



# BEARDSELL LIMITED



**Seventy Fifth Annual Report & Accounts**

**2011 - 2012**



# BEARDSELL LIMITED

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## **Directors**

Mr. M. Uttam Reddi  
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

## **Chief Financial Officer**

Mr. Y. Mukthar Basha

## **Company Secretary**

Mr. K.Murali

## **Auditors**

M/s. Deloitte Haskins & Sells

## **Bankers**

Bank of India  
IDBI Bank Ltd.,

## **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



# BEARDELL LIMITED

**NOTICE IS HEREBY GIVEN** that the Seventy Fifth Annual General Meeting of the Company will be held on Saturday, the 29th September, 2012 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 2012, the Statement of Profit and Loss of the Company with the Schedules and Cash Flow Statement for the year ended 31st March, 2012 together with the Directors Report and the Auditors' Report thereon, be and are hereby approved and adopted."

### 2. TO DECLARE A DIVIDEND

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

"RESOLVED THAT pursuant to the recommendation of the Board of Directors, Dividend at the rate of Re.1.00 (10 percent) per share be paid as Dividend for the year ended 31st March, 2012 to those share holders whose name appears in the Register of Members on 19th September, 2012."

"RESOLVED FURTHER THAT the dividend warrants be posted to the respective share holders within 30 days of declaration."

### 3. APPOINTMENT OF DIRECTORS

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

- 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."

### 4. 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 (ICAI Registration Number of the firm is 008072S) 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

### SPECIAL RESOLUTION

#### 5. Appointment of Mr. Amrith Anumolu, Director as "Technical Advisor" under section 314(1)(a) for holding office or place of profit.

To consider and if thought fit, to pass with or without modification, the following resolutions as Special Resolution.

"RESOLVED THAT pursuant to the approval of the Remuneration Committee and the Board of Directors of the Company and provisions of Section 314(1)(a) and other applicable provisions of the Companies Act 1956 and subject to the approval of Shareholders in the ensuing Annual General Meeting, approval be and is hereby accorded for appointment of Mr Amrith Anumolu being a relative of Mr Bharat Anumolu, Managing Director to hold and continue to hold an office or place of profit as "Technical Advisor" for the period from 11/02/2012 to 31/03/2013."

"RESOLVED FURTHER THAT Mr.Amrith Anumolu, Director will be paid remuneration for rendering the technical services at Rs.5,000/- per working day for a maximum period of 240 days with full reimbursement of travelling and stay expenses subject to deduction of applicable taxes."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and other things to give effect to the aforesaid resolution.

#### 6 Appointment of M/s Rao & Associates, a law firm (wherein Mr.V.Thirumal Rao, Director is a Partner) as "Legal Advisors" under section 314(1)(a) for holding office or place of profit.

To consider and if thought fit, to pass with or without modification, the following resolutions as Special Resolution.

"RESOLVED THAT pursuant to the approval of the Remuneration Committee and the Board of Directors of the Company and provisions of Section 314(1)(a) and

## Notice to the Shareholders

other applicable provisions of the Companies Act, 1956 and subject to the approval of Shareholders in the ensuing Annual General Meeting, approval be and is hereby accorded for appointment of M/s. Rao & Associates, a law firm (wherein Mr.V.Thirumal Rao, Director is a Partner) to hold and continue to hold an office or place of profit as "Legal Advisors" with effect from 17th December, 2011."

"RESOLVED FURTHER THAT M/s. Rao & Associates will be paid a remuneration of Rs.55,000/- P.M. subject to applicable taxes."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and other things to give effect to the aforesaid resolution."

**By order of the Board**

Chennai  
August 13, 2012

K. Murali  
Company Secretary

### NOTES

1. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business set out in Item no.5 and 6 annexed here to.
2. 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.
3. A Proxy can be in any of the forms set out in Schedule IX of the Companies Act, 1956.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2012 to 29th September 2012 (both days inclusive).
5. Members are requested to intimate change, if any, in their addresses immediately.
6. Section 205A(5) of the Companies Act, 1956 mandates that Companies should transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). The dividend for the years mentioned below, if unclaimed with in a period of seven years, will be transferred to IEPF in accordance with the following schedule

S.No	Financial Year	Date of Declaration of Dividend	% of Dividend	Date of Transfer to unpaid Dividend Account	Date of Transfer to Central Government to Investor Education and Protection Fund
1	2006-2007	27/08/2007	10%	08/09/2007	08/09/2014
2	2007-2008	27/08/2008	15%	06/09/2008	06/09/2015

Share holders are informed that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the company.



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## 7. Details of Directors seeking Re-Appointment at the forth coming Annual General Meeting pursuant to clause 49 of Listing Agreement

a.	Name	Mr.M.Uttam Reddi	Mr.R.Gowri Shanker
b.	Brief Resume		
	i Age	85	56
	ii Qualification	B.A.BL	B.Tech, IIT Madars , MBA University of Chicago
	iii Experience in Specific Functional Area	42	32
	iv Date of Appointment on the Board of the Company (BEARDELL LIMITED)	23/10/1970	27/09/2006
c.	Nature of Expertise in Specific Functional Area	Legal	Information Technology
d.	Name(s) of other Companies in which Directorships held (as per Section 275 and 278 of the Companies Act, 1956)	NIL	Mascon Global Limited - Director
			Alden Pre Press Services Private Limited - Managing Director
			Ablanding Business Solutions - Director
			OKS Spantech - Director
			OKS Bio Tech Director
			OKS BPO Director
e.	Name(s) of Companies in which Committee Membership(s)/ Chairmanship(s) held	NIL	NIL
f.	No. of Shares of Rs.10/- each held by the	200 Nos.	NIL
	- Director		
	- his Relatives	NIL	NIL
	- Total	200 Nos.	NIL
g.	Relationship between Directors inter se (As per Section 6 and Schedule 1 A of the Companies Act,1956)	Mr.V.Thirumal Rao Director	NIL

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 NO.(5)

The Special Resolution relates to holding of office or place of profit by Mr.Amrith Anumolu as "Technical Advisor" Under Section 314(1)(a) of the Companies Act, 1956. The appointment and remuneration was approved by the Remuneration Committee on 11th February, 2012. The Board of Directors in their meeting held on 11th February, 2012 approved the appointment and remuneration @ Rs.5,000/- per Working Day for a maximum period of 240 Days with full reimbursement of traveling and stay expenses with effect from 11/02/2012 to 31/03/2013.

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 will be rendering the following Professional Services :

- o Explore viability of trading general non-perishable merchandise in African countries and advice on technical feasibility studies on marketing Beardsell products and services in countries such as South Sudan, Rwanda etc.,
- o Advice on efficient manufacturing operations logistics supply chain management, quality, safety and overall

factory operations across Beardsell.

- o Assist in developing processes and equipment to automate operations as much as possible.
- o Provide technical advice for new product lines such as Quick Build Panels and its manufacturing operations.

Mr. Amrith Aumolu is interested in the resolution.

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

#### ITEM NO.(6)

The Special Resolution relates to holding of office or place of profit by Mr. V. Thirumal Rao as Partner of M/s.Rao & Associates, a Law firm Under Section 314(1)(a) of the Companies Act, 1956. The appointment and remuneration was approved by the Remuneration Committee on 11th February, 2012. The Board of Directors in their meeting held on 11th February, 2012 approved the appointment and remuneration with effect from 17th December, 2011 on a Monthly remuneration of Rs.55,000/- (Rupees Fifty five thousand only).

M/s Rao Associates is a Law Firm and handles matters pertaining to Direct / Indirect taxes, Company Law, Import and Export Policy matters, Trade Marks, Patents etc., and also in the areas and issues relating to SEBI Guidelines.

Mr. V. Thirumal Rao is interested in the Resolution.

No other Director except Mr.M.Uttam Reddi, Director relative of

## REPORT OF BOARD OF DIRECTORS

Your Directors present the 75th Annual Report of the Company together with the Audited Accounts for the Financial Year ended 31.03.2012.

