

BEARDELL LIMITED

Seventy Third Annual Report & Accounts

2009 - 2010



BEARSELL LIMITED

CONTENTS	Page
Notice to Shareholders	2
Report of Directors	7
Auditors Report	16
Balance Sheet	18
Profit and Loss Account	19
Cash Flow Statement	20
Schedules	21
Subsidiary Companies	37 - 48
Consolidated Accounts	49 - 67

Directors

Mr. M:Uttam Reddi
Mr. P.C.D.Nambiar
Mr. V.Thirumal Rao
Mr. R.Gowri Shanker
Mr. S.V. Narasimha Rao - Executive Director
Mr. Bharat Anumolu - Managing Director
Mr. Amrith Anumolu
Mr. V.J. Singh

Company Secretary

Mr. K.Murali

Auditors

M/s. Deloitte Haskins & Sells

Bankers

Bank of India

Registered Office

47 Graemes Road
Chennai 600 006
Phone : 044 - 2829 3296 / 2829 0381
Fax : 044 - 2829 0391
E-mail : ho@beardsell.co.in
Website : www.beardsell.co.in



BEARSELL LIMITED

NOTICE IS HEREBY GIVEN that the Seventy third Annual General Meeting of the Company will be held on Monday, the 27th September, 2010 at 10.00 A.M. at "Mini Hall" Satguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai - 600 018 to transact the following business:

AS ORDINARY BUSINESS

1. ADOPTION OF ACCOUNTS

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

"RESOLVED THAT the Balance Sheet as at 31st March 2010, the Profit and Loss Account of the Company for the year ended on that date, together with the Schedules, Balance Sheet Abstract, the Company's General Business Profile and Cash Flow Statement for the year ended 31st March, 2010 together with the Directors Report and the Auditors' Report thereon, be and are hereby approved and adopted."

2. APPOINTMENT OF DIRECTORS

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

- a) "RESOLVED THAT Mr.M.Uttam Reddi, who retires by rotation and being eligible for reappointment be and is hereby appointed as a Director of the Company."
- b) "RESOLVED THAT Mr.R.Gowri Shanker, who retires by rotation and being eligible for reappointment be and is hereby appointed as a Director of the Company."

3. APPOINTMENT OF AUDITORS

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

"RESOLVED THAT the Auditors of the Company, Messrs. Deloitte Haskins & Sells (DHS), Chartered Accountants, Chennai who retire at this meeting, being eligible and willing to act as Auditors of the Company, be and are hereby appointed Auditors of the Company to hold office till the conclusion of the next Annual General Meeting of the Company on a remuneration as the Board of Directors of the Company may determine, in addition to travelling and out of pocket expenses"

AS SPECIAL BUSINESS

ORDINARY RESOLUTION

4. APPOINTMENT OF DIRECTORS

- a) To consider, and if thought fit, to pass with or without modification following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr.Amrith Anuñolu be and is hereby appointed as an Additional Director of the Company whose period of office will be liable to retire by rotation."

- b) To consider, and if thought fit, to pass with or without modification following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr.V.J.Singh be and is hereby appointed as an Additional Director (to represent LIC of India) of the Company whose period of office will be liable to retire by rotation."

SPECIAL RESOLUTION

To consider & if thought fit, to pass with or without modification(s) the following resolutions as Special Resolutions:

5. ISSUE OF FULLY CONVERTIBLE EQUITY WARRANTS

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) for the time being in force read with the Memorandum and Articles of Association of the Company and subject to the Listing Agreement entered into by the Company with Stock Exchange and the regulations / rules/ guidelines issued by the Securities and Exchange Board of India (herein after referred to as "SEBI"), such approvals, permissions, sanctions and consents as may be necessary and required under applicable laws, rules, regulations and contracts, and on such terms, conditions, alterations, modifications, approvals, permissions, sanctions and consents, which may be accepted by the Board of Directors of the Company, as the case may be, the consent of the Company be and is hereby accorded to the Board of Directors (which term shall include any duly constituted and authorized committee thereof) to create, issue, offer, allot and deliver in one or more tranches on Preferential

Notice to the Shareholders

Basis, up to 4,00,000 Nos Fully Convertible Equity Warrants of face value of Rs. 10/- each at a price of Rs.58/- per share (including a premium of Rs.48/- per share) aggregating to Rs.2,32,00,000/- (Rupees two crores thirty two lakhs only) to Promoters with currency not exceeding eighteen months from the date of issue/allotment of the said Warrants or such extended currency as may be permitted under the applicable SEBI Guidelines as amended from time to time, each such Warrant entitling the holder thereof to exercise its option to apply for and be issued and allotted one fully paid-up equity share of face value of Rs.10/- each in the Company at any time which option may be exercised by the holder in one or more tranches and on such terms and conditions as the Board may from time to time, whether on the same terms and conditions as may be deemed appropriate by the Board, both issued at a price which is higher than the minimum specified as per **SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009** ("SEBI ICDR Guidelines") on the relevant date and that shares so issued upon conversion of Warrants shall rank pari-passu in all respects with the existing Equity Shares of the Company.

"RESOLVED FURTHER THAT the Relevant Date in relation to the Fully Convertible Equity Warrants for the purpose of determining the issue price under the SEBI Guidelines for Preferential Issue shall be 28.08.2010 i.e. the date 30 days prior to the date of the Annual General Meeting where the proposed issue is to be considered".

"RESOLVED FURTHER THAT the said Fully Convertible Equity Warrants shall be issued and allotted within a period of fifteen (15) days from the date of passing this Special Resolution provided that where the allotment of the said Fully Convertible Equity Warrants is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the applicable SEBI guidelines as amended from time to time".

"RESOLVED FURTHER THAT an amount of Rs.14.50 per warrant (25% of issue price of Warrant) shall be payable on the date of allotment of the said Fully Convertible Equity Warrants, which shall be adjusted against the price payable subsequently for acquiring the equity shares by exercising the option for conversion with the balance amount being payable at the time of conversion, and the

said amount be forfeited, in case the option to acquire fully is not exercised. However the option to exercise shall not be earlier than six months and not later than 18 months of the issue of Warrants on such other terms as may be decided by the Board from time to time".

"RESOLVED FURTHER THAT the said Fully Convertible Equity Warrants to be issued and allotted upon conversion thereof on the exercise of the said option by the holder thereof shall be subject to a lock in period as per SEBI Guidelines as amended from time to time".

"RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting the said Fully Convertible Equity Warrants to be issued and allotted upon conversion thereof on the exercise of the said option by the holder thereof of the Company, as aforesaid, the Board of Directors, or Committee of Directors duly constituted for this purpose, of the Company be and is hereby authorised to do and perform all such other acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the said Fully Convertible Equity Warrants of the Company as it may, in its absolute discretion, deem fit and proper and also to seek the listing of such securities in one or more Stock Exchanges in India".

By order of the Board

Chennai
August 28, 2010

K.Murali
Company Secretary



BEARDELL LIMITED

NOTES

1. In terms of Clause 49 of the Listing Agreement with the Stock Exchange, brief details regarding the Director's reappointment is given below:

- A) The profile of Mr.Mallu Uttam Reddi who retires by rotation and being eligible for reappointment as a Director are as under:

Mr M Uttam Reddi is a senior Partner of M/s.Uttam Reddi & Co.,

Mr Uttam Reddi specializes in the field of Income Tax, Sales Tax, Customs and Central Excise. He has appeared in many landmark cases both in the Supreme Court and in the High Court of Judicature at Madras.

Ever since he has been the Legal advisor to large corporates such as Madras Fertilizers Limited, Southern Petro Chemicals Industries Corporation Ltd., GEC Group Companies in India, FAL Industries Ltd., Switching Technologies Gunther Ltd., KCP Sugars & Industrial Corporation Limited., among others.

Mr Uttam Reddi is associated with the Company as a Director from 1970 onwards.

Mr Uttam Reddi is interested in this resolution.

No other Director except Mr V Thirumal Rao Director relative of Mr Uttam Reddi is interested.

- B) The profile of Mr.R.Gowri Shanker who retires by rotation and being eligible for reappointment as a Director are as under:

Mr.Gowri Shanker is a well-qualified technical and entrepreneurial professional with a distinguished management career leading the technology and operations of multi-million dollar organizations. He holds M.S. Degree in e-commerce from Carnegie Mellon University, M.S. in Industrial Engineering from University of Texas, M.B.A. from University of Chicago and B.Tech in Chemical Engineering from IIT, Madras. He has over 30 years experience with Multinational Companies such as AT & T, Fedex & Holiday Inns in the US and has had leadership roles in several entrepreneurial ventures. He is presently the Managing Director of OKS Pre-Press, Chennai.

Mr Gowri Shanker is associated with the Company as a Director from 2006 onwards.

No other Director except Mr R Gowri Shanker, is interested.

2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special

Business set out in Item no.4 and Item no.5 are annexed here to

3. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy or Proxies to attend and vote instead of himself and such Proxy or Proxies need not be a member or members of the Company. The Proxy form, duly signed, must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
4. A Proxy can be in any of the forms set out in Schedule IX of the Companies Act, 1956.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 18th September, 2010 to 27th September, 2010 (both days inclusive).
6. Members are requested to intimate change, if any, in their addresses immediately.
7. The Company has already transferred the amount of all unclaimed dividends declared upto the period ended 31st March 1998 to the Investor Education and Protection Fund of the Central Government (as per Section 205 C of the Companies Act, 1956). It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.
8. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

EXPLANATORY STATEMENT : Pursuant to Section 173 (2) of the Companies Act, 1956

Item 4 (a)

As per Article 121 of the Articles of Association of the Company, the Board of Directors in their Meeting held on 12th August, 2010 appointed Mr Amrith Anumolu as an Additional Director of the Company and he vacates his office as Director in the forthcoming Annual General Meeting. Notice in writing has been received from a member signifying his intention to propose the name of Mr Amrith Anumolu for appointment as Director of the Company u/s 257 of the Companies Act, 1956

Mr Amrith Anumolu graduated his Bachelor of Science in Electrical Engineering from Virginia Tech and Master education in Industrial Engineering from Georgia Tech. After completing his education he worked in various positions for companies like Ericsson Inc. and Panasonic Corp. His experience ranges from product design and development to business process improvements and re-engineering.

He is currently working as the Inventory and Planning Manager for Habasit America in Atlanta, USA. His experience, knowledge and skill in Engineering field will be immense help to the Company with regard to manufacturing and other activities.

Mr Amrith Anumolu is interested in this resolution.

No other Director except Mr.Bharat Anumolu, Managing Director relative of Mr.Amrith Anumolu is interested.

Item 4 (b)

LIC of India proposed Vide their Letter Ref: INV/ ND Cell /JF DATED 12.06.2010 Mr.V.J.Singh, Principal ZTC, as Nominee to represent LIC of India. The Board of Directors in their meeting held on 12th August, 2010 appointed Mr.V.J.Singh as an Additional Director of the Company and he vacates his office as Director in the forthcoming Annual General Meeting. Mr.V.J.Singh joined LIC as a Direct Recruit Officer in the year 1977. The 58-year old Mr.Singh is an M.A. in Economics from Madurai University. He secured 7th Rank in the University at graduation level, holding the first class in B.A. Economics which was a rarity in 1970s.

The important assignments he held were, Marketing Manager of Aurangabad Division, Sr.Divisional Manager of Tirunelveli Division and Regional Manager of the combined heaviest portfolio of Estates and Office Services of Western Zone, Mumbai. Subsequently he held the post of Regional Manager (E&OS) of Southern Zone, Chennai. On his elevation to the cadre of Executive Director, he has taken over charge as Principal, Southern Zonal Training Centre, Chennai.

No other Director except Mr .V.J.Singh is interested.

ITEM 5 ISSUE OF FULLY CONVERTIBLE EQUITY WARRANTS

The Company is planning to issue on Preferential Basis 4,00,000 Nos Fully Convertible Equity Warrants of face value of Rs.10/- each at a price Rs.58/- per Share (including premium of Rs.48/-per share) which is higher than the price arrived by the Chartered Accountant in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR" Guide Lines) aggregating to Rs.2,32,00,000/- (Rupees two crores thirty two lakhs only) to promoters, with currency not exceeding 18 months from the date of issue / allotment of the said Warrants as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR" Guide Lines) on the relevant date and that shares so issued upon conversion of Warrants shall rank parri passu in all respects with the existing Equity Shares of the Company.

The information as required under Clause 73 of Chapter VII of SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 for preferential issues are as under:

a) Object of the Issue

The Company is implementing a number of enhancements in its production capacity and its cash flow projections indicates that it would have to raise additional debt via Term Loans to finance the capital expenditure including working capital . To keep the burden low the Company proposes to raise capital via issue of Fully Convertible Equity Warrants to the Promoters on Preferential Basis. The necessary resolution under section 81(1A) of the

Companies Act, 1956 is being placed before the Share holders at the ensuing Annual General Meeting for seeking their approval.

b) the proposal of the Promoters, Directors or key management personnel of the issuer to subscribe to the offer

Name of the Promoter	No of Fully Convertible Equity Warrants
Mr .Bharat Anumolu Managing Director / Promoter	200000
Mrs.A.Jayasree - Promoter	200000



BEARDELL LIMITED

c) Shareholding pattern before and after the offer of 4,00,000 Nos Fully Convertible Equity Warrants:

	Category	BEFORE		AFTER	
		No. of Shares	% of Shares	No. of Shares	% of Shares
A	Promoter's Holdings				
1.	Promoters				
	- Indian Promoters	1863259	48.61	2263259	53.46
	- Foreign Promoters	NIL	NIL	NIL	NIL
2.	Persons acting in Concert	NIL	NIL	NIL	NIL
	Sub Total	1863259	48.61	2263259	53.46
B	Non Promoter's Holdings				
3.	Institutional Investors				
	a. Mutual Funds and UTI	NIL	NIL	NIL	NIL
	b. Bank, Financial Institutions, Insurance Companies (Central / State Govt. Institutions)	817160	21.32	817160	19.31
	c. Foreign Institutional Investors	NIL	NIL	NIL	NIL
	Sub Total	817160	21.32	817160	19.31
4.	Others				
	a. Private Corporate bodies	104528	2.73	104528	2.47
	b. Indian Public	1042241	27.18	1042241	24.62
	c. NRIs / OCBs	5980	0.16	5980	0.14
	d. Any other	NIL	NIL	NIL	NIL
	Sub Total	1152749	30.07	1152749	27.23
	Grand Total	3833168	100.00	4233168	100.00

d) Proposed time within which the allotment shall be completed:

The allotment of Fully Convertible Equity Warrants will be completed within a period of fifteen days from the date of passing the resolution by the Shareholders at the General Meeting, provided that when the allotment on Preferential Basis is pending on account of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval.

e) The identity of the proposed allottee and percentage of post preferential issue capital that may be held by it: The proposed allottees are as follows:

Name of the Promoter	No of Fully Convertible Equity Warrants
Mr .Bharat Anumolu Managing Director / Promoter	200000
Mrs.A.Jayasree - Promoter	200000

The Company has obtained necessary consent letters from the above allottees.

The Pre-Issue and Post-Issue shareholding pattern of the above allottees are given below:

Name	Pre-issue		After Conversion of Warrants	
	No. of shares	% of share holding	No. of shares	% of share holding
Mr Bharat Anumolu - Managing Director / Promoter	598250	15.61	798250	18.86
Mrs A Jayasree - Promoter	543250	14.17	743250	17.56

f) Pricing Certificate of the Auditors:

M/s. N. Subramani, Chartered Accountants, Chennai, have issued a certificate as on 28.08.2010 being the relevant date, recommending a price of Rs.57.86 (Rupees fifty seven and paise eighty six only) per share calculated as per CHAPTER VII of 'SECURITIES AND EXCHANGE

BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. They further certify that the proposed Preferential allotment of Equity Warrants is being made in accordance with the requirements contained in SEBI (ICDR) Guidelines for preferential issues. The said certificate shall be placed before the shareholders at the Annual General Meeting and is available for inspection of Members at the Registered Office of the Company during 11.00 a.m. to 4.00 p.m. on any working day up to the date of the Annual General Meeting.

The Board in their Meeting held on 23.08.2010 has authorised Mr. V. Thirumal Rao, Director to approve the price certified by the above Chartered Accountant on the relevant date.

g) Lock In

The Fully Convertible Equity Warrants to be issued and allotted on Preferential Basis shall be subject to a lock in period as per SEBI (ICDR) Regulations 2009 as amended from time to time.

h) Change in Management

There will be no change in the Management or control of the Company.

i) Legal Requirement

As per provisions of Section 81(1A) of the Companies Act, 1956, consent of the shareholders by way of Special resolution is required for issue of Fully Convertible Equity Warrants on preferential basis. Hence the Board recommends the said resolution for the approval of shareholders in the ensuing Annual General Meeting.

j) Disclosure of Interest

No other Director except Mr Bharat Anumolu- Managing Director and Mr Amrith Anumolu Director, relative of Mr.Bharat Anumolu is interested.

REPORT OF BOARD OF DIRECTORS

Your Directors present the 73rd Annual Report of the Company together with the Audited Accounts for the Financial Year ended 31.03.2010.

