <u>0.00</u> |
| E                          | 0.00        | 0.00        |
|                            | 0.00        | 0.00        |

(Secured inter-alia, by a first charge by way of hypothecation of all borrowings, moveables, machinery spares, tools and accessories as on 31.03.92 and are subject to Balance Confirmation.)

**Bank OCC A/c**

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| State Bank of India A/c 1650030132(B) | 0.00               | 0.00               |
| <b>Grand Total (A+B)</b>              | <u><u>0.00</u></u> | <u><u>0.00</u></u> |

## SCHEDULE - D

| SECURED LOANS                | AS AT 31-03-06 | AS AT 31-03-05 |
|------------------------------|----------------|----------------|
| ed Automobile Engg. Pvt.Ltd. | 0.00           | 0.00           |
| ed Engineers Pvt. Ltd.       | <u>0.00</u>    | <u>0.00</u>    |
|                              | <u>0.00</u>    | <u>0.00</u>    |

## SCHEDULE - E

PAGE 26

## SCHEDULE - F

| ESTMENTS AND DEPOSITS | AS AT 31-03-06  | AS AT 31-03-05  |
|-----------------------|-----------------|-----------------|
| i. C. Certificate     | <u>2,000.00</u> | <u>2,000.00</u> |
|                       | <u>2,000.00</u> | <u>2,000.00</u> |

## SCHEDULE -G

| ENTORIES<br>(at or market value, whichever is lower) | AS AT 31-03-06      | AS AT 31-03-05      |
|--|---------------------|---------------------|
| / materials  | 26,55,948.12        | 26,55,948.12        |
| nshed Goods  | 15,25,240.00        | 15,25,240.00        |
| nk in progress                                       | <u>5,22,780.00</u>  | <u>5,22,780.00</u>  |
|  | <u>47,03,968.12</u> | <u>47,03,968.12</u> |

## SCHEDULE - H

|                | AS AT 31-03-06 | AS AT 31-03-05 |
|----------------|----------------|----------------|
| NDRY DEBTORS : | <u>0.00</u>    | <u>0.00</u>    |
|                | <u>0.00</u>    | <u>0.00</u>    |

## SCHEDULE - L

|                               | AS AT 31-03-06     | AS AT 31-03-05   |
|-------------------------------|--------------------|------------------|
| NDRY CREDITORS : PROVISIONS : | 0.00               | 0.00             |
| ilit Fees Payble              | 19,250.00          | 19,250.00        |
| l). Salary Payble             | <u>1,60,400.00</u> | <u>79,200.00</u> |
|                               | <u>1,79,650.00</u> | <u>98,450.00</u> |

## SCHEDULE - I

| INVENTORIES                      | AS AT 31-03-06   | AS AT 31-03-05   |
|----------------------------------|------------------|------------------|
| <b>CASH AND BANK BALANCES</b>    |                  |                  |
| Cash on hand                     | 380.93           | 380.93           |
| Bank of Baroda                   |                  |                  |
| 1. A/c. No. 051547 BOB, B'bay    | 3614.10          | 3614.10          |
| State Bank of India, Hubli       |                  |                  |
| 1. A/c. No. 3008                 | 1082.50          | 1082.50          |
| 2. A/c. No. 7/20 (Ponda)         | 500.00           | 500.00           |
| Mahalaxmi Co.op Bank Ltd.        | 52,142.72        | 52,142.72        |
| Shri G.C.C. Bank Ltd.            | 15,006.05        | 15006.05         |
| State Bank of India Current A/c. | 53.67            | 53.67            |
| State Bank of India C.C. A/c.    | 2196.28          | 2196.28          |
|                                  | <u>74,976.25</u> | <u>74,976.25</u> |

## SCHEDULE - J

Advances recoverable in cash or kind or for value to be received pending adjustment

| LOANS AND ADVANCES | AS AT 31-03-06     | AS AT 31-03-05   |
|--------------------|--------------------|------------------|
| Income Tax         | 5,040.00           | 5,040.00         |
| TDS                | 84661.00           | 84661.00         |
| <b>DEPOSITS</b>    |                    |                  |
| Telephone Deposit  | 18,000.00          | 18,000.00        |
| G.D.D.I.D.C. Goa   | 4,005.00           | 4,005.00         |
| K.E.B. Deposit     | 38,800.00          | 38,800.00        |
| Fax Deposit        | 500.00             | 500.00           |
| Cylinder Deposit   | 3,000.00           | 3,000.00         |
|                    | <u>1,54,006.00</u> | <u>154006.00</u> |

## SCHEDULE - K

| Dead Stock         | AS AT 31-03-06 | AS AT 31-03-05 |
|--------------------|----------------|----------------|
| Impliments Returns | 0.00           | 0.00           |
|                    | <u>0.00</u>    | <u>0.00</u>    |

## SCHEDULE - M

|                                 | AS AT 31-03-06      | AS AT 31-03-05      |
|---------------------------------|---------------------|---------------------|
| PUBLIC ISSUE EXPENSES           |                     |                     |
| Carried over Last Balance Sheet | 17,14,723.02        | 17,14,723.92        |
| Written off during the year     | 0.00                | 0.00                |
|                                 | <u>17,14,723.92</u> | <u>17,14,723.92</u> |