## PERFORMANCE / OPERATIONS

### FINANCIAL RESULTS

(Rs. In Lakhs)

	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31.03.2012</b>	31.03.2011
Gross Revenue	<b>9643.04</b>	7972.62
Profit before interest & Depreciation	<b>639.75</b>	703.34
Interest	<b>125.53</b>	77.64
Profit before Depreciation	<b>514.22</b>	625.70
Depreciation	<b>163.48</b>	104.59
Profit before tax	<b>350.74</b>	521.11
Profit after taxation	<b>235.25</b>	329.12
Surplus in Statement of Profit & Loss from Last Year	<b>1228.65</b>	899.53
<b>Appropriations</b>		
Proposed Dividend on Equity Shares	<b>46.83</b>	-
Tax on Dividend	<b>7.61</b>	-
Balance Profit carried to Balance Sheet	<b>1409.46</b>	1228.65

### REVIEW OF OPERATIONS INSULATION DIVISION

- a) EPS  
Performance of this division was affected due to steady increase in raw material price and also due to power cuts resulting in usage of DG sets.
- b) ISOBUILD PREFAB PANELS  
Performance of this Division was good in all Locations.
- c) CONTRACTING  
Contract Division is doing better and should improve further.

### TRADING DIVISION

Trading business has improved during the year. We have added export trading also. We hope to substantially increase export trading during the subsequent year.

### CAPITAL ISSUE

- a) Allotment and conversion of Fully Convertible Equity Warrants of Rs.58/- each per Warrant including premium of Rs.48/- to Promoters on Preferential Basis.

The Company allotted 4,50,000 nos. Fully Convertible Equity Warrants on 10th October, 2011 to Mr. Bharat Anumolu, Promoter - Managing Director, (2,25,000 nos) and Mrs.A.Jayasree, Promoter (2,25,000 nos) on Preferential Basis.

- b) Conversion of Fully Convertible Equity Warrants issued 27th October, 2010 and 10th October, 2011 converted

into Equity Shares as per the details given below.

Warrants issued in favour of	No. of Warrants issued	Issued on	Warrants Converted into Equity Shares @ Rs.58/- Per Share including a premium of Rs.48/- Per Share	Converted into Equity Shares on
Mrs A Jayasree	2,00,000 Nos	27/10/2010	Rs.116.00 Lakhs	31/10/2011
Mr.Bharat Anumolu	2,00,000 Nos	27/10/2010	Rs.116.00 Lakhs	31/10/2011
Mrs A Jayasree	2,25,000 Nos	10/10/2011	Rs.130.50 Lakhs	28/03/2012
Mr.Bharat Anumolu	2,25,000 Nos	10/10/2011	Rs.130.50 Lakhs	28/03/2012

The proceeds were utilized for purchase of Land and Machinery for our factory locations.

- c) OPEN OFFER FOR PURCHASE OF BEARDSSELL LIMITED'S SHARES:

Pursuant to Regulations 3(2) and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto, the Promoters of the Company made an open offer for purchase upto 12,17,624 Fully Paid-up Equity Shares of Rs.10/- each, representing in aggregate 26% of the Paid-up and Voting Equity Share Capital of Beardsell Limited, for cash, at a price of Rs.58/- (Rupees Fifty Eight Only) per Fully Paid-up Equity Share. The offer opened on 7th June 2012 and closed on 20th June, 2012. The Promoters acquired 8,55,516 Nos equity shares and increased their holding from 57.64% to 75.91%. In order to comply with Clause 40A of the Listing agreement, the promoters sold 44003 shares in the open market on 26th and 27th July, 2012 and reduced their holdings to 74.96%.

### FIXED DEPOSITS

Fixed Deposits amounting to Rs.1.75 Lakhs matured but were not claimed till 31st March, 2012. Subsequently, Fixed Deposit totalling to Rs.1.09 Lakhs have been renewed / re-paid. Reminders have been sent to the other deposit holders for their instructions.

All Deposits / Interest accrued thereon 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 P.C.D. Nambiar, Director passed away on 27th May, 2012 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, retires by rotation at this Annual General Meeting, and being eligible, offer themselves for re-appointment.

### AUDITORS

The Auditors, Messrs. 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



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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, 2012 and of the Profit of the Company for financial year ended 31st March, 2012;
- 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 ICDR Regulations 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 2012.

## 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

## 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.21.43 Lakhs as against Rs.15.83 Lakhs during previous year.

The total Foreign Exchange Outgo during the year under review was Rs.889.18 Lakhs as against Rs.1044.52 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 13, 2012

V. Thirumal Rao  
Director

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. 9533.21 Lakhs 94.19% of the total revenue.

Trading and others Segment which comprises Chemical, Motors and Exports earned a revenue of Rs. 588.04 Lakhs 5.81 % 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

#### 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 28/09/2011	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	4	Nil	Nil	Nil	Nil
Mr. S.V. Narasimha Rao	Executive Director	Present	7	1	Nil	1	1
Mr. M. Uttam Reddi	Non-Executive Independent	Not Present	4	Nil	Nil	Nil	Nil
Mr. P.C.D. Nambiar *	Non-Executive Independent	Not Present	2	-	-	-	-
Mr. V. Thirumal Rao	Non-Executive Independent	Present	7	Nil	Nil	Nil	Nil
Mr. R. Gowri Shanker	Non-Executive Independent	Present	5	6	Nil	Nil	Nil
Mr. Amrith Anumolu	Non- Executive Promoter	Not present	1	Nil	Nil	Nil	Nil
Mr. V J Singh	Non- Executive Independent	Present	4	Nil	Nil	Nil	Nil

\* Cessation due to death on 27th May, 2012.

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

During the Financial Year 2011-2012, Seven Board meetings were held on 12/05/2011, 24/05/2011, 23/06/2011, 12/08/2011, 28/09/2011, 12/11/2011 and 11/02/2012.

#### c) Disclosures regarding appointment and reappointment.

i) 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.

ii) 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 32 years experience with





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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.

**d) Appointment of Mr. Amrith Anumolu, Director as "Technical Advisor" under section 314(1) (a) of the Companies Act, 1956 for holding office or place of profit.**

The appointment and remuneration was approved by the Remuneration Committee on 11th February, 2012. The Board of Directors in their meeting held on 11th February, 2012 approved the appointment and remuneration of Rs.5000/- per working day for a maximum period of 240 days with full reimbursement of traveling and stay expenses with effect from 11/02/2012 to 31/03/2013.

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.

Mr. Amrith Anumolu will be rendering the following professional services.

- ❖ Explore viability of trading general non-perishable merchandise in African countries and advice on technical feasibility studies on marketing Beardsell products and services in countries such as South Sudan, Rwanda etc.,
- ❖ Advice on efficient manufacturing operations, logistics supply chain management, quality, safety and overall factory operations across Beardsell.
- ❖ Assist in developing processes and equipment to automate operations as much as possible.
- ❖ Provide technical advice for new product lines such as Quick Build Panels and its manufacturing operations.

He is appointed as "Technical Advisor", in accordance with the provisions of Section 314(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, subject to the approval of the Shareholders in the ensuing General Meeting.

Mr. Amrith Anumolu is interested in the resolution.

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

**e) Appointment of M/s Rao & Associates, a law firm (wherein Mr. V. Thirumal Rao, Director is a Partner) as "Legal Advisors" under section 314(1) (a) of the Companies Act, 1956 for holding office or place of profit.**

M/s Rao & Associates, a law firm (wherein Mr. V. Thirumal Rao, Director is a Partner) has been appointed as "Legal Advisors" with effect from 17/12/2011 on a monthly remuneration of Rs.55,000/-. The appointment has been approved by the Remuneration Committee and the Board of Directors of the Company Subject to the approval of the Share holders in the ensuing Annual General Meeting pursuant to the provisions of Section 314 (1) (a) of the Companies Act, 1956 .

Mr V Thirumal Rao is interested in this resolution.

### 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 Audit Committee Meeting

During the financial year 2011-2012, Four Audit Committee meetings were held on 12/05/2011, 12/08/2011, 12/11/2011 and 11/02/2012.

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	2
2	Mr. P.C.D.Nambiar*	Independent	2
3	Mr. V.Thirumal Rao	Independent	4
4	Mr. R.Gowri Shanker	Independent	3
5	Mr. S.V.Narasimha Rao	Executive Director	4

\* Audit Committee reconstituted on 13/08/2012 due to demise of Mr.PC.D.Nambiar

#### 4. PREFERENTIAL ISSUE COMMITTEE

During the financial year 2011-2012, three Preferential Issue Committee Meetings were held on 10/10/2011, 31/10/2011 and 28/03/2012.