PERFORMANCE / OPERATIONS

FINANCIAL RESULTS

(Rs. In Lakhs)

	Year Ended 31.03.2010	Year Ended 31.03.2009
Gross Revenue	5811.50	5282.16
Profit before Interest & Depreciation	565.07	138.63
Interest	12.77	15.02
Profit before Depreciation	552.30	123.61
Depreciation	73.79	57.31
Profit before tax	478.51	66.30
Profit after taxation	320.03	31.00
Balance of Profit & Loss Account from Last Year	579.50	548.50
Balance Profit carried to Balance Sheet	899.53	579.50

REVIEW OF OPERATIONS INSULATION DIVISION

- a) **EPS**
Performance of this division was satisfactory and during the year your Company has recorded substantial growth in this sector.
- b) **ISOBUILD PREFAB PANELS**
The Division sold / installed 82658 RMT as against 93938 RMT during the previous year. Slowdown of Projects, in particular, from Pharmaceuticals, Roofing Applications, Cold Storage & Food processing industries affected the sales. We hope that the subsequent year will show better results.
- c) **CONTRACTING**
Company's decision to reduce its exposure to AC&R segment resulted in drop in business. We are planning to enter contracting business substantially.

TRADING DIVISION

Trading Division's performance was affected largely due to slump in textile industry and exports. We were only doing textile exports. With our past experience, we are planning to enter foreign trade in a big way which will contribute significantly to our business.

CAPITAL ISSUE

The Company is implementing a number of enhancements in its production capacity and its cash flow projections indicates that it would have to raise additional debt via Term Loans to finance the capital expenditure including working capital. To keep the burden low the Company proposes to raise capital via issue of Fully Convertible Equity Warrants upto an extent of Rs.232.00 lakhs to the Promoters on Preferential Basis. The necessary resolution under section 81(1A) of the Companies Act, 1956 is being placed before you at the ensuing Annual General Meeting for seeking your approval.

LISTING WITH STOCK EXCHANGE

The Company's securities are listed at:
Madras Stock Exchange Ltd., 11 Second Line Beach, Chennai - 600 001.

The Listing fee to the Exchange has been paid upto date.

FIXED DEPOSITS

Fixed Deposits amounting to Rs.1.14 Lakhs matured but were not claimed till 31st March, 2010. Subsequently, Fixed Deposits totaling to Rs 0.23 lakhs have been repaid. Reminders have been sent to the other deposit holders for their instructions.

All Deposits / Interest accrued there on remaining unclaimed for a period of seven years from the date they became due for payment have been credited to the Investor Education and Protection Fund under Section 205 C of the Companies Act, 1956.

INSURANCE

All the Properties of the Company including Buildings, Plant and Machinery and Stocks have been adequately insured.

DIRECTORS

Mr.PPunnaiah, Director passed away on 26th February, 2010 and the Board members and employees places on record the excellent support and guidance given by him to the Company's growth.

Mr.M.Uttam Reddi and Mr R Gowri Shanker, Directors, retire by rotation at this Annual General Meeting, and being eligible, offer themselves for re-appointment.

Mr.Amirth Anumolu and Mr V J Singh (Nominee of LIC) appointed as Additional Directors of the Company with effect from 12.08.2010.

AUDITORS

The Auditors, M/s. Deloitte Haskins & Sells (DHS), retire and are eligible for re-appointment. A written certificate has been received by the Company from them that the re-appointment, if made, will be in accordance with the limits specified in Sec.224 (1B) of the Companies Act, 1956.

NOTE ON SUBSIDIARY COMPANY MERGER OF SUBSIDIARY COMPANY

Pursuant to order dated 23rd July, 2009 passed by the Hon'ble High Court of Judicature at Madras in the Company Application No.988 of 2009 in Company Application No.551 of 2009, Meeting of Shareholders of BEARDSELL LIMITED was held on 9th September, 2009 at 10.00 A.M. at "Mini Hall", Sathguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai 600018 and the approval for merger of Viraat Granites (P) Ltd. (wholly owned subsidiary) with the Company was obtained. The report of the Chairman was filed in the Madras High Court immediately after the conclusion of the meeting.

Orders awaited from Hyderabad High Court for dissolution without winding up of the Subsidiary Company.



BEARDELL LIMITED

AUDITORS OF SUSIDIARY COMPANY

The Auditors, M/s. Deloitte Haskins & Sells (DHS), retire and are eligible for re-appointment. A written certificate has been received by the Company from them that the re-appointment, if made, will be in accordance with the limits specified in Sec.224 (1B) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Sec. 217(2AA) of the Companies Act, 1956, your Directors further report that:

- I. In preparation of the annual accounts, applicable accounting standards 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 as on 31st March, 2010 and of the Profit of the Company for financial year ended 31st March, 2010;
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Your Directors report that your Company has been fully compliant with the SEBI Guidelines on Corporate Governance, which have been incorporated in Clause 49 of the Listing Agreement. A detailed report on this forms part of Annexure.

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

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 Directors Report for the year ended 31st March, 2010.

Research and Development, Technology Absorption and Conservation of Energy

The main focus of the Company's research and Development effort is on Energy Conservation, process up gradation and environmental preservation

Better utility of Resources, to minimize cost & wastage. Continuous efforts are on to reduce wastage in use of Power and Fuel.

We are trying to go in for some cutting edge technology like solar, etc.

Foreign Exchange Earnings And Outgo

During the year under review, Foreign Exchange Earnings amounted to Rs.62.88 Lakhs as against Rs.115.33 Lakhs during previous year.

The total Foreign Exchange Outgo during the year under review was Rs.422.97 Lakhs as against Rs.212.57 Lakhs during previous year.

EMPLOYEE RELATIONS

The relations between the employees and management continued to be cordial during the year.

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGMENT

Your Directors gratefully acknowledge the continued support received from the Bankers, Principals/Suppliers, Customers and Employees.

For and on behalf of the Board
Bharat Anumolu
Managing Director

Chennai
August 28, 2010

V. Thirumal Rao
Director

MANAGEMENT DISCUSSIONS AND ANALYSIS

Industry Structure & Development

The Prefab building elements manufactured by your Company finds applications in Cold Storages, Food Processing Plants, Pharmaceuticals and Roofing Applications. Expanded Polystyrene has varied applications in insulation and packaging. Your Company also undertakes Contracts with in-house/outsourced materials.

Outlook on Opportunities and Threats

With increased Industrial Construction and retail business activities and Government of India's thrust and encouraging policies on cold storages with latest technologies for improving post harvest infrastructure, there is likely to be increase in demand for your Company's products.

Fluctuating raw material prices can have negative impact on operations. Major raw materials are

- a. Expandable Polystyrene (a petroleum derivative):
Increase in petroleum prices impacts this raw material price.
- b. Steel:
The upward trend in the global steel market has pushed up

the price of steel, a major component in Isobuild Prefab Panels.

Segment wise Performance

Insulation division which comprises manufacture of EPS products / Prefab Panels and related Contracting activities earned a revenue of Rs.5211.54 Lakhs. 95% of the total revenue.

Trading and others Segment which comprises Chemical, Motors and Exports earned a revenue of Rs. 281.23 Lakhs. 5% of the total revenue.

Internal Control System

Your Company has an effective Internal Control System and this is periodically reviewed for effectiveness. The Board of Directors have constituted an Audit Committee. The Audit Committee reviews the Internal Audit reports and their observations at regular intervals.

Material Development in Human Resources

Your Company believes that human resources are the main assets of the Company and the Company's Policy is framed in this direction.

ANNEXURE

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

The Company strives towards ensuring transparency and professionalism in all decisions and spheres of operation, achieving excellence in Corporate Governance by conforming to the prevalent mandatory guidelines on Corporate Governance and to enhance shareholder value through sound business decisions driving the Organisation forward without undue restraints along with prudent framework of accountability and financial management.

2. BOARD OF DIRECTORS

Mr.P.Punnaiah, Director passed away on 26th February, 2010 and the Board Members and Employees places on record his valuable contribution to the growth of the company.

Company's Board currently comprises of Eight Directors of which one is a Managing Director. Non-Executive Directors bring wide-ranging experience and independent judgment to the Board's deliberations and decisions. Board of Directors of the Company meets at regular intervals for planning, assessing and evaluating all important business.

a) Composition

The information on Composition of the Board, Directors Attendance at the Board meetings held during the year and at the last Annual General Meeting, Directorships and Committee position held in other Companies are as under:

Name of Director	Category	Attendance in Previous AGM held on 27-08-09	Attendance in Board Meetings	No. of Directorships held in Other Public Limited Companies		Committee position held in other Companies	
				Director	Chairman	Member	Chairman
Mr.Bharat Anumolu*	Managing Director	Present	6	Nil	Nil	Nil	Nil
Mr.S.V.Narasimha Rao**	Executive Director	Present	6	1	Nil	Nil	Nil
Mr.P.Punnaiah***	Non Executive Promoter	Not Present	Nil	Nil	Nil	Nil	Nil
Mr.M.Uttam Reddi	Non-Executive Independent	Present	7	Nil	Nil	Nil	Nil
Mr.P.C.D.Nambiar	Non-Executive Independent	Present	4	5	1	2	3
Mr.V.Thirumal Rao	Non-Executive Independent	Present	8	Nil	Nil	Nil	Nil
Mr.R.Gowri Shanker	Non-Executive Independent	Not Present	4	5	Nil	Nil	Nil
Mr.A.V.Ramalingan****	Executive Director	Not Present	1	1	Nil	Nil	Nil
Mr.Amrith Anumolu	Non-executive Promoter	Appointed As an Additional Director w.e.f. 12.08.2010		Nil	Nil	Nil	Nil
Mr.V.J.Singh	Non-executive (Nominee of LIC)	Appointed As an Additional Director w.e.f. 12.08.2010		Nil	Nil	Nil	Nil

* Appointed as a Managing Director in the Board Meeting held on 20th May, 2009

** Appointed as Executive Director in the Board Meeting held on 29th June, 2009

*** Cessation due to death on 26th Feb, 2010.

**** Resigned from the Board on 20th May, 2009.



BEARDELL LIMITED

b) No. of Board Meetings held during the year and dates of Meeting:

During the Financial Year 2009-2010, Eight Board meetings were held on 20.05.2009, 29.06.2009, 27.07.2009, 30.07.2009, 27.08.2009, 26.09.2009, 30.10.2009 and 28.01.2010.

c) Disclosures regarding appointment and reappointment.

i) Reappointment of Mr.M Uttam Reddi

At the Ensuing Annual General Meeting Mr. M.Uttam Reddi, Non- Executive Director, retires by rotation and is eligible for reappointment.

Mr. M.Uttam Reddi is a senior Partner of M/s.Uttam Reddi & Co.,

Mr.Uttam Reddi specializes in the field of Income Tax, Sales Tax, Customs and Central Excise. He has appeared in many landmark cases both in the Supreme Court and in the High Court of Judicature at Madras.

Ever since he has been the Legal advisor to large corporates such as Madras Fertilizers Limited, Southern Petro Chemicals Industries Corporation Ltd., GEC Group Companies in India, FAL Industries Ltd., Switching Technologies Gunther Ltd., KCP Sugars & Industrial Corporation Limited., among others.

Mr.Uttam Reddi is associated with the Company as a Director from 1970 onwards.

Mr.Uttam Reddi is interested in this resolution.

No other Director except Mr.V Thirumal Rao, Director relative of Mr.Uttam Reddi is interested.

ii) Reappointment of Mr.R. Gowri Shanker

At the Ensuing Annual General Meeting Mr.R. Gowri Shanker, Non- Executive Director, retires by rotation and is eligible for reappointment.

Mr.Gowri Shanker is a well-qualified technical and entrepreneurial professional with a distinguished management career leading the technology and operations of multi-million dollar organizations. He holds M.S. Degree in e-commerce from Carnegie Mellon University, M.S. in Industrial Engineering from University of Texas, M.B.A. from University of Chicago and B.Tech in Chemical Engineering from IIT, Madras. He has over 30 years experience with Multinational Companies such as AT & T, Fedex & Holiday Inns in the US and has had leadership roles in several entrepreneurial ventures. He is presently the Managing Director of OKS Pre-Press, Chennai.

Mr Gowri Shanker is associated with the Company as a Director from 2006 onwards.

No other Director, except Mr. R.Gowri Shanker, is interested.

iii) Appointment of Mr. Amrith Anumolu as an Additional Director.

As per Article 121 of the Articles of Association of the Company, the Board of Directors in their meeting held on 12th August, 2010 appointed Mr. Amrith Anumolu as an Additional Director of the Company and he vacates his office as Director in the forthcoming Annual General Meeting. Notice in writing has been received from a member signifying his intention to propose the name of Mr. Amrith Anumolu for appointment as Director of the Company u/s 257 of the Companies Act, 1956.

Mr. Amrith Anumolu graduated his Bachelor of Science in Electrical Engineering from Virginia Tech and Master education in Industrial Engineering from Georgia Tech. After completing his education he worked in various positions for companies like Ericsson Inc. and Panasonic Corp. His experience ranges from product design and development to business process improvements and re-engineering.

He is currently working as the Inventory and Planning Manager for Habasit America in Atlanta, USA. His experience, knowledge and skill in engineering field will be immense help to the Company with regard to manufacturing and other activities.

Mr. Amrith Anumolu is interested in this resolution.

No other Director except Mr. Bharat Anumolu, Managing Director relative of Mr. Amrith Anumolu is interested.

iv) Appointment of Mr.V.J.Singh (Nominee to represent LIC of India) as an Additional Director

LIC of India proposed Vide their Letter Ref: INV/ ND Cell /JF DATED 12.06.2010 Mr.V.J.Singh Principal ZTC, as Nominee to represent LIC of India in our Board. The Board of Directors in their meeting held on 12th August, 2010 appointed Mr.V.J.Singh as an Additional Director of the Company and he vacates his office as Director in the forthcoming Annual General Meeting.

Mr.V.J.Singh joined LIC as a Direct Recruit Officer in the year 1977. The 58-year old Mr.Singh is an M.A. in Economics from Madurai University. He secured 7th Rank in the University at graduation level, holding the first class in B.A. Economics which was a rarity in 1970s.

The important assignments he held were, Marketing Manager of Aurangabad Division, Sr.Divisional Manager of Tirunelveli Division and Regional Manager of the combined heaviest portfolio of Estates and Office Services of Western Zone, Mumbai. Subsequently he held the post of Regional Manager (E&OS) of Southern Zone, Chennai. On his elevation to the cadre of Executive Director, he has taken over charge as Principal, Southern Zonal Training Centre, Chennai.

No other Director, except Mr .V.J.Singh, is interested.

3. AUDIT COMMITTEE

I Terms of Reference

The role, terms of reference and authority and powers of this committee are in conformity with the Listing Agreement. The essential functions of the committee include review of systems and procedures, overseeing the functioning of internal audit, the effectiveness of controls and regulatory compliances. It also reviews with management, Company's financial statements, financial reporting process, disclosure of financial information and observations of Auditors before submission to the Board. It recommends the appointment of Statutory Auditors and their fees.

II Composition and attendance

During the financial year 2009-2010, five Audit Committee meetings were held on 20.05.2009, 29.06.2009, 30.07.2009, 30.10.2009 and 28.01.2010.

Composition and Attendance record of the members of the Committee is as under:

Sl. No	Member	Designation	No. of meetings attended
1	Mr.M.Uttam Reddi - Chairman	Independent	4
2	Mr.P.C.D.Nambiar	Independent	3
3	Mr.V.Thirumal Rao	Independent	5
4	Mr.A.V.Ramalingan*	Executive Director	1
5	Mr.R.Gowrishanker	Independent	3
6	Mr.S.V.Narasimha Rao**	Executive Director	2

* Resigned from the Board on 20th May, 2009.

** Appointed as Executive Director in the Board Meeting held on 29th June, 2009.

SITTING FEES PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2009-10

(Rs. In Lakhs)

Sl. No	Directors	Sitting Fees
1	Mr.Bharat Anumolu	0.03
2	Mr.S.V.Narasimha Rao	0.03
3	Mr.M.Uttam Reddi	0.33
4	Mr.P.C.D.Nambiar	0.21
5	Mr.V.Thirumal Rao	0.39
6	Mr.R.Gowri Shanker	0.21
	TOTAL	1.20

REMUNERATION PAID TO WHOLE TIME DIRECTOR

(Rs. in Lakhs)

Sl. No	Name	Salary	Perquisites and Allowances	Commission	Contribution to Provident Fund and Super Annuation Funds	Total
1	Mr.Bharat Anumolu	9.07	5.04	5.74	4.00	23.85
2	Mr.S.V.Narasimha Rao	6.35	2.21	1.85	2.22	12.63
3	Mr.A.V.Ramalingan	0.82	0.43	0.15	0.26	1.66
		16.24	7.68	7.74	6.48	38.14

4. SHARE HOLDERS GRIEVANCE COMMITTEE

Company is having a Share holders & Investors Grievance Committee in line with the amended Listing Agreement, which is responsible for all matters concerning the share transfers, transmissions, issue of duplicate Share Certificates and redressal of Investor's Grievances. The Committee comprises Mr.M.Uttam Reddi, Mr.V. Thirumal Rao and Mr.P.C.D. Nambiar.