## SCHEDULE - N

|                    | AS AT 31-03-06 | AS AT 31-03-05 |
|--------------------|----------------|----------------|
| Expenses           |                |                |
| For Sales          | 0.00           | 0.00           |
| Culture Implements | 0.00           | 0.00           |
| Res and others     | 0.00           | 0.00           |
|                    | <u>0.00</u>    | <u>0.00</u>    |

## SCHEDULE - O

|                          | AS AT 31-03-06 | AS AT 31-03-05 |
|--------------------------|----------------|----------------|
| RAW MATERIALS CONSUMED : |                |                |
| Opening stock            | 26,55,948.12   | 26,55,948.12   |
| Less: Purchases          | 0.00           | 0.00           |
|                          | 26,55,948.12   | 26,55,948.12   |
| Less Closing Stock       | 26,55,948.12   | 26,55,948.12   |
|                          | <u>0.00</u>    | <u>0.00</u>    |

Increase/Decrease in value of Stock of finished Goods & work in progress.

|                                  |                     |                     |
|----------------------------------|---------------------|---------------------|
| Opening stock                    |                     |                     |
| (i) Work in progress             | 5,22,780.00         | 5,22,780.00         |
| (ii) Finished Goods              | 15,25,240.00        | 15,25,240.00        |
|                                  | <u>20,48,020.00</u> | <u>20,48,020.00</u> |
|                                  | A                   |                     |
| Less closing stock :             |                     |                     |
| (i) Work in progress             | 5,22,780.00         | 5,22,780.00         |
| (ii) Finished Goods              | 15,25,240.00        | 15,25,240.00        |
|                                  | <u>20,48,020.00</u> | <u>20,48,020.00</u> |
|                                  | B                   |                     |
| Increase/Decrease in Stock (A-B) | <u>0.00</u>         | <u>0.00</u>         |



BELL-AGROMACHINA LTD.,  
 JODALLI Tq. KALAGHATAGI  
 SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

SCHEDULE - P  
 MANUFACTURING ADMINISTRATION & SELLING EXPENSES

|                        | AS AT 31-03-06   | AS AT 31-03-05   |
|------------------------|------------------|------------------|
| 1. Electricity charges | 21,600.00        | 21,600.00        |
| 2. Salary & Incentives | 57,600.00        | 57,600.00        |
| 3. Sundry Expenses     | 2,000.00         | 2,000.00         |
| TOTAL                  | <u>81,200.00</u> | <u>81,200.00</u> |
| Lon Service Income     | 0.00             | 0.00             |
| TOTAL                  | <u>81,200.00</u> | <u>81,200.00</u> |

## SCHEDULE -T

SCHEDULE TO ACCOUNTS  
SIGNIFICANT ACCOUNTING POLICIES

## BASIS OF ACCOUNTING :

Financial statements are prepared under historical cost convention on going concern basis

## FIXED ASSETS :

Fixed Assets are recorded at cost inclusive of inward freight, duties, Insurance & Taxes and incidental expenses related to acquisition.

## DEPRECIATION :

Depreciation is provided in the manner specified in Schedule XIV to the Companies Act 1956. In the earlier years no depreciation is provided for the financial year 2005-06.

## INVESTMENTS :

Investments are carried at cost.

## INVENTORIES VALUATION :

Items of inventory are valued on the basis given below :

- a) Raw materials : At cost or market value whichever is lower.
- b) Process stock : At cost
- c) Finished stock : At cost or market value whichever is lower.

## METHOD OF ACCOUNTING :

Mercantile System of Accounting is followed.