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

Sl. No	Member	Designation	No. of meetings attended
1	Mr.V.Thirumal Rao	Independent	3
2	Mr.R.Gowri Shanker	Independent	Nil
3	Mr.S.V.Narasimha Rao	Executive Director	3

#### 5. REMUNERATION COMMITTEE MEETING

a) During the financial year 2011-2012, one Remuneration Committee Meeting was held on 11/02/2012. Composition and Attendance record of the members of the Remuneration Committee is as under:

Sl. No	Member	Designation	No. of meetings attended
1	Mr. V. Thirumal Rao - Chairman	Director Independent	1
2	Mr. P.C.D. Nambiar*	Director Independent	1
3	Mr. M. Uttam Reddi	Director Independent	Nil
4	Mr. R. Gowri Shanker	Director Independent	1

\* Remuneration Committee reconstituted on 13/08/2012 due to demise of Mr.PC.D.Nambiar

#### 6. SITTING FEES PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2011-12

(Rs. In Lakhs)

Sl. No	Directors	Sitting Fees
1	Mr.M. Uttam Reddi	0.45
2	Mr.PC.D Nambiar	0.37
3	Mr.V.Thirumal Rao	1.13
4	Mr.R.Gowri Shanker	0.60
5	Mr. Amrith Anumolu	0.08
6	LIC OF INDIA represented by Mr. V.J.Singh	0.30
	<b>TOTAL</b>	<b>2.93</b>

7. During the Financial year an amount of Rs 0.80 Lakhs has been payable to Mr.Amrith Anumolu, Director in his capacity as Technical Advisor

#### 8. REMUNERATION PAID TO WHOLE TIME DIRECTORS

(Rs. in Lakhs)

Sl. No	Name	Salary	Perquisites and Allowances	Commission	Contribution to Provident Fund and Super Annuation Funds	Total
1	Mr.Bharat Anumolu	12.00	11.20	4.25	4.39	31.84
2	Mr.S.V.Narasimha Rao	8.40	7.27	1.46	2.66	19.79
		<b>20.40</b>	<b>18.47</b>	<b>5.71</b>	<b>7.05</b>	<b>51.63</b>



# BEARDELL LIMITED

9. M/s.Rao and Associates are the legal advisors of the Company (wherein Mr. V. Thirumal Rao, Director, is a Partner). The Company has paid the firm during the Financial year a sum of Rs.2.15 lakhs for Professional advice and services.

## 10. SHARE HOLDERS GRIEVANCE COMMITTEE

The 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 and Mr.V. Thirumal Rao.

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

## 11. Allotment and Conversion of Fully Convertible Equity Warrants of Rs.58/- including a premium of Rs.48/- to Promoters on Preferential Basis

The Company allotted Fully Convertible Equity Warrants to promoters and the same were converted into Equity Shares as per the details given below

Warrants Issued on	Issued in favour of	No. of Warrants	Converted into Equity Shares on	Converted @ Rs.58/- Per Share (Including Premium of Rs.48/- per Share)
27/10/2010	Mr. Bharat Anumolu	2,00,000	31/10/2011	Rs.116.00 Lakhs
27/10/2010	Mrs. A. Jayasree	2,00,000	31/10/2011	Rs.116.00 Lakhs
10/10/2011	Mr. Bharat Anumolu	2,25,000	28/03/2012	Rs.130.50 Lakhs
10/10/2011	Mrs. A. Jayasree	2,25,000	28/03/2012	Rs.130.50 Lakhs

## 12. GENERAL BODY MEETINGS

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

Financial Year	AGM	Location	Date	Time
2010-11	74th	Narada Gana Sabha, 314, TTK Salai, Chennai-600018	28/09/2011	10.00 A.M.
2009-10	73rd	Narada Gana Sabha, 314, TTK Salai, Chennai-600018	27/09/2010	10.00 A.M.
2008-09	72nd	Narada Gana Sabha, 314, TTK Salai, Chennai-600018	27/08/2009	10.00 A.M.

ii) Special Resolution passed in the three Annual General Meeting:

Year	Date	Special Resolution Considered
2010-2011	27/09/2011	1
2009-2010	27/09/2010	1
2008-2009	27/08/2009	Nil

iii) During the year, one Special Resolution passed in the Extra-ordinary General Meeting.

Year	Date	Special Resolution Considered
2011-2012	23/06/2011	1

iv) No postal Ballot was conducted during the year.

None of the Resolutions proposed for the ensuing Annual General Meeting need to be passed by postal ballot.

## 13. 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 ICDR Regulations 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.

c) **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.

d) **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.

e) **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](http://www.beardsell.co.in). The Declaration to this effect signed by the Managing Director is given at the end of this report.

f) **Proceeds from Preferential Issue of Fully Convertible Equity Warrants**

The Company in order to implement further enhancements in its production capacity required additional finance and raised Rs. 261.00 Lakhs via issue of Fully Convertible Equity Warrants on Preferential Basis to Promoters and the same were converted into Equity Shares. An amount of Rs.29.00 Lakhs was also received towards balance amount of earlier issue and the proceeds were utilized for purchase of Land and Machinery for our factory locations.

g) **Management Disclosures**

Management Discussion and analysis report is forming part of the Annual Report.

h) **Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee**

The Company has not yet established a mechanism for Whistle Blower Policy. However no personnel have been denied access to the Audit Committee.

#### 14. CEO/CFO CERTIFICATION

The Board has received certificate from Managing Director and Chief Financial Officer that they discharged the obligations under the Corporate Governance Guideline prescribed under SEBI.

#### 15. 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.

#### 16. GENERAL SHARE HOLDERS INFORMATION

a) **General Body Meeting**

The 75th Annual General Meeting of the Company will be held on Saturday the 29th day of September, 2012 at 10.00 A.M. at "Mini Hall" Satguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai 600 018

b) **Financial Calendar**

The Next Financial Year covers the period from 1st April, 2012 to 31st March, 2013

Results for the Period	Expected date of Completion
First Quarter	August, 2012
Second Quarter & Half-Yearly	November, 2012
Third Quarter	February, 2013
Fourth Quarter	May, 2013

c) **Date of Book Closure**

20th September, 2012 to 29th September, 2012 (both days inclusive).

d) **Dividend on Equity Shares : @ Re.1/- per Share (10 percent)**

Payment Date - Payable on or before 28/10/2012



# BEARSELL LIMITED

## e) (i) Shareholding Pattern as on 31st March, 2012

	Category	No. of Shares Holders	No. of Shares Held	Percentage Of Share Holding
<b>A</b>	<b>Promoter and Promoters Group</b>			
	<b>Indian</b>			
	a. Individuals	5	2144631	45.80
	b. Central Government and State Government	-	-	-
	c. Bodies Corporate	1	554720	11.84
	d. Foreign Promoters	-	-	-
	<b>Total Share Holding of Promoter and Promoter Group</b>	<b>6</b>	<b>2699351</b>	<b>57.64</b>
<b>B</b>	<b>Public Share Holding</b>			
	<b>1. INSTITUTIONS</b>			
	a. Mutual Funds	-	-	-
	b. Bank, Financial Institutions, Insurance Companies (Central / State Govt. Institutions)	13	817160	17.45
	c. Foreign Institutional Investors	-	-	-
	<b>Sub Total B(1)</b>	<b>13</b>	<b>817160</b>	<b>17.45</b>
	<b>2. NON INSTITUTIONS</b>			
	a. BODIES CORPORATES	31	104280	2.23
	b. INDIVIDUALS			
	i) Individual Share Holders Holding Nominal Share Capital upto Rs.1.00 Lakh	3160	621315	13.27
	ii) Individual Share Holders Holding Nominal Share Capital in excess of Rs.1.00 Lakh	11	429751	9.18
	c. OTHERS			
	i) Hindu Undivided Families	11	5161	0.11
	ii) Non Resident Indians	21	6150	0.13
	<b>Sub Total B(2)</b>	<b>3234</b>	<b>1166657</b>	<b>24.91</b>
	<b>Total (B1 + B2)</b>	<b>3247</b>	<b>1983817</b>	<b>42.36</b>
	<b>Grand Total</b>	<b>3253</b>	<b>4683168</b>	<b>100.00</b>

## (ii) DISTRIBUTION OF HOLDINGS AS ON 31ST MARCH, 2012

(Rs. in Lakhs)