Mr.K.Murali, Company Secretary, is the Compliance Officer.



BEARDELL LIMITED

5. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings of the Company are given below

Financial Year	AGM	Location	Date	Time
2008-09	72nd	Narada Gana Sabha, 314, TTK Salai, Chennai-600018	27.08.09	10.00 A.M.
2007-08	71st	Narada Gana Sabha, 314, TTK Salai, Chennai-600018	27.08.08	10.00 A.M.
2006-07	70th	Narada Gana Sabha, 314, TTK Salai, Chennai-600018	27.08.07	10.00 A.M.

No Postal ballots were used/ invited during the year 2009-10.

6. MERGER OF SUBSIDIARY COMPANY

Pursuant to order dated 23rd July, 2009 passed by the Hon'ble High Court of Judicature at Madras in the Company Application No.988 of 2009 in Company Application No.551 of 2009, Meeting of Shareholders of BEARDELL LIMITED was held on 9th September, 2009 at 10.00 A.M. at "Mini Hall", Sathguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai 600018 and the approval for Merger of Viraat Granites (P) Ltd. (wholly owned subsidiary) with the Company was obtained. The report of the Chairman was filed in the Madras High Court immediately after the conclusion of the meeting. Orders awaited from Hyderabad High Court for dissolution without winding up of the Subsidiary Company.

7. DISCLOSURE

- There were no materially significant related party transactions during the year having conflict with the interest of the Company.
- Company has complied with all requirements of the Listing Agreement with Stock Exchange as well as regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchange or any statutory authority on matters relating to Capital markets during the last three years.
- Accounting Treatment:**
In the Preparation of financial statements, Generally Accepted Accounting Principles and Policies were followed. Mandatory Accounting Standards announced by the Institute of Chartered Accountants of India were followed in the preparation of financial statements.
- Board Disclosures - Risk Management**
The main objective of Risk Management is risk reduction and avoidance. It also helps the Company to identify the risks faced by the business and optimize Risk Management Strategies. The Company has a defined Risk Management framework.
- Code of Conduct**
The Company adopted a code of Conduct for members of the Board and Senior Management who have all affirmed in writing their adherence to the Code and has also been posted on the website of the Company www.beardsell.co.in.
The Declaration to this effect signed by the Executive Director is given at the end of this report
- Proceeds from public issues, rights issues, preferential issues etc.,**
No Money has been raised through public/ right/ preferential issues during the year.
- Management Disclosures.**
Management Discussion and analysis report is forming part of the Annual Report.

8. CEO/CFO CERTIFICATION

The Board has received certificate from Managing Director and General Manager - Finance that they discharged the obligations under the Corporate Governance Guideline prescribed under SEBI.

9. MEANS OF COMMUNICATION

In compliance with the requirements of Listing Agreements, Company regularly submits un-audited as well as audited financial results to the Stock Exchange. These financial results are normally published in Economic Times - English and Makkal Kural - Tamil.

10. GENERAL SHARE HOLDERS INFORMATION

- General Body Meeting**
The 73rd Annual General Meeting of the Company will be held on Monday the 27th day of September, 2010 at 10.00 a.m. at "Mini Hall", Sathguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai 600018.

b) **Financial Calendar**

The Next Financial Year covers the period from 1st April, 2010 to 31st March, 2011

Results for the Period	Expected date of Completion
First Quarter	August, 2010
Second Quarter & Half-Yearly	November, 2010
Third Quarter	February, 2011
Fourth Quarter	May, 2011

c) **Date of Book Closure**

18th September, 2010 to 27th September, 2010 (both days inclusive).

d) (i) **Shareholding Pattern as on 31st March, 2010.**

	Category	No. of Shares Held	Percentage Of Share Holding
A	Promoter's Holdings		
1.	Promoters		
	- Indian Promoters	1863259	48.61
	- Foreign Promoters	NIL	NIL
2.	Persons acting in Concert	NIL	NIL
	Sub Total	1863259	48.61
B	Non Promoter's Holdings		
3.	Institutional Investors		
	a. Mutual Funds and UTI	NIL	NIL
	b. Bank, Financial Institutions, Insurance Companies (Central / State Govt. Institutions)	817160	21.32
	c. Foreign Institutional Investors	NIL	NIL
	Sub Total	817160	21.32
4.	Others		
	a. Private Corporate bodies	104528	2.73
	b. Indian Public	1042241	27.18
	c. NRIs / OCBs	5980	0.16
	d. Any other	NIL	NIL
	Sub Total	1152749	30.07
	Grand Total	3833168	100.00

(ii) **DISTRIBUTION OF HOLDINGS AS ON 31ST MARCH, 2010**

No. of Shares	Shareholders		Shares Amount	
	Nos.	%	. Rs.	% to Total
Up to 5000	3185	98.97	6043870	15.77
5001 to 10000	7	0.22	505800	1.32
10001 to 20000	4	0.12	543500	1.42
20001 to 30000	2	0.06	467000	1.22
30001 to 40000	1	0.03	374500	0.98
40001 to 50000	6	0.19	2882500	7.52
50001 to 100000	8	0.25	5040510	13.15
100001 & above	5	0.16	22474000	58.62
TOTAL	3218	100.00	38331680	100.00

e) **Share Transfer Systems**

The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of the Company's shares. The ISIN No., allotted is INE520H01014. Members now have the option to hold their shares in demat form either through the NSDL or CDSL.

f) **Dematerialisation of Shares**

As on 31st March, 2010, 2693905 shares (70.28%) have been dematerialised.



BEARDELL LIMITED

g) Registrar And Share Transfer Agents

Cameo Corporate Services Limited, Chennai is the Registrar and Share Transfer Agent of the Company.

Address of the Share Transfer Agent:

The General Manager

M/s Cameo Corporate Services Limited

Subramanian Building,

No. 1, Club House Road,

Chennai 600 002.

Tel: (044) 28460390-91

e-mail: cameo@cameoindia.com

h) Listing On Stock Exchange

The shares of the Company are listed in Madras Stock Exchange. Listing fees has been paid up-to-date.

i) Market Price Data

Monthly High / Low & Closing Prices during each month in the financial year

Month	High Rs.	Low Rs.	Closing Rs.	Volume Traded Nos
Jan-10	100.25	35.00	71.25	18050
Feb-10	76.00	53.25	55.75	6845
Mar-10	67.00	54.05	67.00	2757

Note : Shares were permitted to trade in National Stock Exchange from 8th January, 2010

j) Address For Correspondence

Registered Office:

Secretarial Department

BEARDELL LTD

47, Greams Road,

Chennai-600006

Tel: (044) 28293296

Email: ho@beardsell.co.in

k) E-mail ID for Redressal of Investor Complaints

An e-mail id has been created for Redressal grievance division/ Compliance officer exclusively for the purpose of registering the complaints of the investors. Investors may send their complaints to igr@beardsell.co.in

COMPLIANCE

Company has obtained a certificate from Auditors regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement which is attached to this report.

Chennai

August 12, 2010

For and on behalf of the Board

Bharat Anumolu - Managing Director

V. Thirumal Rao - Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

1 For the Financial Year of the Subsidiary Company ended 31st March, 2010

Viraat Granites Private Limited Equity Shares held	Number 740578
---	------------------

2 The Net aggregate of Profit / (Loss) of the Subsidiary Company for the financial year so far as it concerns the members of the Holding Company and dealt with / not dealt with the accounts of Holding Company for the year ended 31st March, 2010

		Dealt with	Not Dealt With
		(Rupees In Lakhs)	
a.	For the Financial Year Profit / (Loss)	(0.92)	NIL
b.	For the Previous Financial Year	(1.47)	NA

Bharat Anumolu
Managing Director

V Thirumal Rao
Director

Chennai

12th August, 2010

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Declaration on Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on the website of the Company as www.beardsell.co.in. As Managing Director of Beardsell Limited and as required by Clause 49 (1D) of the Listing Agreement of the Stock Exchanges in India, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year 2009-2010.

Place : Chennai.
Dated : 12th August, 2010

Bharat Anumolu
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Beardsell Limited

We have examined the compliance of conditions of Corporate Governance of Beardsell Limited for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending against the company as at March 31, 2010 as per the records maintained by the Shareholders / Investors Grievance Committee.

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

Chennai
August 12, 2010

For Deloitte Haskins & Sells
Chartered Accountants

M.K. Ananthanarayanan
Partner
Membership No. 19521

FIVE YEAR RECORD

(Rs. in Lakhs)

	Year ended 31st March				
	2006	2007	2008	2009	2010
Income	4191.38	5448.02	6047.72	5282.16	5811.50
Profit before Depreciation	249.74	437.38	436.56	123.61	552.30
Depreciation	68.26	63.85	57.31	57.31	73.79
Taxation - Current	30.47	105.00	150.00	145.00	110.00
- Deferred	5.71	5.67	(15.72)	(117.60)	48.48
- Fringe Benefit Tax	8.88	8.20	9.71	7.90	-
Profit after Tax	136.42	254.66	235.26	31.00	320.03
Dividend	-	38.33	57.50	-	-
Tax on Dividend	-	6.51	9.77	-	-
Retained Funds	136.42	209.82	167.99	31.00	320.03
Share Capital	383.32	383.32	383.32	383.32	383.32
Earnings per Share (Rs.)	3.56	6.64	6.14	0.81	8.35
Net Worth	1245.32	1455.14	1623.13	1654.13	1974.16
Book Value per Share (Rs.)	32.49	37.96	42.34	43.15	51.50



1. We have audited the attached Balance Sheet of BEARSELL LIMITED ("the Company") as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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.
 - (ii) in the case of the profit and loss account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 (CARO) issued by the Central Government 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in compliance with the accounting standards referred to in section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 31 st March, 2010
5. On the basis of the written representations received from the directors as on March 31, 2010 taken on record by the Board of Directors, none of the directors is disqualified as on 31 st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants

(Registration No.008072S)
M.K.Ananthanarayanan
Partner
(Membership No.19521)

Place : Chennai

Date : August 12, 2010

Annexure to the Auditors' Report to the Members

(Referred to in Paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result, clauses (viii), (x), (xii), (xiii), (xiv), (xv), (xviii), (xix) and (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a 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.

(iii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were 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 explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) Based on Audit procedures applied by us, and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that are needed to be entered in the register maintained under Section 301 of the Companies Act, 1956.

(vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any court or any other Tribunal.

(viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business

(ix) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed 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 other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
Sales Tax Act of Various states	Sales Tax Dues	Deputy Commissioner, Assistant commissioner and Appellate authorities	1982-83 to 1985-86, 1989-90 to 1995-96, 1997-98, 1998-99, 2000-01 to 2003-04	6.44* (P.Y. - 9.29)
Central Sales Tax Act	Sales Tax Dues	Deputy Commissioner and CTO of various states	1993-94 to 1995-96, 1997-98, 2000-01, 2001-02, 2003-04	7.60** (P.Y. - 7.60)

* Out of the above, an amount of Rs.3.85 Lakhs (P.Y. - Rs.3.05 Lakhs) has been deposited with the relevant authorities.

** Out of the above, an amount of Rs.2.65 Lakhs (P.Y. - Rs.2.65 Lakhs) has been deposited with the relevant authorities.

(x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

(xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.

(xii) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No.008072S)

M.K.Ananthanarayanan

Partner

(Membership No. 19521)

Place : Chennai

Date : August 12, 2010



BEARDSELL LIMITED

Balance Sheet as at
March 31, 2010

	Schedule	As at March 31, 2010	As at March 31, 2009	(Rs. in lakhs)
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	383.32	383.32	
Reserves and Surplus	2	1590.84	1270.81	
		<u>1974.16</u>	<u>1654.13</u>	
Loan Funds				
Secured Loans	3	200.00	15.79	
Unsecured Loans		78.01	19.75	
		<u>278.01</u>	<u>35.54</u>	
		<u>2252.17</u>	<u>1689.67</u>	
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	4	1344.55	1032.15	
Less: Accumulated Depreciation		587.31	616.09	
Net Block		757.24	416.06	
Capital Work in Progress including advances		83.02	98.74	
Net Block		840.26	514.80	
Investments	5	214.21	189.21	
Deferred Tax Assets (Net)		26.25	74.73	
Current Assets, Loans and Advances				
Current Assets				
Inventories	6	347.15	230.11	
Sundry Debtors	7	1176.54	993.62	
Cash and Bank Balances	8	869.26	681.36	
Loans and Advances	9	495.08	458.13	
		<u>2888.03</u>	<u>2363.22</u>	
Less: Current Liabilities and Provisions				
(a) Current Liabilities	10	1509.87	1376.50	
(b) Provisions		206.71	75.79	
		<u>1716.58</u>	<u>1452.29</u>	
Net Current Assets		<u>1171.45</u>	<u>910.93</u>	
		<u>2252.17</u>	<u>1689.67</u>	
Accounting Policies and Notes on Accounts	15			

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Bharat Anumolu
Managing Director

V Thirumal Rao
Director

M.K. Ananthanarayanan
Partner

Y Mukhtar Basha
General Manager - Finance

K Murali
Company Secretary

Chennai
August 12, 2010

Profit And Loss Account for the year ended March 31, 2010

		For the Year ended March 31, 2010		For the Year ended March 31, 2009
	Schedule		(Rs. in Lakhs)	
INCOME				
Turnover		5608.83		5430.50
Less: Excise Duty		224.78		339.20
Net Sales		5384.05		5091.30
Commission & Rental Income	11	108.72		131.37
Others	12	318.73		59.49
		5811.50		5282.16
EXPENDITURE				
Manufacturing and Other expenses	13	5246.43		5143.53
Interest	14	12.77		15.02
Depreciation		73.79		57.31
		5332.99		5215.86
Profit for the year before tax		478.51		66.30
Less: Provision for Taxation				
- Current		110.00	145.00	
- Deferred		48.48	(117.60)	
- Fringe Benefit Tax		-	7.90	
		158.48		35.30
Profit for the year after tax		320.03		31.00
Add: Balance brought forward from Previous year		579.50		548.50
Balance carried to Balance sheet		899.53		579.50
Basic and diluted earnings per share of face value of Rs.10/- each (in Rupees)		8.35		0.81
Accounting Policies and Notes on Accounts	15			

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Bharat Anumolu
Managing Director

V Thirumal Rao
Director

M.K.Ananthanarayanan
Partner

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Chennai
August 12, 2010



BEARDELL LIMITED

Cash Flow Statement for the year ended March 31, 2010

	March 31, 2010	March 31, 2009
	(Rs. in Lakhs)	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before tax	478.51	66.30
Adjustments for :		
Depreciation	73.79	57.31
Unrealised Exchange Variation (Net)	3.31	(0.68)
Interest Expenses	12.77	15.02
Provision no longer required written back	-	(0.55)
Dividend Income	(0.44)	(0.44)
Interest Income	(51.31)	(35.20)
(Profit)/Loss on Sale of Assets (Net)	(0.20)	(1.79)
Provision for Doubtful debts	32.72	4.25
Provision for Doubtful Advances	-	269.39
Provision for Warranties	148.29	70.15
Provision for Compensated Absences	3.38	0.74
Bad Debts Written-off	4.44	25.64
	<u>226.75</u>	<u>403.84</u>
Operating Profit before Working Capital Changes	705.26	470.14
Adjustments for :		
Increase in Debtors & Other Receivables	(262.94)	(10.23)
(Increase)/Decrease in Inventories	(117.04)	157.34
Increase in Current Liabilities and Provisions	121.82	57.18
	<u>(258.16)</u>	<u>204.29</u>
Cash Generated from Operations	447.10	674.43
Taxes paid (Net of Refunds), including Fringe Benefit Tax	(118.22)	(46.03)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	<u>328.88</u>	<u>628.40</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure	(420.74)	(174.51)
Proceeds from Sale of Fixed Assets	21.70	3.32
Purchase of Investments	(25.00)	(168.48)
Dividend Received	0.44	0.44
Interest Received	50.65	32.20
NET CASH (USED IN) INVESTING ACTIVITIES (B)	<u>(372.95)</u>	<u>(307.03)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term borrowings	200.00	-
Short Term Borrowings (Net)	42.47	(98.92)
Interest on Borrowings	(13.25)	(19.08)
Dividend Paid including dividend tax	-	(64.82)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)	<u>229.22</u>	<u>(182.82)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	<u>185.15</u>	<u>138.55</u>
Opening Balance of Cash and Cash Equivalents	631.91	493.36
Closing Balance of Cash and Cash Equivalents	817.06	631.91
Reconciliation of cash and cash equivalents		
Cash and Cash equivalents at the end of the year as per Balance Sheet	869.26	681.36
Less: Bank deposits under lien	48.14	45.30
Less: Balances in Unpaid dividend account	4.06	4.15
	817.06	631.91

This is the Cash Flow Statement referred to in our Report of even date.