**BELL AGROMACHINA LTD**  
**SCHEDULES TO ACCOUNTS 31.03.2006**  
**SCHEDULE - E**

| FIXED<br>Sl. Particulars<br>No. | Balance<br>1.4.2006<br>(O.P) | Trans<br>fer/<br>sale | Additions<br>1.4.2005 | Total<br>31.3.2006    | Depn upto<br>31.03.2006 | Depn for<br>31.3.2006 | Dep upto<br>31-03-2006 | Net Block<br>31.3.2006 |
|---------------------------------|------------------------------|-----------------------|-----------------------|-----------------------|-------------------------|-----------------------|------------------------|------------------------|
| 01. Land                        | 30,003.00                    | ---                   | ---                   | 30,003.00             | ---                     | ---                   | ---                    | 30,003.00              |
| 02. Building                    | 0.00                         | ---                   | ---                   | 0.00                  | 0.00                    | ---                   | 0.00                   | 0.00                   |
| 03. Plant & Machinery           | 67,65,119.46                 | ---                   | ---                   | 67,65,119.46          | 20,85,620.45            | ---                   | 20,85,620.45           | 46,79,499.00           |
| 04. Tools, Jigs & Fixtures,     | 35,94,470.21                 | ---                   | ---                   | 35,94,470.21          | 8,03,406.34             | ---                   | 8,03,406.34            | 27,91,063.97           |
| 05. Office Equipments           | 35,973.06                    | ---                   | ---                   | 35,973.06             | 7,128.80                | ---                   | 7,128.80               | 28,844.26              |
| 06. Computers                   | 1,97,514.00                  | ---                   | ---                   | 1,97,514.00           | 1,31,190.53             | ---                   | 1,31,190.53            | 66,323.47              |
| 07. Furniture & Fixtures        | 1,07,772.80                  | ---                   | ---                   | 1,07,772.80           | 21,771.05               | ---                   | 21,771.05              | 86,000.95              |
| 08. Electrical Installation     | 3,35,836.71                  | ---                   | ---                   | 3,35,836.71           | 94,895.69               | ---                   | 94,895.69              | 2,40,941.02            |
| 09. Imported Components         | 11,78,205.00                 | ---                   | ---                   | 11,78,205.00          | 3,07,348.48             | ---                   | 3,07,348.48            | 8,70,856.52            |
| 10. Vehicles                    |                              |                       |                       |                       |                         |                       |                        |                        |
| 4S KA-25 J6326                  | 36,000.00                    | ---                   | ---                   | 36,000.00             | 17,772.99               | ---                   | 17,772.99              | 13,227.01              |
| 4S KA -25 J6324                 | 36,000.00                    | ---                   | ---                   | 36,000.00             | 17,772.99               | ---                   | 17,772.99              | 13,227.01              |
| 4S KA -25 J6325                 | 36,000.00                    | ---                   | ---                   | 36,000.00             | 17,772.99               | ---                   | 17,772.99              | 13,227.01              |
| S ECEL- KA-25 J6324             | 21,760.00                    | ---                   | ---                   | 21,760.00             | 10,737.89               | ---                   | 10,737.89              | 11,022.31              |
| <b>TOTAL</b>                    | <b>1,23,74,643.44</b>        | <b>---</b>            | <b>---</b>            | <b>1,23,74,643.44</b> | <b>35,15,418.00</b>     | <b>---</b>            | <b>35,15,418.00</b>    | <b>88,59,225.44</b>    |

SCHEDULE - P  
NOTES TO ACCOUNTS

Current year and previous year figures are regrouped wherever necessary

K.S.F.C. Loan has cleared by one time settlement vide their letter No. 00305

Dt. 17.04.2005. w.e.f. 31-03-2005.

Information pursuant to provision of paragraph 3. 4C and 4D of Part II of Schedule VI of Companies Act 1956.

a) The Installed capacity of various products is as follows;

| SL No. | Items                   | Quantity |
|--------|-------------------------|----------|
| 01.    | Rotary Tillers          | 1500     |
| 02.    | Rotary Harrow           | 1000     |
| 03.    | Tractor trailers        | 400      |
| 04.    | Conventional Equipments | 350      |
| 05.    | Rotary Mixovator        | 10       |

b) Details of finished goods, Raw Materials, Purchases, Production, Sale & Stock

**HED GOODS :**

| Opening Stock<br>Amount | Produced<br>Quantity | Qty | Sales<br>Amount | Qty | Closing Stock<br>Amount |
|-------------------------|----------------------|-----|-----------------|-----|-------------------------|
| 5,25,240.00             | Nil                  | Nil | Nil             | Nil | 15,25,240.00            |

**MATERIALS :**

| Opening Stock | Purchases | Issued | Closing Stock |
|---------------|-----------|--------|---------------|
| 26,55,948.12  | Nil       | Nil    | 26,55,948.12  |

money value is furnished as the number of items are numerous and is not practicable with the quantitative particulars there of.

|   |     |
|---|-----|
| c) Value of imports during the year<br>(C.I.F. Basis) Raw materials | Nil |
| d) Expenditure in foreign currency                                  | Nil |
| e) Earning on foreign currency                                      | Nil |
| f) Remittance in foreign currencies on<br>account of dividends      | Nil |

The Sundry Debtors and Creditors balance are Subject to Confirmations.

FORM PROXY

BELL-AGROMACHINA LTD.

Folio No. \_\_\_\_\_

Registered Office :

No of Shares \_\_\_\_\_

Jodalli-580114.

Kalaghatagi Taluk

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

in the district of \_\_\_\_\_ being a member /members of the above named

Company, hereby appoint Smt./Shri \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_ of

failing him Smt./Shri \_\_\_\_\_ of \_\_\_\_\_ in

the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our

behalf at the 17th annual General Meeting of the Company to be held on 30-9-2006

at 3-00 p.m. at and any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2006

Signature \_\_\_\_\_

Affix  
1 Rupees  
Revenue  
Stamp

- N.B. 1) Any member entitled to attend and vote at the meeting is entitled to appoint a proxy and the proxy need not be a member.
- 2) This instrument should be in writing and should be deposited not less than 48 hours before the meeting time.

Attendance Slip

Smt./Shri \_\_\_\_\_ attending as

proxy of Smt./Shri \_\_\_\_\_ folio No. \_\_\_\_\_

Company Seal

Manager

Letter Under Certificate of Posting

BOOK-POST

To,

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BELL - AGROMACHINA LTD.

Jodalli - 580 114

Tq. : Kalaghatagi.

KARNATAKA STATE