No. of Shares	Shareholders		Shares Amount	
	Nos.	%	Rs.	% to Total
Up to 5000	3221	99.02	6001560	12.82
5001 to 10000	8	0.25	572800	1.22
10001 to 20000	4	0.12	605750	1.29
20001 to 30000	3	0.09	729000	1.56
30001 to 40000	1	0.03	374500	0.80
40001 to 50000	4	0.12	1950000	4.16
50001 to 100000	7	0.22	4318160	9.22
100001 & above	5	0.15	32279910	68.93
<b>TOTAL</b>	<b>3253</b>	<b>100.00</b>	<b>46831680</b>	<b>100.00</b>

## f) 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.

**g) Dematerialisation of Shares** as on 31st March 2012, 3423502 shares ( 73.10%) have been dematerialised.

**h) 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

**i) Listing on 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.. Our Shares are Permitted for trading in National Stock Exchange Ltd., (NSE) from 8th January, 2010

Stock Code : "BEARSELL"

**j) 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
April - 2011	56.70	54.00	56.70	169
May - 2011	56.70	45.50	50.00	2176
June - 2011	55.00	43.15	55.00	7898
July - 2011	55.00	47.50	53.00	433
August - 2011	50.50	45.50	45.50	265
September - 2011	45.00	39.00	40.70	1835
October - 2011	41.50	37.00	37.00	1764
November - 2011	42.00	37.00	39.00	444
December - 2011	38.20	36.40	38.20	854
January - 2012	39.20	35.65	37.45	983
February - 2012	41.25	36.00	36.75	1215
March - 2012	36.75	36.00	36.50	386

**k) Address For Correspondence**

Registered Office:

Secretarial Department

BEARSELL LTD

47, Greams Road,

Chennai - 600006.

Tel: (044) 28293296

Email: ho@beardsell.co.in

**l) Company Plant Locations**

- TTC Industrial Area, Thane Belapur Road, Navi Mumbai, Maharashtra
- Govindamedu Village, Killachery (PO & Panchayat) Mappedu, Thiruvallur Dt., Tamil Nadu
- Bonthapally Village, Jinnaram Mandal, Medak Dist, Andhrapradesh

**m) 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 igrc@beardsell.co.in



# BEARDELL LIMITED

## 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 13, 2012

For and on behalf of the Board  
Bharat Anumolu  
Managing Director  
V. Thirumal Rao  
Director

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## 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](http://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 2011 -2012.

Place : Chennai.  
Dated : August 13, 2012

Bharat Anumolu  
Managing Director

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## 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, 2012, 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 condition 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 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, 2012 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.

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

Bhavani Balasubramanian  
Partner  
(Membership No. 22156)

Chennai  
August 13, 2012

### FIVE YEAR RECORD

(Rs. in Lakhs)

	Year ended 31st March				
	2008	2009	2010	2011	<b>2012</b>
Income	6047.72	5282.16	5811.50	7972.62	<b>9643.04</b>
Profit before Depreciation	436.56	123.61	552.30	625.70	<b>514.22</b>
Depreciation	57.31	57.31	73.79	104.59	<b>163.48</b>
Taxation - Current	150.00	145.00	110.00	140.00	<b>116.00</b>
- Deferred	(15.72)	(117.60)	48.48	51.99	<b>(0.51)</b>
- Fringe Benefit Tax	9.71	7.90	-	-	-
Profit after Tax	235.26	31.00	320.03	329.12	<b>235.25</b>
Dividend	57.50	-	-	-	<b>46.83</b>
Tax on Dividend	9.77	-	-	-	<b>7.61</b>
Retained Funds	167.99	31.00	320.03	329.12	<b>180.81</b>
Share Capital	383.32	383.32	383.32	383.32	<b>468.32</b>
Earnings per Share (Rs.)	6.14	0.81	8.35	8.59	<b>5.87</b>
Net Worth	1623.13	1654.13	1974.16	2540.89	<b>3011.70</b>
Book Value per Share (Rs.)	42.34	43.15	51.50	66.29	<b>64.31</b>





1. We have audited the attached Balance sheet of BEARDELL LIMITED ("the company") as at March 31, 2012, the statement of Profit and Loss 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 accounts 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 Statement of Profit and Loss and the Cash Flow statement dealt with by this report are in agreement with the books of account;
5. On the basis of the written representations received from the Directors as on March 31, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
  - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss 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 March 31, 2012.
    - (ii) in the case of the statement of Profit and Loss, of the profit of the Company for the year ended on the 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.

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

Bhavani Balasubramanian  
Partner  
(Membership No. 22156)

Place : Chennai

Date : August 13, 2012.

## 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 4(x), 4(xii), 4(xiii), 4(xiv), 4(xv), 4(xviii), 4(xix) and 4(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 its 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 procedure of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.

(c) In our opinion and according to the information and explanation 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 explanation given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, 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 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) In respect of contracts or arrangement entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The Particulars of contracts or agreements referred to Section 301 that needed to be entered in the Register maintained under the said section have been so entered.

(b) There are no transactions, in aggregate, in excess of Rs.5 Lakhs in respect of any party.

(vii) In our opinion and according to the information and explanation 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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed records have been maintained. We have, however, not made a detailed examination of the cost record with a view to determine whether they are accurate or complete.

(x) 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, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, except for significant delays in remittance of Service Tax dues ranging from 3 days to 217 days and ESI ranging from 2 days to 58 days.

(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 March 31, 2012 for a period of more than six months from the date they became payable, except for Service Tax dues of Rs.152,828/-.

(c) Details of dues of Income-Tax, Sales Tax, Wealth-tax, Custom Duty, Excise Duty, Cess which have not been deposited as on March 31, 2012 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	Joint/Deputy Commissioner, Assistant Commissioner and Appellate authorities	1995-96, 1998-1999, 1999-2000, 2000-01, 2001-02, 2003-04, 2005-06	14.53 (Previous year 2.24)
Central Sales Tax Act, 1956	Sales Tax Dues / CST on stock transfer	Deputy Commissioner and CTO of various states/ Maharashtra Sales Tax Tribunal	1995-96, 2000-01, 2001-02, 2003-04, 2005-06	99.20 (Previous year 3.64)

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

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

(xiii) In our opinion and according to the information and explanation given to us and on 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.

(xiv) 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)  
Bhavani Balasubramanian  
Partner  
(Membership No. 22156)

Place : Chennai  
Date : August 13, 2012



# BEARDELL LIMITED

Balance Sheet as at  
March 31, 2012

Particulars	Note No.	As at	As at
		March 31, 2012	March 31, 2011
(Rs. in Lakhs)			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	<b>468.32</b>	383.32
(b) Reserves and surplus	3	<b>2,543.38</b>	1,954.57
(c) Money received against share warrants		-	203.00
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	<b>538.24</b>	567.19
(b) Deferred tax liabilities (Net)	33	<b>25.23</b>	25.74
(c) Other long-term liabilities	5	<b>6.88</b>	4.82
(d) Long-term provisions	6	<b>150.25</b>	175.53
<b>Current liabilities</b>			
(a) Short Term Borrowings	7	<b>297.66</b>	188.92
(b) Trade payables	8	<b>2,116.25</b>	1,758.93
(c) Other current liabilities	9	<b>427.70</b>	297.09
(d) Short-term provisions	10	<b>100.63</b>	27.85
<b>TOTAL</b>		<b><u>6,674.54</u></b>	<b><u>5,586.96</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	<b>2,684.03</b>	2,120.00
(ii) Capital work-in-progress	11	<b>205.51</b>	206.73
(b) Non-current investments	12	<b>33.43</b>	36.31
(c) Long-term loans and advances	13	<b>178.41</b>	319.67
<b>Current assets</b>			
(a) Inventories	14	<b>699.78</b>	523.98
(b) Trade receivables	15	<b>2,101.31</b>	1,678.29
(c) Cash and cash equivalents	16	<b>645.66</b>	586.87
(d) Short-term loans and advances	17	<b>115.34</b>	107.27
(e) Other current assets	18	<b>11.07</b>	7.84
<b>TOTAL</b>		<b><u>6,674.54</u></b>	<b><u>5,586.96</u></b>

See accompanying notes forming part of the financial statements

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In terms of our report attached