For DELOITTE HASKINS & SELLS
Chartered Accountants

M.K.Ananthanarayanan
Partner

Chennai
August 12, 2010

Bharat Anumolu
Managing Director

Y Mukthar Basha
General Manager - Finance

V Thirumal Rao
Director

K Murali
Company Secretary

**Schedules forming part of the
Balance Sheet and
Profit and Loss Account**

SCHEDULE 1	As at	As at
SHARE CAPITAL	March 31, 2010	March 31, 2009
	(Rs. in Lakhs)	
Authorised		
50,00,000 Equity Shares of Rs.10/- each	<u>500.00</u>	<u>500.00</u>
Issued, Subscribed and Paid up		
38,33,168 Equity Shares of Rs.10/- each fully paid up	<u>383.32</u>	<u>383.32</u>
Of the above Shares		
6,78,700 Equity Shares of Rs.10/- each are issued as fully paid-up by way of Bonus Shares through the capitalisation of Reserves and from Securities Premium Account		
1,57,400 Equity Shares of Rs.10/- each are issued as fully paid-up pursuant to a contract without payments being received in cash		

SCHEDULE 2	As at	Additions	Deductions	As at
RESERVES AND SURPLUS	April 1, 2009			March 31, 2010
Securities Premium	241.31	-	-	241.31
General Reserve	450.00	-	-	450.00
Surplus As Shown In Profit And Loss Account	<u>579.50</u>	<u>320.03</u>	-	<u>899.53</u>
	<u>1270.81</u>	<u>320.03</u>	-	<u>1590.84</u>

SCHEDULE 3	As at	As at
LOANS	March 31, 2010	March 31, 2009
SECURED LOANS		
I. Term Loans from Banks		
IDBI Bank Ltd.	200.00	-
Amounts repayable within one year - Rs.50.00 lakhs (P.Y. Rs. Nil)		
II. Working Capital Facilities from Banks		
Packing Credit	-	15.79
	<u>200.00</u>	<u>15.79</u>
UNSECURED LOANS		
Fixed Deposits	78.01	19.75

SCHEDULE 4	(Rs. in Lakhs)									
FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
DESCRIPTION	As at April 1, 2009	Addi- tions	Deduc- tions	As at March 31, 2010	As at April 1, 2009	For the Year	Deduc- tions	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009

Freehold Land *	6.92	-	-	6.92	-	-	-	6.92	6.92	6.92
Leasehold Land	21.16	17.16	-	38.32	0.61	0.20	-	0.81	37.51	20.55
Buildings **	257.70	60.32	24.25	293.77	77.76	8.62	10.98	75.40	218.37	179.94
Plant and Machinery *** / #	571.00	252.43	63.50	759.93	451.97	43.84	62.53	433.28	326.65	119.03
Electrical Installation	20.43	22.88	5.77	37.54	17.56	2.16	4.91	14.81	22.73	2.87
Furniture, Fittings & Office Equipments	83.79	12.15	24.52	71.42	50.25	8.13	21.18	37.20	34.22	33.54
Leasehold Improvements	-	26.18	-	26.18	-	2.30	-	2.30	23.88	-
Vehicles	71.15	45.34	6.02	110.47	17.94	8.54	2.97	23.51	86.96	53.21
	<u>1032.15</u>	<u>436.46</u>	<u>124.06</u>	1344.55	<u>616.09</u>	<u>73.79</u>	<u>102.57</u>	587.31	757.24	416.06
Capital Work in Progress including advances									83.02	98.74
									840.26	514.80
Previous year	1018.85	75.77	62.47	1032.15	619.72	57.31	60.94	616.09	416.06	399.13

* Given on Operating Lease

** Given on Operating Lease - Cost - Rs.61.40 lakhs (Rs. 84.30 lakhs), Depreciation - Rs.2.05 lakhs (Rs.2.82 lakhs) and WDV - Rs. 31.72 lakhs (Rs.46.82 lakhs)

*** Given on Operating Lease - Cost - Rs.200.78 lakhs (Rs. 256.35 lakhs), Depreciation - Rs.12.46 lakhs (Rs.10.85 lakhs) and WDV - Rs.61.33 lakhs (Rs.63.70 lakhs)

Excludes value of Plant & Machinery given as grant under United Nations Development Programme (UNDP) taken at nominal value of Rs.2/- (2009 : Rs.2/-)



BEARDELL LIMITED

SCHEDULE 5	As at March 31, 2010		As at March 31, 2009	
	Face Value	Cost	Face Value	Cost
INVESTMENTS (Long Term)	(Rs. in Lakhs)			
In fully paid Equity Shares				
TRADE - UNQUOTED				
Diana Garments (Private) Limited 15,000 Equity shares of Rs.10/-each	1.50	-	1.50	-
Sri Balaji Insulation (P) Ltd 3,400 Equity Shares of Rs.100/- each	3.40	-	3.40	-
Hyderabad EPS Products (P) Ltd., 18,000 Equity shares of Rs.10/-each	1.80	1.80	1.80	1.80
Arpejay Investments (P) Ltd., 900 Shares @ Rs.100/- each	0.90	-	0.90	-
Pondy EPS Products (P) Ltd., 180 Equity Shares of Rs.100/- each	0.18	-	0.18	-
Pink Packaging & Moulding Pvt.Ltd 5,300 Shares @ Rs.141.50/- each	5.30	7.50	5.30	7.50
SuRe Energy Systems Pvt. Ltd., 6,000 Shares @ Rs.416.70 each	0.60	25.00	-	-
In Subsidiaries (wholly owned)				
Viraat Granites Private Limited 7,41,078 Equity Shares @ Rs.10/- each	74.11	178.48	74.11	178.48
In partly paid Equity Shares				
TRADE - UNQUOTED				
Royal Insulation (P) Ltd., 3,618 Equity Shares of Rs.10/- each Rs.5/- per share paid up	0.18	-	0.18	-
Sarovar Insulation (P) Ltd., 3,618 Equity Shares of Rs.10/- each Rs.5/- per share paid up	0.18	-	0.18	-
		212.78		187.78
IN FULLY PAID SHARES				
NON-TRADE-QUOTED				
Nava Bharat Ventures Limited 1,565 Equity Shares of Rs.2/- each	0.03	0.08	0.03	0.08
ICICI Bank Ltd., 233 shares of Rs.10/- each	0.01	0.12	0.01	0.12
Taurus Mutual Fund - Boinanza Exclusive Growth Scheme 13,333 Units of Rs.10/- each	1.00	1.00	1.00	1.00
Andhra Bank 2,300 Shares of Rs.10/-each	0.23	0.23	0.23	0.23
		1.43		1.43
		214.21		189.21
Market Value of Quoted Investments		16.17		7.00
Aggregate cost of Quoted Investments		1.43		1.43

**Schedules forming part of the
Balance Sheet and
Profit and Loss Account**

	As at March 31, 2010	As at March 31, 2009
(Rs. in Lakhs)		
SCHEDULE 6		
INVENTORIES		
Stores and Spare parts	3.78	3.30
Loose Tools	2.98	2.29
Raw Materials	132.83	76.19
Trading and Finished Goods	68.95	66.34
Process Stock	26.49	11.53
Jobs in Progress	112.12	70.46
	<u>347.15</u>	<u>230.11</u>

SCHEDULE 7
SUNDRY DEBTORS - UNSECURED

Debts outstanding for a period exceeding six months			
Considered Good	76.33	87.69	
Considered Doubtful	95.50	82.25	
	<u>171.83</u>	169.94	
Less: Provision	95.50	82.25	
	76.33		87.69
Other Debts*			
Considered Good	1100.21	905.93	
Considered Doubtful	35.23	27.60	
	<u>1135.44</u>	933.53	
Less: Provision	35.23	27.60	
	<u>1100.21</u>		905.93
	<u>1176.54</u>		<u>993.62</u>
	10.89		61.23

* Includes Retention Money

SCHEDULE 8
CASH AND BANK BALANCES

Cash, Cheques and stamps on hand	33.61		47.02
Balances with scheduled Banks on			
Current Account	200.37	255.64	
Margin Money Deposits *	45.14	42.30	
Fixed Deposits	586.08	332.25	
Unpaid Dividend Account	4.06	4.15	
	<u>835.65</u>		634.34
	<u>869.26</u>		<u>681.36</u>

* for Bank Guarantees and Letter of Credit



BEARDELL LIMITED

SCHEDULE 9	As at	As at
LOANS AND ADVANCES	March 31, 2010	March 31, 2009
	(Rs. in Lakhs)	
Secured #	184.27	185.36
Unsecured - Considered Good		
Advances recoverable in cash or in kind for value to be received	147.50	128.07
Deposits *	82.35	87.40
Balance with Excise Authorities	2.82	1.70
	232.67	217.17
Unsecured - Considered Doubtful	-	269.39
Less : provision for doubtful advances	-	269.39
	-	-
Interest Accrued on Deposits	0.19	4.16
Advance Tax and Tax Deducted at Source including Fringe Benefit Tax (Net of Provisions Rs.667.81 -P.Y.Rs.558.81)	77.95	51.44
	495.08	458.13
*Includes with Government Departments	2.41	2.41

Includes Rs.180.00 lakhs secured by registered mortgage and deposit of title deeds relating to property

SCHEDULE 10

CURRENT LIABILITIES AND PROVISIONS

Current Liabilities

Acceptances	78.55	25.13
Sundry Creditors		
- Dues to Micro Enterprises & Small Enterprises	-	-
- Others	1185.98	1036.26
Advance received from Customers	240.25	309.45
Amount to be credited to Investor Education & Protection Fund *	-	-
Unpaid Dividends **	4.06	4.15
Interest accrued but not due on Fixed Deposits	1.03	1.51
	1509.87	1376.50
Provisions		
Compensated Absence	9.02	5.64
Warranties	197.69	70.15
	206.71	75.79
	1716.58	1452.29

* There are no amounts due and outstanding as on March 31,2010 and March 31,2009 to be credited to Investor Education & Protection Fund

** These amounts represent warrants issued to share holders which remain unrepresented and unclaimed as on March 31,2010

**Schedules forming part of the
Balance Sheet and
Profit and Loss Account**

	For the year ended March 31, 2010	For the year ended March 31, 2009
	(Rs. in Lakhs)	
SCHEDULE 11		
COMMISSION AND RENTAL INCOME		
Commission	60.82	97.73
[Tax deducted at Source Rs. 6.23 lakhs (P.Y. Rs. 7.51 lakhs)]		
Rental Income	47.90	33.64
[Tax deducted at Source Rs. 6.31 lakhs (P.Y. Rs. 5.17 lakhs)]		
	<u>108.72</u>	<u>131.37</u>
SCHEDULE 12		
OTHER INCOME		
Interest from Banks and others	51.31	35.20
[Tax deducted at Source Rs.4.63 lakhs (P.Y. Rs. 5.00 lakhs)]		
Dividend	0.44	0.44
Foreign Exchange Variation (Net)	-	3.90
Provision no longer required written back	-	0.55
Profit on Sale of Assets (Net)	0.20	1.79
Duty Drawback	0.47	5.32
Bad Debts written off in earlier years recovered	0.02	1.08
Surrender of Tenancy Rights	230.00	-
Insurance Claims received	25.03	-
Miscellaneous Income	11.26	11.21
	<u>318.73</u>	<u>59.49</u>
SCHEDULE 13		
MANUFACTURING AND OTHER EXPENSES		
I. MATERIALS		
1) Consumption of Raw Materials		
Opening Stock	76.19	133.99
Add: Purchases	1555.80	1474.28
	<u>1631.99</u>	<u>1608.27</u>
Less: Closing Stock	132.83	76.19
	<u>1499.16</u>	<u>1532.08</u>
2) Purchases		
Trading /Finished Goods	1159.83	942.97
Bought out items for jobs	1531.68	1433.97
	<u>2691.51</u>	<u>2376.94</u>
3) (Increase) / Decrease in Process Stock, Jobs in Progress and Trading/Finished Goods		
Opening Stock		
Trading /Finished Goods	66.34	125.57
Process stock	11.53	17.75
Jobs in progress	70.46	103.98
	<u>148.33</u>	<u>247.30</u>
Closing Stock		
Trading /Finished Goods	68.95	66.34
Process stock	26.49	11.53
Jobs in progress	112.12	70.46
	<u>207.56</u>	<u>148.33</u>
	(59.23)	98.97
4) Excise Duty		
	2.05	2.49
	<u>4133.49</u>	<u>4010.48</u>



BEARDELL LIMITED

	For the year ended March 31, 2010	(Rs. in Lakhs)	For the year ended March 31, 2009
II. Payments to and Provision for Employees			
Salaries, Wages and Bonus	379.37		306.65
Contribution to Provident Fund and Other funds	67.48		42.75
Workmen and Staff Welfare Expenses	49.39		46.84
	<u>496.24</u>		<u>396.24</u>
III. Other Expenses			
Consumption of Stores and Spare Parts	22.35		17.00
Power and Fuel	46.26		41.65
Rent	41.30		36.08
Rates and Taxes	10.39		13.08
Insurance	11.41		11.70
Repairs and maintenance to			
- Buildings	4.53		10.54
- Machinery	2.92		6.00
- Furniture and Equipment	8.75		5.07
Directors Sitting fees	1.20		1.02
Foreign Exchange Variation (Net)	3.31		-
Bad debts written off	16.30	35.88	
Less: Transfer from provision for Doubtful debts	<u>(11.86)</u>	<u>(10.24)</u>	
	4.44		25.64
Provision for doubtful debts	32.72		4.25
Doubtful advances written off	269.39	-	
Less: Transfer from provision for doubtful advances	<u>(269.39)</u>	-	-
Provision for doubtful advances	-	-	269.39
Warranties applied	20.75	-	
Less: Transfer from provision for warranties	<u>(20.75)</u>	-	-
Provision for Warranties	148.29		70.15
Travelling and Conveyance	67.39		60.82
Communication expenses	31.24		27.23
Printing & Stationery	10.49		8.73
Professional Charges	31.41		15.36
Miscellaneous Expenses	138.30		113.10
	<u>616.70</u>		<u>736.81</u>
	<u>5246.43</u>		<u>5143.53</u>

SCHEDULE 14 INTEREST ON

I. Fixed loans	7.98	-
II. Working capital Loans	1.85	6.02
III. Fixed Deposits	2.33	3.51
IV. Others	0.61	5.49
	<u>12.77</u>	<u>15.02</u>

Schedules forming part of accounts

(All amounts in lakhs of Indian Rupees)

15.00 Notes to accounts

15.01 Significant accounting policies

(a) Basis of preparation

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with the Accounting Principles generally accepted in India and comply with the Accounting Standards notified by the Central Government of India, under the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

(b) Use of estimates.

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates.

(c) Inventories

Inventories are valued at lower of cost (net of cenvat wherever applicable) and net realizable value. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. The method of determination of cost of various categories of inventory are as follows:

- (i) Raw materials and stores & spares – on weighted average basis.
- (ii) Finished goods, process stock and contracting material - at lower of cost (which includes appropriate production overheads) or net realizable value; the cost being determined on weighted average basis.
- (iii) Trading stocks are valued at purchase cost, inclusive of all duties and taxes on FIFO basis.
- (iv) Loose tools are valued at cost less estimated reduction in value for use.

(d) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to the acquisition and installation of fixed assets. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready to use before such date are disclosed under 'Capital Work-in-Progress and Advances'.

Assets given on operating lease are capitalized and depreciation has been provided on such assets on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956.

Fixed assets are depreciated pro rata to the period of use, based on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Leasehold improvements are amortized over the primary period of lease. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of addition.

(e) Impairment of assets

The Company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amounts of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

(f) Revenue recognition

- (i) Revenue from contract jobs are recognized on the percentage of completion method taking into consideration the estimated expenditure to be incurred for completion of the jobs.
- (ii) Sales are recognized when goods are dispatched and recorded net of trade discounts and sales taxes. Export incentives are recognized on accrual basis.
- (iii) Lease rentals and commission income are recognized on accrual basis.
- (iv) Interest income is recognized using the time proportion method.

(g) Foreign currency transactions

Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transactions and the realized exchange loss/gain are dealt with in the profit and loss account.

Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the resultant exchange differences are recognised in the profit and loss account.



(h) Investments

Investments are recorded at cost of acquisition. Unquoted Investments are written off, where they are not realizable in the opinion of the management. The diminution, if any, in the value of long-term investments stated at cost, is recognized when such diminution is other than temporary in nature.

(i) Retirement benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits in accordance with the Accounting Standard 15 (revised 2005) on 'Employee Benefits'. Short-term employee benefits, at the balance sheet date are recognized as an expense as per Company's scheme based on expected obligations on undiscounted basis.

(ii) Long-term employee benefits

Defined benefit plan

Accumulated Compensated absence

The obligation for long-term employee benefits such as compensation payable at the time of retirement / resignation on unavailed leave days is provided based on actuarial valuation as at the balance sheet date, using the 'Projected Unit Credit Method'.

Gratuity

The Company makes contribution to a scheme administered by Life Insurance Corporation of India to discharge gratuity liabilities to the employees. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at March 31, 2010, using the 'Projected Unit Credit Method'.

Actuarial gains and losses are recognized in full in the profit and loss account for the year in which they occur. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Defined contribution plan

Contributions to Provident Fund, Superannuation and ESI, made in accordance with the respective rules is charged to the profit and loss account.

(i) Segment reporting

(i) The accounting policies adopted for segment reporting are in line with the accounting policies of the company.

(ii) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under unallocated corporate expenses.

(iii) There are no inter segment revenues and therefore their basis of measurement does not arise.

(k) Earnings per share

The earnings considered in ascertaining the Company's earning per share ('EPS') comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

(l) Taxes on income

(i) Current tax is determined on the profit for the year in accordance with the provisions of the Income Tax Act, 1961.

(ii) Deferred tax is calculated at the rates and laws that have been enacted or substantially enacted as of the balance sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized.

(m) Provisions, contingent liabilities and contingent assets

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

Schedules forming part of the Balance Sheet and Profit and Loss Account

15.02 Contingent liabilities	As on Mar 31, 2010	As on Mar 31, 2009
	(Rs. in Lakhs)	
Uncalled Liability in respect of partly paid shares held as investments	0.36	0.36
Claims against the Company not acknowledged as debts	2.00	2.00
Capital Commitments (Net of Advances)	150.99	60.45
Disputed Sales Tax demands	14.04	16.89

Name of the statute	Nature of dues	Amount	Payment made	Period to which the amt. relates	Forum where dispute is pending
Sales tax acts of various States	Sales Tax	6.44 (9.29)	3.85 (3.05)	1982 - 83 to 1985 - 86 1989 - 90 to 1995-96 1997 - 98 1998 - 99 2000 - 01 2001 - 02 2003 - 04	Deputy Commissioner & Assistant Commissioner & other appellate authorities
Central Sales Tax Act	Sales Tax	7.60 (7.60)	2.65 (2.65)	1993 - 94 to 1995 - 96 1997 - 98 2000 - 01 2001 - 02 2003 - 04	Deputy Commissioner & CTO of various states

15.03 Income tax appeal

An appeal is pending before CIT (Appeals) against the order of the Assessing Officer for the assessment year 2005 - 2006 in respect of disputed tax demand of Rs. 112.75 lakhs which includes interest of Rs. 20.03 lakhs. The entire amount has been paid. The Company is advised that there are reasonable chances of success in the appeal. Accordingly, no provision is considered necessary.

15.04 Excise duty

Excise duty on sales for the year has been disclosed as reduction from turnover. Excise duty related to the difference between the closing stock and opening stock has been included in Schedule 13 forming part of the accounts.

15.05 Working capital facilities

Working capital facilities of the Company are secured by first charge on current assets and charge on specific fixed assets of the Company, on pari passu basis, with IDBI Bank Ltd. in respect of its Term Loan.

15.06 Term loan

Term Loan from IDBI Bank Ltd. is secured by First charge on the entire fixed assets of the Company excluding specific assets already charged with Bank of India on pari passu basis. They are also secured by deposit of Title Deeds of one of its property.

15.07 Deposits from public

(a) Fixed deposits maturing within one year is Rs. 7.98 lakhs (Rs. 19.11 lakhs).

(b) Fixed deposits under cash and bank balances includes an amount of Rs. 3.00 lakhs (Rs. 3.00 lakhs) deposited in pursuance of Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975.

15.08 Micro Enterprises & Small Enterprises

In accordance with the Notification No: GSR 719 (E) dated 16.11.2007 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to micro, small and medium enterprises as defined under the Micro, Small and Medium Development Act, 2006. The Company is in the process of compiling relevant information from its suppliers about their coverage under this Act. Since the relevant information is not readily available, no disclosures have been made in these financial statements.

15.09 Contracts-in-progress

In respect of contracts-in-progress, as on March 31, 2010, the aggregate cost incurred and the profit recognized is Rs. 225.35 lakhs (Rs. 96.48 lakhs) and Rs. 24.87 lakhs (Rs. 12.95 lakhs) respectively. Advance from contract customers amount to Rs. 122.90 lakhs (Rs. 70.39 lakhs). Contracts receivables amount to Rs. 282.30 lakhs (Rs. 291.72 lakhs).



BEARDELL LIMITED

15.10 During the year, the Court convened Extra Ordinary General Meeting was held on 9th of September 2009 and the Shareholders have approved the Scheme of Merger of the wholly owned subsidiary Viraat Granites Private Limited with the Company. Necessary petitions have been filed with Honourable High Court of Madras for the sanction of said Scheme, which is pending.

15.11 Other Income includes

- Rs.230.00 Lakhs received on account of Surrender of Tenancy Rights in respect of a property situated at Hyderabad
 - Rs.25.03 Lakhs received on account of settlement of Insurance claim relating to Stock made in earlier years and interest of Rs10.29 Lakhs for the delay in settlement.

15.12 Gratuity

The Company's obligation towards gratuity fund is a 'Defined Benefit Plan' and the details of actuarial valuation as at March 31, 2010 is given below:

Assumptions	March 31,2010	March 31,2009
	(Rs. in Lakhs)	
Discount Rate	8%	8%
Salary Escalation	6% - 7%	7%
Attrition rate	1-3% depending on age	1-3% depending on age
Expected return on plan assets	8%	8%
Mortality Rate	LIC-94-96-Mortality rates	LIC-94-96-Mortality rates

Table showing changes in Present Value of Obligations

Present Value of Obligations as at beginning of year	74.15	77.22
Interest Cost	5.93	5.70
Current Service Cost	4.83	4.61
Benefits Paid	(16.02)	(11.96)
Actuarial Loss / (Gain) on Obligation	14.15	(1.42)
Present Value of Obligations as at the end of year	83.04	74.15

Table Showing changes in the Fair Value of Plan Assets

	LIC Fund	LIC Fund
Fair Value of Plan Assets at beginning of year	82.73	84.52
Expected return on plan assets	6.97	6.40
Contributions	17.45	3.00
Benefits paid	(16.02)	(11.96)
Actuarial Gain on plan Assets	-	0.77
Fair Value of Plan Assets at the end of year	91.13	82.73

Table Showing Fair Value of Plan Assets

Fair Value of Plan Assets at beginning of year	82.73	84.52
Actual return on plan assets	6.97	7.17
Contributions	17.45	3.00
Benefits paid	(16.02)	(11.96)
Fair Value of Plan assets at the end of year	91.13	82.73
Funded Status	8.09	8.58
Excess of Actual over estimated return on plan assets	-	0.77

Actuarial (Gain) / Loss recognized

Actuarial Loss / (Gain) on obligation	14.15	(1.42)
Actuarial Loss / (Gain) on plan assets	-	(0.77)
Total Loss / (Gain) for the year	14.15	(2.19)
Actuarial Loss / (Gain) recognized in the year	14.15	(2.19)

The amount to be recognized in the balance sheet & Statements of profit and loss

Present Value of Obligations as at the end of year	83.04	74.15
Fair Value of Plan assets at the end of the year	91.13	82.73
Funded status	8.09	8.58
Net Asset Recognized in the Balance Sheet	8.09	8.58

Schedules forming part of the Balance Sheet and Profit and Loss Account

	As on Mar 31, 2010	As on Mar 31, 2009
Expenses Recognized in Statement of Profit & Loss	(Rs. in Lakhs)	
Current Service Cost	4.83	4.61
Interest Cost	5.93	5.70
Expected return on plan Assets	6.97	6.40
Net Actuarial Loss / (Gain) recognized in the year	14.15	(2.19)
Expenses to be recognized in the profit & loss	17.94	1.72
Opening Net Asset	8.58	7.30
Contributions	17.45	3.00
Expenses	17.94	1.72
Closing Net Asset	8.09	8.58

In the absence of relevant information from the actuary, the above details do not include composition of plan assets

15.13 Segment reporting (a) Primary segment

	As on March 31, 2010			As on March 31, 2009		
	Insulation	Trading	Total	Insulation	Trading	Total
Segment revenue						
Net sales / commission & rental income	5211.54	281.23	5492.77	4820.26	402.41	5222.67
Segment results						
Operating profit	497.24	(12.94)	484.30	526.90	(281.18)	245.72
Interest	-	-	(12.77)	-	-	(15.02)
Unallocable corporate expenses (net-off income)	-	-	6.98	-	-	(164.40)
Income taxes			(158.48)			(35.30)
Net profit			320.03			31.00

	As on March 31, 2010				As on March 31, 2009			
	Insulation	Trading	Others	Total	Insulation	Trading	Others	Total
Segment assets / liabilities								
Segment assets	2478.25	277.52	-	2755.77	2371.67	347.33	-	2719.00
Unallocated corporate assets	-	-	1212.98	1212.98	-	-	422.96	422.96
Total assets				3968.75				3141.96
Segment liabilities	1542.05	70.36	-	1612.41	1271.75	94.99	-	1366.74
Unallocated corporate liabilities	-	-	2356.34	2356.34	-	-	1775.22	1775.22
Total liabilities				3968.75				3141.96

Capital expenditure addition	436.46	75.77
Depreciation	73.79	57.31

The Company has considered business segment as the Primary Segment for disclosure.

Insulation Business includes manufacturing of EPS Products/Prefab Panels and related contracting activities.

Trading includes Chemicals, Motors and Exports, etc.

The above Segments have been identified taking into account the organization structure as well as the differing risks and returns of these segments.

(b) Secondary segment

As the sales and assets outside India is less than 10% of total sales / assets, there are no reportable geographical segments.



BEARDELL LIMITED

15.14 Related Party Transactions (as identified by the management and relied upon by Auditors)

- (a) Subsidiary Company - M/s. Viraat Granites Private Limited
 (b) Key management personnel - Mr. Bharat Anumolu - Managing Director (From 29.06.2009)
 - Mr. S.V.Narasimha Rao - Executive Director (From 29.06.2009)
 - Mr. A.V.Ramalingan - Executive Director (Till 20.05.2009)

(c) Nature of transactions **As at March 31,2010** (Rs. in Lakhs) **As at March 31,2009**

(i) Subsidiary Company

Equity Share Capital Outstanding **178.48** 178.48

(ii) Key Management Personnel

Remuneration to Key Management Personnel **38.14** 14.33

Fixed Deposits received from Managing Director and outstanding **25.00** -

Interest accrued on above deposit **0.30** -

15.15 Leases

The outstanding commitments by the lessee on account of assets leased out by the Company under non-cancellable leases are as follows:

Within one year **49.69** 35.64

Later than one year and not later than 5 years - -

Brief description of Terms of Lease

Lease Rentals are accrued on the basis of Agreed Terms.

All assets are leased out for a period of twelve months

15.16 Earnings per share

The net profit for the year has been used as the numerator and number of equity shares as denominator in calculating basic and diluted earnings per share. There are no potential equity shares and hence basic and diluted EPS are the same.

Profit after tax (A) **320.03** 31.00

Weighted average number of equity shares (B) **38,33,168** 38,33,168

Face value per share (Rs.) **10** 10

Basic and diluted EPS (Rs.) **8.35** 0.81

15.17 Information relating to Deferred tax

Break-up of Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences :

(a) Deferred tax assets

Provision for doubtful debts **44.43** 37.34

Provision for doubtful advances - 93.19

Provision for Warranties **67.19** 23.84

Others **3.07** 1.91

114.69 156.28

(b) Deferred tax liabilities

Depreciation **85.68** 78.38

Others **2.76** 3.17

88.44 81.55

Deferred tax asset (Net) **26.25** 74.73

**Schedules forming part of the
Balance Sheet and
Profit and Loss Account**

15.18 Disclosure requirements under Accounting Standard 29 on Provision, Contingent Liabilities and Assets.

	Opening Balance	Additions	Applied	Withdrawals	Closing Balance
Provision for Warranties	70.15	148.29	20.75	-	197.69

Note: Provision for Warranties are expected to be settled within next 18 to 24 months.

15.19 Turnover particulars For the year ended
March 31, 2010 March 31, 2009
(Rs. in lakhs)

	Qty.	Value	Qty.	Value
Sales				
Expanded polystyrene	1511 MT	2386.81	1115 MT	2028.12
Prefab panels	77321 RMT	1340.69	89004 RMT	1658.90
Chemicals	-	-	3 MT	3.69
Electric motors	1185 NOS	263.40	1145 NOS	253.91
Exports of fabrics		17.82		143.28
Miscellaneous		80.81		13.33
		<u>4089.53</u>		<u>4101.23</u>
Contracts				
Insulation / prefab contracts		<u>1519.30</u>		<u>1329.27</u>
		<u>5608.83</u>		<u>5430.50</u>

15.20 Consumption of raw materials (Qty. in Metric Ton.)

Polystyrene Resin	1351	997.96	1121	872.66
Precoated Steel	775	380.00	902	535.81
Others	102	121.20	90	123.61
		<u>1499.16</u>		<u>1532.08</u>

15.21 Stock particulars of finished goods

Class of goods	Unit of measurement	As on March 31, 2010				As on March 31, 2009			
		Opening		Closing		Opening		Closing	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
(a) Manufactured									
Expanded polystyrene	MT	21	17.55	29	34.00	20	34.13	21	17.55
Prefab panels	RMT	202	4.01	428	5.74	369	5.61	202	4.01
(b) Traded goods									
Motors	NOS	260	13.69	146	9.60	188	17.55	260	13.69
Fabrics			6.03		-		33.76		6.03
Others			25.06		19.61		34.52		25.06
			<u>66.34</u>		<u>68.95</u>		<u>125.57</u>		<u>66.34</u>



BEARDELL LIMITED

15.22 Directors' remuneration

	March 31, 2010		March 31, 2009	
(a) Remuneration to Managing Director/ Executive Directors	(Rs. in lakhs)			
Salary		16.24		6.00
Perquisites and allowances		7.68		5.67
Commission		7.74		0.82
Contribution to Provident and Superannuation funds		6.48		1.84
		<u>38.14</u>		<u>14.33</u>
(b) Calculation of commission to Managing Director / Executive Directors				
Profit as per profit & loss account		478.51		66.30
Add: Director's sitting fees	1.20		1.02	
Director's remuneration	<u>38.14</u>	<u>39.34</u>	<u>14.33</u>	<u>15.35</u>
		<u>517.85</u>		<u>81.65</u>
Less: Capital Profit on Surrender of Tenancy		<u>230.00</u>		-
Net Profit for the year		<u>287.85</u>		<u>81.65</u>
Commission to Managing Director / Executive Directors		<u>7.74</u>		<u>0.82</u>

The above excludes provision for compensated absences and gratuity as separate actuarial valuations are not available.

15.23 Auditors' remuneration excluding service tax (included in professional charges)

For Audit	5.00	4.00
For Tax Audit/Representation	4.70	2.76
For Certification of statements	2.95	2.10
For Expenses	0.27	0.32
	<u>12.92</u>	<u>9.18</u>

15.24 Installed capacities & production

	Expanded Polystyrene MT	Prefab Panels RMT	Expanded Polystyrene MT	Prefab Panels RMT
Installed Capacity	2640*	216000*	384**	216000*
Actual Production	1306	82884	1010	93771
Produced by outside processor out of the above	707	-	430	-
Captive Consumption	254	5337	261	4934

* As per certificate given by the Management on which the Auditors have relied.

** Per annum on single shift basis

15.25 Value of imports on CIF basis

Raw materials	291.19	171.03
Traded goods	37.99	21.15
Capital Goods	60.16	-
Advance for Capital Goods	30.88	18.29
	<u>420.22</u>	<u>210.47</u>

15.26 Expenditure in foreign currency

Travel	0.93	1.44
Interest / charges	1.32	0.66
Royalty (net of Tax)	0.50	-
	<u>2.75</u>	<u>2.10</u>

**Schedules forming part of the
Balance Sheet and
Profit and Loss Account**

15.27 Value of raw materials, stores, spare parts and components consumed

	March 31, 2010		(Rs. in Lakhs)		March 31, 2009	
	As % of consumption	Value	As % of consumption	Value		
Imported	25.00	386.19	10.00	147.80		
Indigenous	75.00	1135.32	90.00	1401.28		
	<u>100.00</u>	<u>1521.51</u>	<u>100.00</u>	<u>1549.08</u>		

15.28 Earnings in foreign currency

Export of goods calculated on FOB basis	62.88	115.33
---	--------------	--------

15.29 Prior period comparatives

Prior year figures have been reclassified / re-grouped wherever necessary to conform to the current year's classification.

For & on behalf
of the Board of Directors

Bharat Anumolu
Managing Director

V Thirumal Rao
Director

Chennai
August 12, 2010

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary



BEARDELL LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code

Balance Sheet

31	03	2010
Date	Month	Year

II. Capital Raised During the Year

(Amount in Rs. Lakhs)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Lakhs)

Total Liabilities

Total Assets

Source of Funds

Paid-up-Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

(Incl. Deferred Tax Asset)

Misc-Expenditure

Accumulated Losses

IV. Performance of Company

Turnover

Total Expenditure

Profit Before Tax

Profit After Tax

Earning Per Share in Rs.

Dividend Per Share Rs.

V. Generic Names of Three Principal Products/Services of the Company (As per monetary terms)

Item Code No.
(ITC Code)

Product Description

EXPANDED POLYSTYRENE

INSULATION CONTRACTS

Item Code No.
(ITC Code)

Product Description

PREFAB PANELS

AGENCY LINES

Bharat Anumolu
Managing Director

V Thirumal Rao
Director

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Chennai
August 12, 2010

FINANCIAL STATEMENTS OF SUBSIDIARY COMPANY 2009-10

CONTENTS	Page
Notice to Shareholders	37
Report of Directors	38
Auditors Report	39
Balance Sheet	41
Profit and Loss Account	42
Cash Flow Statement	43
Schedules	44

NOTICE IS HEREBY GIVEN that the Twenty second Annual General Meeting of the Company will be held on Monday, the 27th September, 2010 at 10.30 A.M. at "Mini Hall" Satguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai 600 018 to transact the following business:

AS ORDINARY BUSINESS

1. ADOPTION OF ACCOUNTS

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

"RESOLVED THAT the Balance Sheet as at 31st March, 2010, the Profit and Loss Account of the Company for the year ended on that date, together with the Schedules, Balance sheet Abstract, the Company's general Business profile and Cash Flow Statement for the year ended 31st March, 2010 together with the Directors Report and the Auditors' Report thereon, be and are hereby approved and adopted."