For and on behalf of Board of Directors

For DELOITTE HASKINS & SELLS  
Chartered Accountants

Bharat Anumolu  
Managing Director

V Thirumal Rao  
Director

Bhavani Balasubramanian  
Partner

Y Mukthar Basha  
Chief Financial Officer

K Murali  
Company Secretary

Chennai  
August 13, 2012

## Statement of Profit and Loss for the year ended March 31, 2012

Particulars	Note No.	Year ended March 31, 2012 <small>(Rs. in Lakhs)</small>	Year ended March 31, 2011
<b>INCOME</b>			
Revenue from operations (Gross)	19	<b>10,121.25</b>	8,308.18
Less : Excise Duty	19	<b>570.70</b>	<u>460.05</u>
Revenue from operations (Net)		<b>9,550.55</b>	7,848.13
Other Income	20	<b>92.49</b>	<u>124.49</u>
<b>Total Revenue</b>		<b><u>9,643.04</u></b>	<u>7,972.62</u>
<b>Expenses</b>			
Cost of materials consumed	21	<b>3,346.73</b>	2,506.91
Purchases of stock-in-trade	22	<b>3,988.86</b>	3,493.45
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	<b>(78.48)</b>	(85.08)
Employee benefits expenses	24	<b>776.62</b>	691.43
Finance costs	25	<b>125.53</b>	77.64
Depreciation and amortisation expenses	11	<b>163.48</b>	104.59
Other expenses	26	<b>969.56</b>	662.57
<b>Total expenses</b>		<b><u>9,292.30</u></b>	<u>7,451.51</u>
<b>Profit before tax</b>		<b>350.74</b>	521.11
<b>Tax expenses</b>			
Current tax		<b>116.00</b>	140.00
Deferred tax		<b>(0.51)</b>	<u>51.99</u>
		<b><u>115.49</u></b>	<u>191.99</u>
<b>Profit for the year</b>		<b><u>235.25</u></b>	<u>329.12</u>
<b>Earnings per share (of Rs 10/- each)</b>			
Basic	32	<b>5.87</b>	8.59
Diluted		<b>5.87</b>	8.22
See accompanying notes forming part of the financial statements	1-41		
In terms of our report attached			

For and on behalf of Board of Directors

For DELOITTE HASKINS & SELLS  
Chartered Accountants

Bharat Anumolu  
Managing Director

V Thirumal Rao  
Director

Bhavani Balasubramanian  
Partner

Y Mukthar Basha  
Chief Financial Officer

K Murali  
Company Secretary

Chennai  
August 13, 2012



	March 31, 2012	March 31, 2011
	(Rs. in Lakhs)	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	<b>350.74</b>	521.11
Adjustments for:		
Depreciation	<b>163.48</b>	104.59
Loss / (Profit) on sale of fixed assets (net)	<b>0.56</b>	(45.36)
Finance costs	<b>125.53</b>	77.64
Interest Income	<b>(36.58)</b>	(35.66)
Dividend Income	<b>(0.04)</b>	(0.90)
Net (gain) on sale of investments	<b>-</b>	(13.10)
Rental income from operating leases	<b>(5.70)</b>	(2.67)
Provision for diminution in value of investments	<b>2.88</b>	-
Bad debts written off	<b>-</b>	43.25
Provision for doubtful receivables	<b>102.83</b>	33.49
Provision for compensated absences	<b>8.06</b>	7.63
Liabilities / provisions no longer required written back	<b>(16.51)</b>	(0.82)
Net unrealised exchange gain	<b>-</b>	(7.00)
<b>Operating profit before working capital changes</b>	<b>695.25</b>	682.20
(Increase) in trade and other receivables	<b>(394.27)</b>	(647.77)
(Increase) in Inventories	<b>(175.80)</b>	(176.83)
Increase in trade payables and other payables	<b>392.49</b>	576.57
<b>Changes in working capital</b>	<b>(177.58)</b>	(248.03)
<b>Cash generated from operations</b>	<b>517.67</b>	434.17
Taxes Paid, net of refund	<b>(120.00)</b>	(125.00)
<b>Net cash generated from operating activities</b>	<b>397.67</b>	309.17
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	<b>(727.93)</b>	(1,470.57)
Proceeds from sale of fixed assets	<b>9.13</b>	122.87
Proceeds from sale of long term investments	<b>-</b>	12.52
(Increase) in bank balances not considered as cash and cash equivalents	<b>(93.75)</b>	(293.15)
Dividend received	<b>0.04</b>	0.90
Interest received	<b>30.91</b>	32.23
Rental income from operating leases	<b>5.70</b>	2.67
<b>Net Cash used in investing activities</b>	<b>(775.90)</b>	(1,592.53)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance costs	<b>(126.52)</b>	(71.28)
Proceeds from long term borrowings - Banks	<b>300.00</b>	300.00
Repayment of long term borrowings - Banks	<b>(125.00)</b>	-
Repayment of fixed deposits (Net)	<b>(98.98)</b>	175.26
Proceeds from issue of share warrants (See Note 30)	<b>290.00</b>	203.00
Proceeds from short term borrowings (Net)	<b>103.77</b>	102.84
<b>Net cash generated from financing activities</b>	<b>343.27</b>	709.82
<b>D. Net (Decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(34.96)</b>	(573.54)
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>243.52</b>	817.06
<b>F. Cash and cash equivalents at the end of the year</b>	<b>208.56</b>	243.52

## Cash Flow Statement for the year ended March 31, 2012

	March 31, 2012	March 31, 2011
	(Rs. in Lakhs)	
<b>Reconciliation of cash and cash equivalents with the balance sheet</b>		
Cash and cash equivalents as per balance sheet (Refer Note 16)	<b>645.66</b>	586.87
Less: Bank balances not considered as cash and cash equivalents as defined in AS 3 cash flow statements		
- Deposits under Lien	<b>13.00</b>	2.00
- Unpaid dividend account	<b>4.02</b>	4.02
- Margin money deposits	<b>220.00</b>	102.95
- Deposits with original maturity of more than 12 months	<b>200.08</b>	234.38
<b>Cash and cash equivalents at the end of the year *</b>	<b>208.56</b>	243.52
* Comprises:		
(a) Cash on hand	<b>1.71</b>	1.69
(b) Cheques on hand	<b>55.34</b>	48.44
(c) Balances with banks		
(i) In current accounts	<b>134.86</b>	188.19
(ii) In EEFC accounts	<b>-</b>	0.20
(iii) In deposit accounts with original maturity of less than 3 months	<b>16.65</b>	5.00

See accompanying notes forming part of the financial statements  
In terms of our report attached

For and on behalf of Board of Directors

For DELOITTE HASKINS & SELLS  
Chartered Accountants

Bharat Anumolu  
Managing Director

V Thirumal Rao  
Director

Bhavani Balasubramanian  
Partner

Y Mukthar Basha  
Chief Financial Officer

K Murali  
Company Secretary

Chennai  
August 13, 2012



### Notes forming part of the financial statements

(All amounts in lakhs of Indian Rupees)

#### 1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

##### Corporate Information

Beardsell Limited ("the Company") is a prominent manufacturer and supplier of Expanded Polystyrene products, popularly known as thermocole and Prefabricated Buildings that have wide industrial applications. Company also undertakes erection, commissioning and maintenance works in the field of hot and cold insulation solutions. The company has own manufacturing facilities in Thane, Chennai and Hyderabad and branches with geographical spread across India. In addition, the company has operations of trading in Motors and Fabrics.

##### Significant accounting policies

##### 1.1 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.

##### 1.2 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.

##### 1.3 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 - on weighted average basis.
- (iii) Trading stocks are valued on FIFO basis.
- (iv) Loose tools are valued at cost less estimated reduction in value for use.

##### 1.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

##### 1.5 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. The cost of fixed assets not ready to use before such date are disclosed under 'Capital Work-in-Progress'.

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 or useful life, whichever is lower. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of addition.

## **1.6 Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

## **1.7 Revenue recognition**

- (i) Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the despatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.
- (ii) Service income is recognised on proportionate completion method.
- (iii) Lease rentals and commission income are recognized on accrual basis.
- (iv) Interest income is accounted on accrual basis.

## **1.8 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 Statement of Profit and Loss.

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 Statement of Profit and Loss.

## **1.9 Investments**

Long term investments are recorded at cost of acquisition. The diminution, if any, in the value of these investments is recognized if such diminution is other than of temporary nature.

## **1.10 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, 2012, using the 'Projected Unit Credit Method'.

Actuarial gains and losses are recognized in full in the statement of profit and loss 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.





# BEARDELL LIMITED

## Defined contribution plan

Contributions to provident fund, superannuation and ESI, made in accordance with the respective rules is charged to the statement of profit and loss.