2. APPOINTMENT OF AUDITORS

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

"RESOLVED THAT the Auditors of the Company, Messrs. Deloitte Haskins & Sells (DHS), Chartered Accountants, Chennai who retire at this meeting, being eligible and willing to act as auditors of the Company, be and are hereby appointed Auditors of the Company to hold office till the conclusion of the next Annual General Meeting of the Company on a remuneration as the Board of Directors of the Company may determine, in addition to travelling and out of pocket expenses"

By Order of the Board
For VIRAAT GRANITES PRIVATE LIMITED

Place : Chennai
Date : August 12, 2010

S. Dhandapani
Director

Notes: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The proxy form duly signed must be deposited at the registered office of the Company not later than 48 hours before the time of holding the meeting.

Your Directors have pleasure in presenting their Twenty Second Annual Report together with the Audited Balance Sheet of your Company as at 31st March, 2010 and the Auditors' Report thereon.

Operations

There were no operations in the Company during the year.

DIRECTORS

There were no change in the Directors during the year.

Auditors

M/s. Deloitte Haskins & Sells (DHS), Chartered Accountants, Chennai who retires at this meeting, being eligible and willing to act as auditors of the Company be and are hereby appointed Auditors of the company to hold office till the conclusion of the next Annual General Meeting of the Company on a remuneration as the Board of Directors of Company may determine, in addition to travelling and out of Pocket Expenses.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Sec. 217(2AA) of the Companies Act, 1956, your Directors further report that:

- I. In preparation of the annual accounts, applicable accounting standards 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 as on 31st March, 2010 and of the Profit/(Loss) of the Company for financial year ended 31st March, 2010;

III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. The Directors have prepared the annual accounts on a going concern basis.

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

Technology Absorption, Conservation of Energy; Foreign Exchange earnings and outgo are nil.

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the continued support received from the Bankers, Principals/Suppliers, Customers and Employees.

For and on behalf of the Board

Chennai
August 12, 2010

P. K. Rami Reddy
Director

S. Dhandapani
Director

Report of the Auditors to the Members

1. We have audited the attached Balance Sheet of VIRAAT GRANITES PRIVATE LIMITED ("the Company") as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 (CARO) issued by the Central Government 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2010
 - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants

(Registration No.008072S)

M.K.Ananthanarayanan

Partner

(Membership No.19521)

Place : Chennai

Date : August 12, 2010

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses (ii), (iv),(vi) (vii),(viii),(xi),(xii),(xiii),(xiv),(xv),(xvi),(xvii),(xviii),(xix)and(xx) of CARO are not applicable.
- (ii) In respect of its fixed assets
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a 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.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) Based on Audit procedures applied by us, and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that are needed to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- (v) According to the information and explanations given to us in respect of statutory dues
- (a) The Company has generally been regular in depositing undisputed dues, including Income-tax and Cess during the year.
- (b) There were no undisputed amounts payable in respect of Income-tax, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income tax, cess and royalty which have not been deposited with the appropriate authorities on account of any dispute, except for dues referred in Note No 8.02 of Schedule 8 to the financial statements.
- (vi) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has incurred cash losses in the financial year and in the immediately preceding financial year.
- (vii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants

(Registration No.008072S)
M.K.Ananthanarayanan
Partner
(Membership No.19521)

Place : Chennai
Date : August 12, 2010

Balance Sheet as at March 31, 2010

		As at March 31, 2010	As at March 31, 2009	
		(Rs. in lakhs)		
SOURCES OF FUNDS	Schedule			
Shareholders' Funds				
Share Capital	1	74.11	74.11	
Reserves and Surplus	2	196.07	196.96	
		<u>270.18</u>	<u>271.07</u>	
		270.18	271.07	
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	3	231.07	231.07	
Less: Accumulated Depreciation		18.15	16.61	
Net Block		<u>212.92</u>	<u>214.46</u>	
Current Assets, Loans and Advances				
Current Assets				
Cash and Bank Balances	4	0.05	0.05	
Loans and Advances	5	0.50	0.50	
		<u>0.55</u>	<u>0.55</u>	
Less: Current Liabilities	6	0.37	0.10	
Current Liabilities		<u>0.37</u>	<u>0.10</u>	
Net Current Assets		0.18	0.45	
Profit & Loss Account		57.08	56.16	
		<u>270.18</u>	<u>271.07</u>	
Accounting Policies and Notes on Accounts	8			

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

M.K. Ananthanarayanan
Partner

S. Dhandapani
Director

P. K. Rami Reddy
Director

Chennai
August 12, 2010

VIRAAT GRANITES PVT LTD

Profit and Loss Account for the year ended March 31, 2010

	Schedule	For the year ended March 31, 2010	For the year ended March 31, 2009
		(Rs. in lakhs)	
INCOME			
Sales / Service Income		-	-
EXPENDITURE			
Administration Expenses	7	0.27	0.82
Depreciation		1.54	1.22
Less : Transfer from Fixed Assets Revaluation Reserve		<u>0.89</u>	<u>0.57</u>
		<u>0.65</u>	0.65
		<u>0.92</u>	<u>1.47</u>
Loss for the year before tax		(0.92)	(1.47)
Less: Provision for taxation		-	-
Loss for the year after tax		(0.92)	(1.47)
Add: Balance brought forward from Previous year		(56.16)	(54.69)
Balance Carried to Balance Sheet		(57.08)	(56.16)
Basic and diluted earnings per share of face value of Rs.10/- each (in Rupees)		(0.12)	(0.20)

Accounting Policies and Notes on Accounts 8

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

M.K.Ananthanarayanan
Partner

Chennai
August 12, 2010

S. Dhandapani
Director

P. K. Rami Reddy
Director

**Cash Flow Statement
for the year ended
March 31, 2010**

	March 31, 2010	March 31, 2009
	(Rs. in Lakhs)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year before tax	(0.92)	(1.47)
Adjustments for:		
Depreciation	0.65	0.65
Fixed Assets Written-off	-	0.54
Investments Written-off	-	0.05
	<u>0.65</u>	<u>1.24</u>
Operating Loss before Working Capital Changes	(0.27)	(0.23)
Increase in Current Liabilities and Provisions	0.27	0.04
	<u>0.27</u>	<u>0.04</u>
NET CASH (USED) IN FINANCING ACTIVITIES	<u>-</u>	<u>(0.19)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>-</u>	<u>(0.19)</u>
Opening Balance of Cash and Cash Equivalents	0.05	0.24
Closing Balance of Cash and Cash Equivalents	0.05	0.05

This is the Cash Flow Statement referred to in our Report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

M.K.Ananthanarayanan
Partner

Chennai
August 12, 2010

S. Dhandapani
Director

P. K. Rami Reddy
Director

VIRAAT GRANITES PVT LTD

As at
March 31, 2010

As at
March 31, 2009

(Rs. in lakhs)

SCHEDULE 1

SHARE CAPITAL Authorised

10,00,000 Equity Shares of Rs. 10/- each	<u>100.00</u>	<u>100.00</u>
Issued, Subscribed and Paid up:		
7,41,078 Equity Shares of Rs. 10/- each fully paid up	<u>74.11</u>	<u>74.11</u>

(The entire Shares are held by M/s Beardsell Limited, the holding company and its nominees)

SCHEDULE 2 RESERVES AND SURPLUS

	As at April 1, 2009	Additions	Deductions	As at March 31, 2010
Fixed Assets Revaluation (Refer Note 8.03)	186.76	-	0.89*	185.87
General Reserve	10.20	-	-	10.20
	<u>196.96</u>	<u>-</u>	<u>0.89</u>	<u>196.07</u>

* Represents depreciation on increased value recouped from Fixed Assets Revaluation Reserve

SCHEDULE 3 FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at April 1, 2009	Addi- tions	Deduc- tions	Increase on Revaluation	As at March 31, 2010	As at April 1, 2009	For the year	Deduc- tions	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Freehold Land	136.51	-	-	-	136.51	-	-	-	-	136.51	136.51
Buildings	94.56	-	-	-	94.56	16.61	1.54*	-	18.15	76.41	77.95
	<u>231.07</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231.07</u>	<u>16.61</u>	<u>1.54</u>	<u>-</u>	<u>18.15</u>	<u>212.92</u>	<u>214.46</u>
Previous year	45.69	-	1.95	187.33	231.07	16.80	1.22	1.41	16.61	214.46	28.89

* Out of the Depreciation for the year a sum of Rs.0.88 lakhs to the extent it is charged on the increased value, has been recouped from Fixed Assets Revaluation Reserves and Rs.0.65 lakhs has been debited to the Profit and Loss account

**Schedules forming part
of the Balance Sheet and
Profit and Loss Account**

	As at March 31, 2010	As at March 31, 2009
(Rs. in lakhs)		
SCHEDULE 4		
CASH AND BANK BALANCES		
Cash, Cheques and stamps on hand	-	-
Balances with scheduled Banks on		
Current Account	<u>0.05</u>	<u>0.05</u>
	<u>0.05</u>	<u>0.05</u>
 SCHEDULE 5		
LOANS AND ADVANCES		
(Unsecured/Considered Good)		
Deposits Unsecured and Considered Good (Refer Note 8.02)	<u>0.50</u>	<u>0.50</u>
	<u>0.50</u>	<u>0.50</u>
 SCHEDULE 6		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Outstanding Liabilities	<u>0.37</u>	<u>0.10</u>
	<u>0.37</u>	<u>0.10</u>
 SCHEDULE 7		
Administration Expenses		
Audit Fee	<u>0.15</u>	<u>0.10</u>
Fixed Assets written-off	-	0.54
Investments written-off	-	0.05
Miscellaneous Expenses	<u>0.12</u>	<u>0.13</u>
	<u>0.27</u>	<u>0.82</u>
	<u>0.27</u>	<u>0.82</u>

VIRAAT GRANITES PVT LTD

(All amounts in lakhs of Indian Rupees)

8 Notes to accounts

8.01 Significant accounting policies

(a) Basis of preparation

The financial statements are prepared under the historical cost convention (other than the land and buildings which have been revalued) on the accrual basis of accounting and in accordance with Accounting Principles generally accepted in India and comply with the accounting standards notified by the Central Government of India, under the Companies (Accounting Standards) rules 2006 and relevant provisions of the Companies Act, 1956.

(b) Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates.

(c) Fixed assets and depreciation

Fixed assets are stated at cost (except for the revalued land and buildings which are shown at estimated replacement cost as determined by the valuers) less accumulated depreciation. The Company capitalizes all costs relating to the acquisition and installation of fixed assets.

Fixed assets are depreciated pro rata to the period of use, based on written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956. Assets costing less than Rs. 5,000 are fully depreciated in the year of addition.

(d) Impairment of assets

The Company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amounts of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

(e) Earnings per share

The earnings considered in ascertaining the Company's earning per share ('EPS') comprise the net profit/loss after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

(f) Provisions, contingent liabilities and contingent assets

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

8.02 Contingent liabilities

Royalty Demand of Rs. 1.87 lakhs (P.Y. Rs. 1.87 lakhs) raised by Department of Mines & Geology, Warrangal against which company has filed writ petition before Hon'ble High Court of Andhra Pradesh. The company has deposited an amount of Rs.0.50 lakhs (P.Y. Rs.0.50 lakhs) with the High Court of Andhra Pradesh for admitting its writ petition against the Department of Mines & Geology, Warrangal.

8.03 Revaluation of Fixed Assets

Revaluation of free hold land and Building was made as at 31.03.2009 based on valuation report dated 11.08.2008 on the governing principles of current cost and such enhanced values thereof have been incorporated in the accounts as at 31.03.2009. The surplus of Rs.187.33 Lakhs between the enhanced figures of the revalued asset and cost thereof has been credited to fixed assets revaluation reserve.

8.04 Related Party Transactions

(a) Name of Related Party where control exists (as identified by the management and relied upon by the Auditors)

Schedules forming part of Accounts

Name Relationship
Beardsell Limited Holding Company

(b) Transactions

Nature of Transactions	Outstanding Amounts carried in Balance Sheet as at March 31, 2010	Outstanding Amounts carried in Balance Sheet as at March 31, 2009
Equity Contribution	74.11	74.11

8.05 Earnings per share

The net loss for the year has been used as the numerator and number of equity shares as denominator in calculating basic and diluted earnings per share. There are no potential equity shares and hence basic and diluted EPS are the same.

	March 31, 2010	March 31, 2009
Loss after tax	(0.92)	(1.47)
Weighted average number of equity shares	7,41,078	7,41,078
Face value per share (Rs.)	10	10
Basic and diluted EPS (Rs.)	(0.12)	(0.20)

8.06 The Company had filed an application with the Hon'ble High Court of Andhra Pradesh on February 20, 2009 for Merger with its Holding Company, Beardsell Limited. The orders are awaited from Honourable High Court of Andhra Pradesh for dissolution without winding up the company.

8.07 Prior period comparatives

Prior year figures have been reclassified / re-grouped wherever necessary to conform to the current year's classification.

For & on behalf
of the Board of Directors

Place : Chennai
Date : August 12, 2010

S. Dhandapani P.K. Rami Reddy
Director Director

VIRAAT GRANITES PVT LTD

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code

Balance Sheet

31	03	2010
Date	Month	Year

II. Capital Raised During the Year

(Amount in Rs. Lakhs)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Lakhs)

Total Liabilities

Total Assets

Source of Funds

Paid-up-Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc-Expenditure

Accumulated Losses

IV. Performance of Company

Turnover

Total Expenditure

Profit/(Loss) Before Tax

Profit/(Loss) After Tax

Earning Per Share in Rs.

Dividend Per Share Rs.

V. Generic Names of Three Principal Products/Services of the Company (As per monetary terms)

Item Code No.
 (ITC Code)
 Product Description

Chennai
August 12, 2010

S. Dhandapani
Director

P. K. Rami Reddy
Director

CONSOLIDATED FINANCIAL STATEMENTS 2009-10

CONTENTS	Page
Auditors Report	49
Balance Sheet	50
Profit and Loss Account	51
Cash Flow Statement	52
Schedules	53

**AUDITORS' REPORT TO THE BOARD OF DIRECTORS
OF BEARDSSELL LIMITED ON THE CONSOLIDATED FINANCIAL
STATEMENTS OF BEARDSSELL LIMITED AND ITS SUBSIDIARY**

1. We have audited the attached Consolidated Balance Sheet of Beardsell Limited ("the Company") and its subsidiary (the company and its subsidiary constitute ("the Group") as at 31st March, 2010 the Consolidated Profit and Loss Account and the consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
4. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its subsidiary and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 st March, 2010
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No.008072S)

Chennai
August 12, 2010

M.K.Ananthanarayanan
Partner
(Membership No.19521)



		As at March 31, 2010	As at March 31, 2009	
	Schedule	(Rs. in Lakhs)		
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	383.32	383.32	
Reserves and Surplus	2	1625.46	1307.24	
		2008.78	<u>1690.56</u>	
Loan Funds				
Secured Loans	3	200.00	15.79	
Unsecured Loans		78.01	19.75	
		278.01	<u>35.54</u>	
		2286.79	<u>1726.10</u>	
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	4	1575.62	1263.22	
Less: Accumulated Depreciation		605.46	632.70	
Net Block		970.16	630.52	
Capital Work in Progress including advances		83.02	98.74	
Net Block		1053.18	<u>729.26</u>	
Investments	5	35.73	10.73	
Deferred Tax Asset (Net)		26.25	74.73	
Current Assets, Loans and Advances				
Current Assets				
Inventories	6	347.15	230.11	
Sundry Debtors	7	1176.54	993.62	
Cash and Bank Balances	8	869.31	681.41	
Loans and Advances	9	495.50	458.63	
		2888.50	<u>2363.77</u>	
Less: Current Liabilities and Provisions	10			
(a) Current Liabilities		1510.16	1376.60	
(b) Provisions		206.71	75.79	
		1716.87	<u>1452.39</u>	
Net Current Assets		1171.63	911.38	
		2286.79	<u>1726.10</u>	
Accounting Policies and Notes on Accounts	15			

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered AccountantsBharat Anumolu
Managing DirectorV Thirumal Rao
DirectorM.K.Ananthanarayanan
PartnerY Mukthar Basha
General Manager - FinanceK Murali
Company SecretaryChennai
August 12, 2010

Consolidated Profit and Loss Account for the year ended March 31, 2010

	Schedule	For the year ended March 31, 2010	For the year ended March 31, 2009 (Rs. in Lakhs)
INCOME			
Turnover		5608.83	5430.50
Less: Excise Duty		224.78	339.20
Net Sales		5384.05	5091.30
Commission & Rental Income	11	108.72	131.37
Others	12	318.73	59.49
		5811.50	5282.16
EXPENDITURE			
Manufacturing and Other expenses	13	5246.70	5144.35
Interest	14	12.77	15.02
Depreciation		74.44	58.53
		5333.91	5217.90
Profit for the year before tax		477.59	64.26
Less: Provision for Taxation			
- Current		110.00	145.00
- Deferred		48.48	(117.60)
- Fringe Benefit Tax		-	7.90
		158.48	35.30
Profit for the year after tax		319.11	28.96
Add: Balance brought forward from Previous year		577.46	548.50
Balance carried to Balance Sheet		896.57	577.46
Basic and diluted earnings per share of face value of Rs.10/- each (in Rupees)		8.33	0.76

Accounting Policies and Notes on Accounts 15

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Bharat Anumolu
Managing Director

V Thirumal Rao
Director

M.K.Ananthanarayanan
Partner

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Chennai
August 12, 2010



BEARDELL LIMITED

Consolidated Cash Flow Statement for the year ended March 31, 2010

	March 31,2010	March 31,2009
	(Rs. in Lakhs)	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before tax	477.59	64.26
Adjustments for :		
Depreciation	74.44	58.53
Fixed Assets written off	-	0.54
Investments written off	-	0.05
Unrealised Exchange Variation (Net)	3.31	(0.68)
Interest Expenses	12.77	15.02
Provision no longer required written back	-	(0.55)
Dividend Income	(0.44)	(0.44)
Interest Income	(51.31)	(35.20)
(Profit)/Loss on Sale of Assets (Net)	(0.20)	(1.79)
Provision for Doubtful debts	32.72	4.25
Provision for Doubtful Advances	-	269.39
Provision for Warranties	148.29	70.15
Provision for Compensated Absences	3.38	0.74
Bad Debts Written-off	4.44	25.64
	<u>227.40</u>	<u>405.65</u>
Operating Profit before Working Capital Changes	704.99	469.91
Adjustments for :		
Increase in Debtors & Other Receivables	(262.87)	(10.24)
(Increase)/Decrease in Inventories	(117.04)	157.34
Increase in Current Liabilities and Provisions	122.02	57.23
	<u>(257.89)</u>	<u>204.33</u>
Cash Generated from Operations	447.10	674.24
Taxes paid (Net of Refunds), including Fringe Benefit Tax	(118.22)	(46.03)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	<u>328.88</u>	<u>628.21</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure	(420.74)	(174.51)
Proceeds from Sale of Fixed Assets	21.70	3.32
Purchase of Investments	(25.00)	(168.48)
Dividend Received	0.44	0.44
Interest Received	50.65	32.20
NET CASH (USED IN) INVESTING ACTIVITIES (B)	<u>(372.95)</u>	<u>(307.03)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long term Borrowings	200.00	-
Short Term Borrowings (Net)	42.47	(98.92)
Interest on Borrowings	(13.25)	(19.08)
Dividend Paid including dividend tax	-	(64.82)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)	<u>229.22</u>	<u>(182.82)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	<u>185.15</u>	<u>138.36</u>
Opening Balance of Cash and Cash Equivalents	631.96	493.36
Opening Balance of Cash and Cash Equivalents of subsidiary acquired during the year	-	0.24
Closing Balance of Cash and Cash Equivalents	817.11	631.96
Reconciliation of cash and cash equivalents		
Cash and Cash equivalents at the end of the year as per Balance Sheet	869.31	681.41
Less: Bank deposits under lien	48.14	45.30
Less: Balances in Unpaid dividend account	4.06	4.15
	<u>817.11</u>	<u>631.96</u>

This is the Cash Flow Statement referred to in our Report of even date.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Bharat Anumolu
Managing Director

V Thirumal Rao
Director

M.K.Ananthanarayanan
Partner

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Chennai
August 12, 2010

**Schedules forming the part
of the Balance Sheet and
Profit and Loss Account**

	As at March 31, 2010	As at March 31, 2009
	(Rs. in Lakhs)	
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
50,00,000 Equity Shares of Rs.10/- each	<u>500.00</u>	<u>500.00</u>
Issued, Subscribed and Paid up		
38,33,168 Equity Shares of Rs.10/- each fully paid up	<u>383.32</u>	<u>383.32</u>
Of the above Shares		
6,78,700 Equity Shares of Rs.10/- each are issued as fully paid-up by way of Bonus Shares through the capitalisation of Reserves and from Securities Premium Account		
1,57,400 Equity Shares of Rs.10/- each are issued as fully paid-up pursuant to a contract without payments being received in cash		

	As at April 1, 2009	Additions	Deductions	As at March 31, 2010
SCHEDULE 2 RESERVES AND SURPLUS				
Capital Reserve on consolidation	38.47	-	0.89*	37.58
Securities Premium	241.31	-	-	241.31
General Reserve	450.00	-	-	450.00
Surplus As Shown In Profit And Loss Account	<u>577.46</u>	<u>319.11</u>	-	<u>896.57</u>
	<u>1307.24</u>	<u>319.11</u>	<u>0.89</u>	<u>1625.46</u>

* Represents depreciation on increased value recouped from Fixed Assets Revaluation Reserve

	As at March 31, 2010	As at March 31, 2009
SCHEDULE 3 LOANS SECURED LOANS		
I. Term Loans from Banks		
IDBI Bank Ltd.	200.00	-
Amounts repayable within one year - Rs. 50.00 lakhs (P.Y. Rs. Nil)		
II. Working Capital Facilities from Banks		
Packing Credit	-	15.79
	<u>200.00</u>	<u>15.79</u>
UNSECURED LOANS		
Fixed Deposits	<u>78.01</u>	<u>19.75</u>



BEARDELL LIMITED

SCHEDULE 4 FIXED ASSETS

(Rs. in Lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at April 1, 2009	Subsidiary acquired during the year	Additions	Deductions	As at March 31, 2010	As at April 1, 2009	Subsidiary acquired during the year	For the year	Deductions	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Freehold Land *	143.43	-	-	-	143.43	-	-	-	-	-	143.43	143.43
Leasehold Land	21.16	-	17.16	-	38.32	0.61	-	0.20	-	0.81	37.51	20.55
Buildings **	352.26	-	60.32	24.25	388.33	94.37	-	10.16	10.98	93.55	294.78	257.89
Plant and Machinery *** / #	571.00	-	252.43	63.50	759.93	451.97	-	43.84	62.53	433.28	326.65	119.03
Electrical Installation	20.43	-	22.88	5.77	37.54	17.56	-	2.16	4.91	14.81	22.73	2.87
Furniture, Fittings & Office Equipments	83.79	-	12.15	24.52	71.42	50.25	-	8.13	21.18	37.20	34.22	33.54
Leasehold Improvements	-	-	26.18	-	26.18	-	-	2.30	-	2.30	23.88	-
Vehicles	71.15	-	45.34	6.02	110.47	17.94	-	8.54	2.97	23.51	86.96	53.21
	1263.22	-	436.46	124.06	1575.62	632.70	-	75.33	102.57	605.46	970.16	630.52
Capital Work in Progress including advances											83.02	98.74
											1053.18	729.26
Previous Year	1018.85	233.02	75.77	64.42	1263.22	619.72	16.80	58.53	62.35	632.70	630.52	428.02

* Given on Operating Lease

** Given on Operating Lease - Cost - Rs.61.40 lakhs (Rs. 84.30 lakhs), Depreciation - Rs.2.05 lakhs (Rs.2.82 lakhs) and WDV - Rs. 31.72 lakhs (Rs.46.82 lakhs)

*** Given on Operating Lease - Cost - Rs.200.78 lakhs (Rs. 256.35 lakhs), Depreciation - Rs.12.46 lakhs (Rs.10.85 lakhs) and WDV - Rs.61.33 lakhs (Rs.63.70 lakhs)

Excludes value of Plant & Machinery given as grant under United Nations Development Programme (UNDP) taken at nominal value of Rs.2/- (2009 : Rs.2/-)

**Schedules forming the part
of the Balance Sheet and
Profit and Loss Account**

	As at March 31, 2010		As at March 31, 2009	
	Face Value	Cost	Face Value	Cost
	(Rs. in Lakhs)			
SCHEDULE 5				
INVESTMENTS (Long Term)				
In fully paid Equity Shares				
TRADE - UNQUOTED				
Diana Garments (Private) Limited 15,000 Equity shares of Rs.10/-each	1.50	-	1.50	-
Sri Balaji Insulation (P) Ltd 3,400 Equity Shares of Rs.100/- each	3.40	-	3.40	-
Hyderabad EPS Products (P) Ltd., 18,000 Equity shares of Rs.10/-each	1.80	1.80	1.80	1.80
Arpejay Investments (P) Ltd., 900 Shares @ Rs.100/- each	0.90	-	0.90	-
Pondy EPS Products (P) Ltd., 180 Equity Shares of Rs.100/- each	0.18	-	0.18	-
Pink Packaging & Moulding Pvt.Ltd 5,300 Shares @ Rs.141.50/- each	5.30	7.50	5.30	7.50
SuRe Energy Systems Pvt. Ltd., 6,000 Shares @ Rs.416.70 each	0.60	25.00	-	-
In partly paid Equity Shares				
TRADE - UNQUOTED				
Royal Insulation (P) Ltd., 3,618 Equity Shares of Rs.10/- each Rs.5/- per share paid up	0.18	-	0.18	-
Sarovar Insulation (P) Ltd., 3,618 Equity Shares of Rs.10/- each Rs.5/- per share paid up	0.18	-	0.18	-
		<u>34.30</u>		<u>9.30</u>
IN FULLY PAID SHARES				
NON-TRADE-QUOTED:				
Nava Bharat Ventures Limited 1,565 Equity Shares of Rs.2/- each	0.03	0.08	0.03	0.08
ICICI Bank Ltd., 233 shares of Rs.10/- each	0.01	0.12	0.01	0.12
Taurus Mutual Fund - Boinanza Exclusive Growth Scheme 13,333 Units of Rs.10/- each	1.00	1.00	1.00	1.00
Andhra Bank 2,300 Shares of Rs.10/-each	0.23	0.23	0.23	0.23
		<u>1.43</u>		<u>1.43</u>
		<u>35.73</u>		<u>10.73</u>
Market Value of Quoted Investments		<u>16.17</u>		<u>7.00</u>
Aggregate cost of Quoted Investments		<u>1.43</u>		<u>1.43</u>



BEARDELL LIMITED

As at
March 31, 2010

As at
March 31, 2009

(Rs. in Lakhs)

SCHEDULE 6

INVENTORIES

Stores and Spare parts	3.78		3.30
Loose Tools	2.98		2.29
Raw Materials	132.83		76.19
Trading and Finished Goods	68.95		66.34
Process Stock	26.49		11.53
Jobs in Progress	112.12		70.46
	<u>347.15</u>		<u>230.11</u>

SCHEDULE 7

SUNDRY DEBTORS - UNSECURED

Debts outstanding for a period exceeding six months				
Considered Good	76.33		87.69	
Considered Doubtful	95.50		82.25	
	<u>171.83</u>		<u>169.94</u>	
Less: Provision	95.50		82.25	
	<u>76.33</u>		<u>87.69</u>	
Other Debts*				
Considered Good	1100.21		905.93	
Considered Doubtful	35.23		27.60	
	<u>1135.44</u>		<u>933.53</u>	
Less: Provision	35.23		27.60	
	<u>1100.21</u>		<u>905.93</u>	
	<u>1176.54</u>		<u>993.62</u>	
	<u>10.89</u>		<u>61.23</u>	

* Includes Retention Money

SCHEDULE 8

CASH AND BANK BALANCES

Cash, Cheques and stamps on hand	33.61		47.02
Balances with scheduled Banks on			
Current Account	200.42		255.69
Margin Money Deposits *	45.14		42.30
Fixed Deposits	586.08		332.25
Unpaid Dividend Account	4.06		4.15
	<u>835.70</u>		<u>634.39</u>
	<u>869.31</u>		<u>681.41</u>

* for Bank Guarantees and Letter of Credit

**Schedules forming the part
of the Balance Sheet and
Profit and Loss Account**

	As at March 31, 2010	As at March 31, 2009
(Rs. in Lakhs)		
SCHEDULE 9		
LOANS AND ADVANCES		
Secured #	184.27	185.36
Unsecured - Considered Good Advances recoverable in cash or in kind for value to be received	147.92	128.57
Deposits *	82.35	87.40
Balance with Excise Authorities	2.82	1.70
	233.09	217.67
Unsecured - Considered Doubtful	-	269.39
Less : provision for doubtful advances	-	269.39
	-	-
Interest Accrued on Deposits	0.19	4.16
Advance Tax and Tax Deducted at Source including Fringe Benefit Tax (Net of Provisions Rs.667.81 -P.Y.Rs.558.81)	77.95	51.44
	495.50	458.63
	2.41	2.41

*Includes with Government Departments

Includes Rs.180.00 lakhs secured by registered mortgage and deposit of title deeds relating to property

SCHEDULE 10
CURRENT LIABILITIES AND PROVISIONS

Current Liabilities

Acceptances	78.55	25.13
Sundry Creditors		
- Dues to Micro Enterprises & Small Enterprises	-	-
- Others	1186.27	1036.36
Advance received from Customers	240.25	309.45
Amount to be credited to		
Investor Education & Protection Fund *	-	-
Unpaid Dividends **	4.06	4.15
Interest accrued but not due on Fixed Deposits	1.03	1.51
	1510.16	1376.60
Provisions		
Compensated Absence	9.02	5.64
Warranties	197.69	70.15
	206.71	75.79
	1716.87	1452.39

* There are no amounts due and outstanding as on March 31, 2010 and March 31, 2009 to be credited to Investor Education & Protection Fund

** These amounts represent warrants issued to share holders which remain unrepresented and unclaimed as on March 31, 2010



BEARDELL LIMITED

For the year ended
March 31, 2010

For the year ended
March 31, 2009

SCHEDULE 11

(Rs. in Lakhs)

COMMISSION AND RENTAL INCOME

Commission	60.82	97.73
[Tax deducted at Source Rs. 6.23 lakhs (P.Y.Rs. 7.51 lakhs)]		
Rental Income	47.90	33.64
[Tax deducted at Source Rs. 6.31 lakhs (P.Y.Rs. 5.17 lakhs)]		
	<u>108.72</u>	<u>131.37</u>

SCHEDULE 12

OTHER INCOME

Interest from Banks and others	51.31	35.20
[Tax deducted at Source Rs. 4.63 lakhs (P.Y.Rs. 5.00 lakhs)]		
Dividend	0.44	0.44
Foreign Exchange Variation (Net)	-	3.90
Provision no longer required written back	-	0.55
Profit on Sale of Assets (Net)	0.20	1.79
Duty Drawback	0.47	5.32
Bad Debts written off in earlier years recovered	0.02	1.08
Surrender of Tenancy Rights	230.00	-
Insurance Claims received	25.03	-
Miscellaneous Income	11.26	11.21
	<u>318.73</u>	<u>59.49</u>

SCHEDULE 13

MANUFACTURING AND OTHER EXPENSES

I. MATERIALS

1) Consumption of Raw Materials

Opening Stock	76.19	133.99
Add: Purchases	1555.80	1474.28
	<u>1631.99</u>	<u>1608.27</u>
Less: Closing Stock	132.83	76.19
	<u>1499.16</u>	<u>1532.08</u>

2) Purchases

Trading /Finished Goods	1159.83	942.97
Bought out items for jobs	1531.68	1433.97
	<u>2691.51</u>	<u>2376.94</u>

3) Decrease/ (Increase) in Process Stock,

Jobs in Progress and Trading/Finished Goods

Opening Stock

Trading /Finished Goods	66.34	125.57
Process stock	11.53	17.75
Jobs in progress	70.46	103.98
	<u>148.33</u>	<u>247.30</u>

Closing Stock

Trading /Finished Goods	68.95	66.34
Process stock	26.49	11.53
Jobs in progress	112.12	70.46
	<u>207.56</u>	<u>148.33</u>
	(59.23)	98.97

4) Excise Duty

	2.05	2.49
	<u>4133.49</u>	<u>4010.48</u>

**Schedules forming the part
of the Balance Sheet and
Profit and Loss Account**

**For the year ended
March 31, 2010**

For the year ended
March 31, 2009

(Rs. in Lakhs)

II. Payments to and Provision for Employees

Salaries, Wages and Bonus	379.37	306.65
Contribution to Provident Fund and Other funds	67.48	42.75
Workmen and Staff Welfare Expenses	49.39	46.84
	<u>496.24</u>	<u>396.24</u>

III. Other Expenses

Consumption of Stores and Spare Parts	22.35	17.00
Power and Fuel	46.26	41.65
Rent	41.30	36.08
Rates and Taxes	10.39	13.08
Insurance	11.41	11.70
Repairs and maintenance to		
- Buildings	4.53	10.54
- Machinery	2.92	6.00
- Furniture and Equipment	8.75	5.07
Directors Sitting fees	1.20	1.02
Fixed Asset written off	-	0.54
Foreign Exchange Variation (Net)	3.31	-
Bad debts written off	16.30	35.88
Less: Transfer from provision for Doubtful debts	<u>(11.86)</u>	<u>(10.24)</u>
	4.44	25.64
Doubtful advances written off	269.39	-
Less: Transfer from provision for doubtful advances	<u>(269.39)</u>	-
Provision for doubtful debts	32.72	4.25
Provision for doubtful advances	-	269.39
Warranties applied	20.75	-
Less: Transfer from provision for warranties	<u>(20.75)</u>	-
Provision for Warranties	148.29	70.15
Travelling and Conveyance	67.39	60.82
Communication expenses	31.24	27.23
Printing & Stationery	10.49	8.73
Professional Charges	31.56	15.46
Miscellaneous Expenses	138.42	113.28
	<u>616.97</u>	<u>737.63</u>
	<u>5246.70</u>	<u>5144.35</u>

SCHEDULE 14

INTEREST ON

I. Fixed loans	7.98	-
II. Working capital Loans	1.85	6.02
III. Fixed Deposits	2.33	3.51
IV. Others	0.61	5.49
	<u>12.77</u>	<u>15.02</u>



BEARSELL LIMITED

Consolidated Financial statements for the year ended March 31, 2010

Schedules forming part of accounts

(All amounts in lakhs of Indian Rupees)

15.00 Notes to consolidated accounts

15.01 Basis of Consolidation

(i) The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as of the Company i.e., year ended March 31, 2010.