## 1.11 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

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

## 1.12 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, which would be issued on the conversion of all dilutive potential equity Shares.

## 1.13 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 substantively 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.

## 1.14 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.

## 2 Share Capital

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
<b>Authorised</b> Equity Shares of Rs 10/- each with voting rights	<b>1,00,00,000</b>	<b>1,000.00</b>	1,00,00,000	1,000.00
<b>Issued, subscribed and fully paid up</b> Equity Shares of Rs 10/- each with voting rights	<b>46,83,168</b>	<b>468.32</b>	38,33,168	383.32
<b>Total</b>		<b>468.32</b>		383.32

## 2.1 Reconciliation of Number of Shares

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
Balance as at the beginning of the year	<b>38,33,168</b>	<b>383.32</b>	38,33,168	383.32
Add: Shares Issued on conversion of share warrants (Refer Note 2.4)	<b>8,50,000</b>	<b>85.00</b>	-	-
Balance as at the end of the year	<b>46,83,168</b>	<b>468.32</b>	38,33,168	383.32

## 2.2 List of shareholders holding more than 5% of the total number of shares issued by the company

Name of shareholder	Number of shares	% Holding	Number of shares held	% Holding
The New India Assurance Company Limited	<b>2,48,760</b>	<b>5.31 %</b>	2,48,760	6.49 %
Life Insurance Corporation of India	<b>3,95,670</b>	<b>8.45 %</b>	3,95,670	10.32 %
Gunnam Subba Rao Insulation Private Limited	<b>5,54,720</b>	<b>11.84 %</b>	5,54,720	14.47 %
Mrs. A. Jayasree	<b>9,71,714</b>	<b>20.75 %</b>	5,45,008	14.22 %
Mr. Bharat Anumolu	<b>10,57,127</b>	<b>22.57 %</b>	6,05,877	15.81 %

## 2.3 Terms attached to equity shares

The Company has issued only one class of equity shares having at par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

**2.4** On October 31, 2011, the Company has allotted 4,00,000 Equity Shares of face value of Rs.10/- each at a premium of Rs.48/- per share to promoters of the Company by conversion of 4,00,000 Fully Convertible Equity Warrants issued on October 27, 2010, vide the approval of members of the Company at the General Meeting held on September 27, 2010. On March 28, 2012, the Company has further allotted 4,50,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 48/- per share to the promoters of the company upon conversion of 4,50,000 Fully Convertible Equity Warrants issued on October 10, 2011, vide the approval of members of the Company at the General Meeting held on September 28, 2011. Consequent to these allotments the Paid-up Share Capital has increased from Rs. 383.32 Lakhs to Rs. 468.32 Lakhs. The premium on such allotments amounting to INR 408.00 Lakhs has been credited to securities premium account.

## 3 Reserves and surplus

Particulars	As at March 31, 2012	As at March 31, 2011
<b>a) Securities premium account</b>	(Rs. in Lakhs)	
Opening Balance	<b>241.31</b>	241.31
Add: Additions during the year (Refer Note 2.4)	<b>408.00</b>	-
Closing Balance	<b>649.31</b>	241.31
<b>(b) General reserve</b>		
Opening Balance	<b>484.61</b>	450.00
Add: Additions during the year	<b>-</b>	34.61
Closing Balance	<b>484.61</b>	484.61



# BEARDELL LIMITED

Paticulars	As at March 31, 2012	As at March 31, 2011
(Rs. in Lakhs)		
<b>(c) Surplus in statement of profit and loss</b>		
Opening Balance	<b>1,228.65</b>	899.53
Add: Profit for the Year	<b>235.25</b>	329.12
Less: Dividends proposed to be distributed to equity shareholders (Re 1/- per share)	<b>46.83</b>	-
Tax on dividend	<b>7.61</b>	-
Closing Balance	<b>1,409.46</b>	1,228.65
<b>Total</b>	<b>2,543.38</b>	1,954.57

## 4 Long term borrowings

(a) Secured term loan from IDBI Bank Ltd (Refer Note <b>4.1</b> and <b>4.3</b> )	<b>475.00</b>	400.00
(b) Unsecured public deposits		
- From related parties (Refer Note <b>30</b> )	-	65.00
- From others	<b>63.24</b>	102.19
<b>Total</b>	<b>538.24</b>	567.19

**4.1** The Rupee term loan from IDBI 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 the Title Deeds of one of its property. This term loan is repayable over a period of seven years and the interest rates range from 13% to 14.25%.

**4.2** The company has not defaulted in repayment of the loans, public deposits and interest thereon.

**4.3** For current maturities of long term borrowings, refer Item (a) in Note **9 - Other Current Liabilities**.

## 5 Other long term liabilities

(a) Interest accrued but not due on public deposits		
- From related parties (Refer Note <b>30</b> )	-	2.80
- From others	<b>3.23</b>	1.46
(b) Deferred rent	<b>3.65</b>	0.56
<b>Total</b>	<b>6.88</b>	4.82

## 6 Long-term provisions

(a) Provision for Employee Benefits		
- Provision for compensated absences	<b>13.52</b>	8.80
(b) Provision for Warranty (Refer Note <b>34</b> )	<b>136.73</b>	166.73
<b>Total</b>	<b>150.25</b>	175.53

## 7 Short term borrowings

(a) Loans repayable on demand from Bank of India (Refer Note <b>7.1</b> )		
(i) Packing Credit	-	25.00
(ii) Cash Credit	<b>206.61</b>	77.84
(b) Unsecured public deposits		
- From related parties (Refer Note <b>30</b> )	<b>40.00</b>	70.00
- From others	<b>51.05</b>	16.08
<b>Total</b>	<b>297.66</b>	188.92

**7.1** Working capital facilities from Bank of India are secured by first charge on current assets and charge on specific Fixed Assets of the Company, on pari passu basis, with IDBI Bank Limited in respect of its term loan.

**7.2** The company has not defaulted in repayment of the loans, public deposits and interest thereon.

	<b>As at March 31, 2012</b>	As at March 31, 2011
	(Rs. in Lakhs)	
<b>8 Trade payables</b>		
(a) Dues to Micro Enterprises and Medium Enterprises (Refer Note <b>8.1</b> )	-	-
(b) Trade payables:		
- Acceptances	<b>367.01</b>	361.86
- Other than acceptances	<b>1,749.24</b>	1,397.07
<b>Total</b>	<b>2,116.25</b>	1,758.93

**8.1** In accordance with the Notification No.GSR719(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 Act as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Since there are no dues to such enterprises, no disclosures are required to be made under the said Act.

**9 Other current liabilities**

(a) Current maturities of long term debt (Refer Note <b>9.1</b> )	<b>200.00</b>	100.00
(b) Unpaid dividend	<b>4.02</b>	4.02
(c) Interest accrued but not due on public deposits		
- From related parties (Refer Note <b>30</b> )	<b>0.31</b>	1.55
- From others	<b>2.86</b>	1.58
(d) Other payables (Refer Note <b>9.2</b> )	<b>220.51</b>	189.94
<b>Total</b>	<b>427.70</b>	297.09

**9.1** Current maturities of long-term debt pertains to secured term loan taken from IDBI Bank Limited. Refer Note **4.1** under Long-term borrowings for details of security and terms of repayment.