(ii) The consolidated financial statements have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, which are notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India.

Subsidiary company considered in this consolidated financial statement:

Name of the company	Place of Incorporation	Ownership Interest
Viraat Granites Private Limited	India	100%

The consolidated financial statements have been prepared on the following basis

a) The financial statements of the company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.

b) In cases if the share of equity in the subsidiary companies as on date of investment is in excess of cost of investment of the Company, it is recognised as "Capital Reserve" and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

15.02 Significant accounting policies

(a) Basis of preparation

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with the Accounting Principles generally accepted in India and comply with the Accounting Standards notified by the Central Government of India, under the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

(b) Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates.

(c) Inventories

Inventories are valued at lower of cost (net of centvat where applicable) and net realizable value. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. The method of determination of cost of various categories of inventory are as follows:

- (i) Raw materials and stores & spares – on weighted average basis.
- (ii) Finished goods, process stock and contracting material - at lower of cost (which includes appropriate production overheads) or net realizable value; the cost being determined on weighted average basis.
- (iii) Trading stocks are valued at purchase cost, inclusive of all duties and taxes on FIFO basis.
- (iv) Loose tools are valued at cost less estimated reduction in value for use.

Schedules forming the part of the Balance Sheet and Profit and Loss Account

(d) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to the acquisition and installation of fixed assets. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready to use before such date are disclosed under 'Capital Work-in-Progress and Advances'.

Assets given on operating lease are capitalized and depreciation has been provided on such assets on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956.

Fixed assets are depreciated pro rata to the period of use, based on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Leasehold improvements are amortized over the primary period of lease. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of addition.

(e) Impairment of assets

The Company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amounts of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

(f) Revenue recognition

(i) Revenue from contract jobs are recognized on the percentage of completion method taking into consideration the estimated expenditure to be incurred for completion of the jobs.

(ii) Sales are recognized when goods are dispatched and recorded net of trade discounts and sales taxes. Export incentives are recognized on accrual basis.

(iii) Lease rentals and commission income are recognized on accrual basis.

(iv) Interest income is recognized using the time proportion method.

(g) Foreign currency transactions

Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transactions and the realized exchange loss/gain are dealt with in the profit and loss account.

Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the resultant exchange differences are recognised in the profit and loss account.

(h) Investments

Investments are recorded at cost of acquisition. Unquoted Investments are written off, where they are not realizable in the opinion of the management. The diminution, if any, in the value of long-term investments stated at cost, is recognized when such diminution is other than temporary in nature.

(i) Retirement benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits in accordance with the Accounting Standard 15 (revised 2005) on 'Employee Benefits'. Short-term employee benefits, at the balance sheet date are recognized as an expense as per Company's scheme based on expected obligations on undiscounted basis.

(ii) Long-term employee benefits

Defined benefit plan

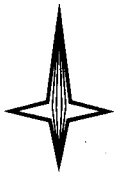
Accumulated Compensated absence

The obligation for long-term employee benefits such as compensation payable at the time of retirement / resignation on unavailed leave days is provided based on actuarial valuation as at the balance sheet date, using the 'Projected Unit Credit Method'.

Gratuity

The Company makes contribution to a scheme administered by Life Insurance Corporation of India to discharge gratuity liabilities to the employees. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at March 31, 2010, using the 'Projected Unit Credit Method'.

Actuarial gains and losses are recognized in full in the profit and loss account for the year in which they occur. The retirement



BEARDELL LIMITED

benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Defined contribution plan

Contributions to Provident Fund, Superannuation and ESI, made in accordance with the respective rules is charged to the profit and loss account.

(j) Segment reporting

- (i) The accounting policies adopted for segment reporting are in line with the accounting policies of the company.
- (ii) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under unallocated corporate expenses.
- (iii) There are no inter segment revenues and therefore their basis of measurement does not arise.

(k) Earnings per share

The earnings considered in ascertaining the Company's earning per share ('EPS') comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

(l) Taxes on income

- (i) Current tax is determined on the profit for the year in accordance with the provisions of the Income Tax Act, 1961.
- (ii) Deferred tax is calculated at the rates and laws that have been enacted or substantially enacted as of the balance sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized.

(m) Provisions, contingent liabilities and contingent assets

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

15.03 Contingent liabilities

	As on Mar 31, 2010	As on Mar 31, 2009
	(Rs. in Lakhs)	
Uncalled Liability in respect of partly paid shares held as investments	0.36	0.36
Claims against the Company not acknowledged as debts	2.00	2.00
Capital Commitments (Net of Advances)	150.99	60.45
Disputed Royalty demand	1.87	1.87
(out of the above an amount of Rs.0.50 Lakhs has been deposited with the High Court of Andhra Pradesh)		
Disputed Sales Tax demands	14.04	16.89

**Schedules forming the part
of the Balance Sheet and
Profit and Loss Account**

Name of the statute	Nature of dues	Amount	Payment made	Period to which the amt. relates	Forum where dispute is pending
Sales tax acts of various States	Sales tax	6.44 (9.29)	3.85 (3.05)	1982 - 83 to 1985 - 86 1989 - 90 to 1995 - 96 1997 - 98 1998 - 99 2000 - 01 2001 - 02 2003 - 04	Deputy Commissioner & Assistant Commissioner & other appellate authorities
Central Sales Tax Act	Sales tax	7.60 (7.60)	2.65 (2.65)	1993 - 94 to 1995 - 96 1997 - 98 2000 - 01 2001 - 02 2003 - 04	Deputy Commissioner & CTO of various states

15.04 Income tax appeal

An appeal is pending before CIT (Appeals) against the order of the Assessing Officer for the assessment year 2005 - 2006 in respect of disputed tax demand of Rs. 112.75 lakhs which includes interest of Rs. 20.03 lakhs. The entire amount has been paid. The Company is advised that there are reasonable chances of success in the appeal. Accordingly, no provision is considered necessary.

15.05 Excise duty

Excise duty on sales for the year has been disclosed as reduction from turnover. Excise duty related to the difference between the closing stock and opening stock has been included in Schedule 13 forming part of the accounts.

15.06 Working capital facilities

Working capital facilities of the Company are secured by first charge on current assets and charge on specific fixed assets of the Company, on pari passu basis, with IDBI Bank Ltd. in respect of its Term Loan.

15.07 Term loan

Term Loan from IDBI Bank Ltd. is secured by First charge on the entire fixed assets of the Company excluding specific assets already charged with Bank of India on pari passu basis. They are also secured by deposit of Title Deeds of one of its property.

15.08 Deposits from public

(a) Fixed deposits maturing within one year is Rs. 7.98 lakhs (Rs. 19.11 lakhs).

(b) Fixed deposits under cash and bank balances includes an amount of Rs. 3.00 lakhs (Rs. 3.00 lakhs) deposited in pursuance of Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975.

15.09 Contracts-in-progress

In respect of contracts-in-progress, as on March 31, 2010, the aggregate cost incurred and the profit recognized is Rs.225.35 lakhs (Rs. 96.48 lakhs) and Rs. 24.87 lakhs (Rs. 12.95 lakhs) respectively. Advance from contract customers amount to Rs. 122.90 lakhs (Rs. 70.39 lakhs). Contracts receivables amount to Rs.282.30 lakhs (Rs.291.72 lakhs).



BEARDELL LIMITED

15.10 Gratuity

The Company's obligation towards gratuity fund is a 'Defined Benefit Plan' and the details of actuarial valuation as at March 31, 2010 is given below:

	March 31,2010	March 31,2009
	(Rs. in Lakhs)	
Assumptions		
Discount Rate	8%	8%
Salary Escalation	6% - 7%	7%
Attrition rate	1-3% depending on age	1-3% depending on age
Expected return on plan assets	8%	8%
Mortality Rate	LIC-94-96-Mortality rates	LIC-94-96-Mortality rates

Table showing changes in Present Value of Obligations

Present Value of Obligations as at beginning of year	74.15	77.22
Interest Cost	5.93	5.70
Current Service Cost	4.83	4.61
Benefits Paid	(16.02)	(11.96)
Actuarial Loss / (Gain) on Obligation	14.15	(1.42)
Present Value of Obligations as at end of year	83.04	74.15

Table Showing changes in the Fair Value of Plan Assets

	LIC Fund	LIC Fund
Fair Value of Plan Assets at beginning of year	82.73	84.52
Expected return on plan assets	6.97	6.40
Contributions	17.45	3.00
Benefits paid	(16.02)	(11.96)
Actuarial Gain on plan Assets	-	0.77
Fair Value of Plan Assets at the end of year	91.13	82.73

Table Showing Fair Value of Plan Assets

Fair Value of Plan Assets at beginning of year	82.73	84.52
Actual return on plan assets	6.97	7.17
Contributions	17.45	3.00
Benefits paid	(16.02)	(11.96)
Fair Value of Plan assets at the end of year	91.13	82.73
Funded Status	8.09	8.58
Excess of Actual over estimated return on plan assets	-	0.77

Actuarial (Gain)/Loss recognized

Actuarial Loss / (Gain) on obligation	14.15	(1.42)
Actuarial Loss / (Gain) on plan assets	-	(0.77)
Total Loss / (Gain) for the year	14.15	(2.19)
Actuarial Loss / (Gain) recognized in the year	14.15	(2.19)

The amount to be recognized in the balance sheet & Statements of profit and loss

Present Value of Obligations as at the end of year	83.04	74.15
Fair Value of Plan assets at the end of the year	91.13	82.73
Funded status	8.09	8.58
Net Asset	8.09	8.58

**Schedules forming the part
of the Balance Sheet and
Profit and Loss Account**

	March 31, 2010	March 31, 2009
	(Rs. in Lakhs)	
Expenses Recognized in Statement of Profit & Loss		
Current Service Cost	4.83	4.61
Interest Cost	5.93	5.70
Expected return on plan Assets	6.97	6.40
Net Actuarial Loss / (Gain) recognized in the year	14.15	(2.19)
Expenses to be recognized in the profit & loss	17.94	1.72
Opening Net Asset	8.58	7.30
Contributions	17.45	3.00
Expenses	17.94	1.72
Closing Net Asset	8.09	8.58

In the absence of relevant information from the actuary, the above details do not include composition of plan assets

15.11 Segment reporting

(a) Primary segment

	As on March 31, 2010			As on March 31, 2009		
	Insulation	Trading	Total	Insulation	Trading	Total
Segment revenue						
Net sales / commission & rental income	5211.55	281.22	5492.77	4820.26	402.41	5222.67
Segment results						
Operating profit	497.24	(12.94)	484.30	526.90	(281.18)	245.72
Interest	-	-	(12.77)	-	-	(15.02)
Unallocable corporate expenses (net-off income)	-	-	6.06	-	-	(166.44)
Income taxes			(158.48)			(35.30)
Net profit			319.11			28.96

	As on March 31, 2010				As on March 31, 2009			
	Insulation	Trading	Others	Total	Insulation	Trading	Others	Total
Segment assets / liabilities								
Segment assets	2478.27	277.52	-	2755.79	2371.67	347.33	-	2719.00
Unallocated corporate assets	-	-	1247.87	1247.87	-	-	459.49	459.49
Total assets				4003.66				3178.49
Segment liabilities	1542.05	70.36	-	1612.41	1271.75	94.99	-	1366.74
Unallocated corporate liabilities	-	-	2391.25	2391.25	-	-	1811.75	1811.75
Total liabilities				4003.66				3178.49
Capital expenditure addition				436.46				75.77
Depreciation				74.44				58.53



BEARSELL LIMITED

The Company has considered business segment as the Primary Segment for disclosure.

Insulation Business includes manufacturing of EPS Products/Prefab Panels and related contracting activities.

Trading includes Chemicals, Motors and Exports, etc.

The above Segments have been identified taking into account the organization structure as well as the differing risks and returns of these segments.

(b) Secondary segment

As the sales and assets outside India is less than 10% of total sales / assets, there are no reportable geographical segments.

March 31, 2010 March 31, 2009
(Rs. in Lakhs)

15.12 Related Party Transactions (as identified by the management and relied upon by Auditors)

(a) Key management personnel - Mr. Bharat Anumolu - Managing Director (From 29.06.2009)
- Mr. S.V.Narasimha Rao - Executive Director (From 29.06.2009)
- Mr. A.V.Ramalingan - Executive Director (Till 20.05.2009)

(b) Nature of transactions

Remuneration to Key Management Personnel	38.14	14.33
Fixed Deposits received from Managing Director and outstanding	25.00	-
Interest accrued on above deposit	0.30	-

15.13 Leases

The outstanding commitments by the lessee on account of assets leased out by the company under non-cancellable leases are as follows:

Within one year	49.69	35.64
Later than one year and not later than 5 years	-	-
Later than five years	-	-

Brief description of Terms of Lease

Lease Rentals are accrued on the basis of Agreed Terms.
All assets are leased out for a period of twelve months

15.14 Earnings per share

The net profit for the year has been used as the numerator and number of equity shares as denominator in calculating basic and diluted earnings per share. There are no potential equity shares and hence basic and diluted EPS are the same.

Profit after tax	(A)	319.11	28.96
Weighted average number of equity shares	(B)	38,33,168	38,33,168
Face value per share (Rs.)		10	10
Basic and diluted EPS (Rs.)		8.32	0.76

15.15 Information relating to Deferred tax

Break-up of Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences :

(a) Deferred tax assets

Provision for doubtful debts	44.43	37.34
Provision for doubtful advances	-	93.19
Provision for Warranties	67.19	23.84
Others	3.07	1.91
	114.69	156.28

**Schedules forming the part
of the Balance Sheet and
Profit and Loss Account**

	March 31, 2010	March 31, 2009
	(Rs. in Lakhs)	
(b) Deferred tax liabilities		
Depreciation	85.68	78.38
Others	2.76	3.17
	88.44	81.55
 Deferred tax asset (Net)	 26.25	 74.73

15.16 Disclosure requirements under Accounting Standard 29 on Provision, Contingent Liabilities and Assets.

	Opening Balance	Additions	Release	Withdrawals	Closing Balance
Provision for Warranties	70.15	148.29	20.75	-	197.69

Note: Provision for Warranties are expected to be settled within next 18 to 24 months.

15.17 Auditors' remuneration excluding service tax (included in professional charges)

	March 31, 2010	March 31, 2009
For Audit	5.15	4.00
For Tax Audit/Representation	4.70	2.76
For Certification of statements	2.95	2.10
For Expenses	0.27	0.32
	<u>13.07</u>	<u>9.18</u>

15.18 Prior period comparatives

Previous year figures have been re-classified / re-grouped wherever necessary to conform to the current years' classification.

For & on behalf
of the Board of Directors

Bharat Anumolu
Managing Director

V Thirumal Rao
Director

Chennai
August 12, 2010

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary



BEARDELL LIMITED

Regd. Office: 47, Graemes Road, Chennai - 600 006.

ATTENDANCE SLIP

(To be signed and handed over at the entrance of the Meeting Hall)

I / We hereby record my / our presence at the 73rd Annual General Meeting of the above named Company at Mini Hall, Satguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai - 600 018 on Monday, the 27th September 2010 at 10.00 a.m.

Name(s) of the Member(s)	Registered Folio No.

Name of the proxy (in block letter)
(to be filled in if the Proxy attends instead of the Member)

Member's / Proxy's Signature



BEARDELL LIMITED

Regd. Office: 47, Graemes Road, Chennai - 600 006.

PROXY FORM

Registered Folio No
 I / We
 of
 being a member(s) of the above
 named Company hereby appoint
 of
 or failing him
 of

as my / our proxy to attend and vote for me / us and on my / our behalf at the 73rd Annual General Meeting of the Company to be held on Monday the 27th September, 2010 at 10.00 a.m. at Mini Hall, Satguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai - 600 018.

Signed this day of 2010.

Signature

Affix
 Re. 1/-
 Revenue
 stamp

Note: Proxy forms, duly signed must reach the Company's Registered Office not less than 48 hours before the time of holding the Meeting.