**9.2 Other payables pertains to**

(i) Statutory liabilities	<b>105.26</b>	67.67
(ii) Advances received from customers	<b>107.43</b>	97.72
(iii) Payable on purchase of fixed assets	<b>7.82</b>	24.55

**10 Short-term provisions**

(a) Provision for employee benefits		
- Provision for compensated absences	<b>11.19</b>	7.85
(b) Provision for proposed equity dividend	<b>46.83</b>	-
(c) Provision for tax on proposed dividend	<b>7.61</b>	-
(d) Provision for warranty (Refer Note <b>34</b> )	<b>35.00</b>	20.00
<b>Total</b>	<b>100.63</b>	27.85



# BEARDELL LIMITED

## 11 FIXED ASSETS

(Rs. in Lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at April 1, 2011	Additions	Additions on Merger	Deductions	As at March 31, 2012	As at April 1, 2011	For the Year	Additions on Merger	Deductions	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
<b>TANGIBLE ASSETS</b>												
(a) Land												
Freehold	354.47	-	-	-	<b>354.47</b>	-	-	-	-	-	<b>354.47</b>	354.47
Leasehold	279.82	158.81	-	-	<b>438.63</b>	2.24	2.98	-	-	<b>5.22</b>	<b>433.41</b>	277.58
(b) Buildings	489.07	161.36	-	-	<b>650.43</b>	97.69	17.99	-	-	<b>115.68</b>	<b>534.75</b>	391.38
(c) Plant and Equipment	1,471.01	392.09	-	8.85	<b>1,854.25</b>	516.68	122.10	-	8.48	<b>630.30</b>	<b>1,223.95</b>	954.33
(d) Furniture, Fixtures & Office Equipments	53.85	4.88	-	2.33	<b>56.40</b>	28.30	2.89	-	1.38	<b>29.81</b>	<b>26.59</b>	25.55
(e) Leasehold improvements	27.43	0.25	-	-	<b>27.68</b>	7.57	5.30	-	-	<b>12.87</b>	<b>14.81</b>	19.86
(f) Vehicles	129.21	19.81	-	12.34	<b>136.68</b>	32.38	12.22	-	3.97	<b>40.63</b>	<b>96.05</b>	96.83
<b>Total</b>	<b>2,804.86</b>	<b>737.20</b>	<b>-</b>	<b>23.52</b>	<b>3,518.54</b>	<b>684.86</b>	<b>163.48</b>	<b>-</b>	<b>13.83</b>	<b>834.51</b>	<b>2,684.03</b>	<b>2,120.00</b>
Capital Work in Progress											<b>205.51</b>	206.73
<b>Total</b>											<b>2,889.54</b>	<b>2,326.73</b>
Previous year	1,344.55	1,331.95	231.06	102.70	2,804.86	587.31	104.59	18.15	25.19	684.86	2,120.00	757.24

### 11.1 Details of assets given on operating lease

Description	GrossBlock		Accumulated Depreciation		Net Block	
Freehold land	6.92	(6.92)	-	-	6.92	(6.92)
Buildings	68.40	(68.40)	34.07	(31.79)	34.33	(36.61)
Plant and Equipment	319.24	(332.16)	153.49	(140.43)	165.75	(191.73)

Note: Figures in bracket relates to the previous year

## 12 Non-Current Investments

Particulars	As at March 31, 2012	As at March 31, 2011
	(Rs. in Lakhs)	
<b>Trade, Unquoted - At cost - Fully paid up</b>		
<b>Investment in Equity Instruments of Other entities</b>		
18000 (P.Y.18000) Equity Shares of Rs.10/- each of Hyderabad EPS Products (P) Ltd.	<b>1.80</b>	1.80
Less: Provision for diminution in value	<b>(1.80)</b>	-
5300 (P.Y. 5300) Equity Shares of Rs.100/- each of Pink Packaging & Moulding (P) Limited	<b>7.50</b>	7.50
	<b>7.50</b>	9.30
<b>Non-Trade, Quoted - At cost - Fully paid up</b>		
500 (P.Y.500) Equity Shares of Rs.12/- each of M/s. Nava Bharat Ventures Limited	<b>2.01</b>	2.01
Less: Provision for diminution in value	<b>(1.08)</b>	-
	<b>0.93</b>	2.01
<b>Non-Trade, Unquoted - At cost - Fully paid up</b>		
6000 (P.Y.6000) Equity Shares of Rs.10/- each of M/s.Sure Energy Systems Private Limited	<b>25.00</b>	25.00
<b>Total</b>	<b>33.43</b>	36.31
Aggregate amount of quoted investments	<b>2.01</b>	2.01
Aggregate market value of listed and quoted investments	<b>0.93</b>	1.25
Aggregate amount of unquoted investments	<b>34.30</b>	34.30

**13 Long-term loans and advances**

Particulars	As at March 31, 2012	As at March 31, 2011
	(Rs. in Lakhs)	
(a) Capital advances - Unsecured and considered good	<b>6.86</b>	14.91
(b) Security deposits - Secured, considered good - Unsecured and considered good	<b>-</b> <b>28.88</b>	180.00 22.27
	<b>28.88</b>	202.27
(c) Loans and advances to employees - Secured, considered good - Unsecured and considered good	<b>1.83</b> <b>0.17</b> <b>2.00</b>	2.51 0.05 2.56
(d) Advance income tax (Net of provision for tax: Rs.922.81 Lakhs, P.Y. Rs.808.81 Lakhs) - Unsecured, considered good.	<b>140.67</b>	99.93
<b>Total</b>	<b>178.41</b>	319.67

**14 Inventories**

(At lower of cost and net realisable value)

(a) Raw Materials (including goods-in-transit March 31, 2012 Rs.Nil, P.Y Rs. 53.78 Lakhs)	<b>311.45</b>	212.63
(b) Work-in-progress (Refer Note <b>14.1</b> )	<b>34.09</b>	33.15
(c) Finished goods (other than those acquired for trading)	<b>108.08</b>	91.50
(d) Stock-in-trade (acquired for trading)	<b>79.79</b>	24.25
(e) Stores and Spares	<b>14.89</b>	16.56
(f) Loose tools	<b>2.32</b>	2.15
(g) Jobs in progress	<b>149.16</b>	143.74
<b>Total</b>	<b>699.78</b>	523.98

**14.1 Details of inventory of work-in-progress**

Polystyrene	<b>33.49</b>	33.15
Isobuild panels	<b>0.60</b>	-
<b>Total</b>	<b>34.09</b>	33.15

**15 Trade Receivables**

(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment - Unsecured		
(i) Considered good	<b>55.32</b>	54.94
(ii) Considered doubtful	<b>149.06</b>	84.19
Less: Provision for doubtful trade receivables	<b>(149.06)</b>	(84.19)
	<b>55.32</b>	54.94
(b) Other Trade receivables - Unsecured		
(i) Considered good	<b>2,045.99</b>	1,623.35
(ii) Considered doubtful	<b>85.22</b>	60.37
Less: Provision for doubtful trade receivables	<b>(85.22)</b>	(60.37)
	<b>2,045.99</b>	1,623.35
<b>Total</b>	<b>2,101.31</b>	1,678.29



# BEARDELL LIMITED

## 16 Cash and cash equivalents

Particulars	As at March 31, 2012	As at March 31, 2011
	(Rs. in Lakhs)	
(a) Cash on hand	<b>1.71</b>	1.69
(b) Cheques on hand	<b>55.34</b>	48.44
(c) Balances with banks		
(i) In current accounts	<b>134.86</b>	188.19
(ii) In EEFC accounts	-	0.20
(iii) In deposit accounts with original maturity of less than 3 months	<b>16.65</b>	5.00
(iv) In earmarked accounts		
- Unpaid dividend accounts	<b>4.02</b>	4.02
- Balances held as margin money	<b>220.00</b>	102.95
- Others (Refer Note <b>16.2</b> )	<b>13.00</b>	2.00
(v) Other bank balances - Deposits with original maturity of more than twelve months	<b>200.08</b>	234.38
<b>Total</b>	<b>645.66</b>	586.87

**16.1** Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 cash flow statements is Rs.208.56 Lakhs (P.Y. Rs. 243.52 Lakhs)

**16.2** Balances with banks - Other earmarked accounts represents fixed deposits made in pursuance of Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975.

**16.3** Balances with banks includes deposits amounting to Rs.10 Lakhs (P.Y. Rs. 25 Lakhs) which have a maturity of more than 12 months from the Balance Sheet date.

## 17 Short term loans and advances

(a) Security deposits - Unsecured, considered good	<b>32.52</b>	43.52
(b) Loans and advances to employees		
- Secured, considered good	<b>1.05</b>	0.92
- Unsecured, considered good	<b>16.04</b>	15.38
(c) Prepaid expenses - Unsecured, considered good	<b>5.23</b>	12.12
(d) Balances with government authorities - Unsecured, considered good		
- CENVAT credit receivable	<b>35.09</b>	10.89
- Service Tax credit receivable	-	-
(e) Others - Unsecured, considered good	<b>25.41</b>	24.44
<b>Total</b>	<b>115.34</b>	107.27

## 18 Other current assets

Interest accrued on deposits	<b>11.07</b>	7.84
<b>Total</b>	<b>11.07</b>	7.84

## 19 Revenue from Operations

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
	(Rs. in Lakhs)	
(a) Sale of products (Refer Note <b>19.1</b> )	<b>7,976.48</b>	6,340.49
(b) Sale of services (Refer Note <b>19.2</b> )	<b>2,090.63</b>	1,884.00
(c) Other operating revenues (Refer Note <b>19.3</b> )	<b>54.14</b>	83.69
	<b>10,121.25</b>	8,308.18
Less: Excise Duty	<b>570.70</b>	460.05
Revenue from operations (Net)	<b>9,550.55</b>	7,848.13

### 19.1 Sale of products comprises

<b>Manufactured goods</b>		
Expanded Polystyrene	<b>3,930.96</b>	3,744.46
Prefab Panels	<b>3,457.48</b>	2,137.06
<b>Traded goods</b>		
Electric Motors	<b>561.70</b>	431.30
Exports of Fabrics and other items	<b>26.34</b>	27.67

**19.2** Sales of services comprise of income from erection, commissioning and maintenance of hot and cold insulation solutions.

### 19.3 Other operating revenues comprise

Commission	<b>29.80</b>	42.65
Rental Income on lease of machineries	<b>24.34</b>	41.04

## 20 Other income

Interest income		
- Interest from bank deposits	<b>36.58</b>	35.66
Net gain on foreign currency transactions and translation (Net)	<b>-</b>	14.14
Dividend income from long-term investments	<b>0.04</b>	0.90
Net gain on sale of long-term investments	<b>-</b>	13.10
Other non-operating income (Refer Note <b>20.1</b> )	<b>55.87</b>	60.69
<b>Total</b>	<b>92.49</b>	124.49

### 20.1 Other non-operating income comprises

Rental income from operating leases (Refer Note <b>31</b> )	<b>5.70</b>	2.67
Profit on sale of fixed assets	<b>-</b>	45.36
Liabilities / provisions no longer required written back	<b>16.51</b>	0.82
Bad debts/ advances written off in earlier years recovered (Refer Note <b>20.2</b> )	<b>20.00</b>	-
Scrap sales	<b>13.52</b>	11.74
Others	<b>0.14</b>	0.10
<b>Total</b>	<b>55.87</b>	60.69

**20.2** Bad debts / advances written off in earlier years recovered represents recovery of a trade advance written off in the earlier year, on account of full and final settlement.





# BEARDELL LIMITED

## 21 Cost of materials consumed

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
	(Rs. in Lakhs)	
Opening stock	<b>212.63</b>	132.83
Add: Purchases	<b>3,445.55</b>	2,586.71
	<b>3,658.18</b>	2,719.54
Less: Closing stock	<b>311.45</b>	212.63
Cost of materials consumed	<b>3,346.73</b>	2,506.91

Materials consumed comprises of		
Polystyrene Resin	<b>1,806.92</b>	1,542.05
Precoated Steel	<b>1,126.58</b>	687.33
Others (Refer Note 21.1)	<b>413.23</b>	277.53
<b>Total</b>	<b>3,346.73</b>	2,506.91

**21.1** Others include raw materials such as isocyanate, chemicals and wire mesh, none of which individually accounts for more than 10% of the total consumption.

## 22 Purchase of traded goods

Traded goods - EPS	<b>1,100.59</b>	1,357.43
Traded goods - Motors	<b>539.10</b>	396.68
Traded goods - Others	<b>20.38</b>	27.62
Bought out items for jobs	<b>2,328.79</b>	1,711.72
<b>Total</b>	<b>3,988.86</b>	3,493.45

## 23 Change in inventories of finished goods, work-in-progress and stock-in-trade

<b>Opening Stock</b>		
Finished goods	<b>91.50</b>	52.93
Work-in-progress	<b>33.15</b>	26.49
Jobs in progress	<b>143.74</b>	112.12
Stock-in-trade	<b>24.25</b>	16.02
	<b>292.64</b>	207.56
<b>Closing Stock</b>		
Finished goods	<b>108.08</b>	91.50
Work-in-progress	<b>34.09</b>	33.15
Jobs in progress	<b>149.16</b>	143.74
Stock-in-trade	<b>79.79</b>	24.25
	<b>371.12</b>	292.64
<b>Net (Increase) in inventories of finished goods, work in progress</b>	<b>(78.48)</b>	(85.08)

## 24 Employee benefits expenses

Salaries, wages and bonus (Including compensated absences payable on retirement)	<b>599.25</b>	538.10
Contribution to provident and other funds	<b>102.69</b>	91.66
Staff welfare expenses	<b>74.68</b>	61.67
<b>Total</b>	<b>776.62</b>	691.43

**25 Finance Cost**

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
	(Rs. in Lakhs)	
(a) Interest expense on		
(i) Borrowings	<b>107.19</b>	57.63
(ii) Public deposits	<b>13.77</b>	18.49
(iii) Delayed remittance of taxes	<b>4.57</b>	1.52
<b>Total</b>	<b>125.53</b>	77.64

**26 Other expenses**

Consumption of stores and spares	<b>70.17</b>	45.38
Power and fuel	<b>203.54</b>	75.81
Increase of excise duty on inventory	<b>1.65</b>	2.95
Rent including lease rentals	<b>78.92</b>	49.89
Repairs and maintenance - Buildings	<b>4.88</b>	7.53
Repairs and maintenance - Machinery	<b>9.95</b>	1.58
Repairs and maintenance - Furniture and Equipment	<b>5.32</b>	7.05
Insurance	<b>22.20</b>	25.77
Rates and taxes	<b>16.00</b>	10.92
Communication expense	<b>32.47</b>	30.95
Travelling and conveyance	<b>96.66</b>	87.49
Printing and stationery	<b>13.16</b>	13.33
Legal and professional charges (Refer Note <b>26.1</b> )	<b>31.39</b>	19.58
Payments to auditors (Refer Note <b>26.2</b> )	<b>16.35</b>	12.88
Bad trade receivables written off	-	43.25
[Net of transfers from provision for doubtful trade receivables: Rs.13.11 Lakhs (P.Y.: Rs.19.64 Lakhs)]		
Provision for diminution in value of investments	<b>2.88</b>	-
Sitting fees paid to Directors	<b>2.93</b>	2.85
Loss on sale of fixed assets	<b>0.56</b>	-
Net loss on foreign currency transactions and translation	<b>9.44</b>	-
Provision for doubtful debts	<b>102.83</b>	33.49
Miscellaneous expenses	<b>248.26</b>	191.87
<b>Total</b>	<b>969.56</b>	662.57

**26.1** Legal and professional charges include -

- (a) An amount of Rs. 2.15 Lakhs paid to a law firm in which one of the directors is a partner. This is subject to approval of share holders in the ensuing general meeting in accordance with provisions of Section 314 and other applicable provisions of the Companies Act, 1956.
- (b) An amount of Rs. 0.80 Lakhs incurred for a Director, in his capacity as a technical advisor. This is subject to the approval of shareholders in the ensuing general meeting in accordance with provisions of Section 314 and other applicable provisions of the Companies Act, 1956.

**26.2** Payments to the auditors comprises (excluding service tax)

For Audit	<b>10.00</b>	6.50
For Tax Audit/Representation	<b>2.35</b>	2.95
For Certification of statements	<b>4.00</b>	2.90
For Reimbursement of expenses	-	0.53
<b>Total</b>	<b>16.35</b>	12.88



# BEARDELL LIMITED

## 27 Contingent Liabilities and Commitments (to the extent not provided for)

Particulars				As at March 31, 2012	As at March 31, 2011
(i) Contingent Liabilities				(Rs. in Lakhs)	
(a) Claims against the Company not acknowledged as debts				-	2.00
(b) Sales tax, Income tax and demands against which the Company has filed appeals and for which no provision is considered required as the Company is hopeful of successful outcome in the appeals.				<b>217.90</b>	109.56
Name of the statute	Nature of dues	Amount	Payment made	Period to which the amount relates	Forum where dispute is pending
		Rs. in Lakhs			
Sales Tax Acts of various states	Sales Tax - Local	<b>21.85</b> (6.14)	<b>7.32</b> (3.90)	1995-96 1998-99 1999-00 2000-01 2001-02 2003-04 2005-06	Deputy Commissioner & Assistant Commissioner & other appellate authorities
Central Sales Tax Act, 1956	Sales Tax - CST	<b>101.85</b> (9.22)	<b>2.65</b> (5.58)	1995-96 2000-01 2001-02 2003-04 2005-06	Deputy Commissioner & CTO of various states
Income Tax Act, 1961	Income Tax and interest thereon	<b>94.20</b> (94.20)	<b>94.20</b> (94.20)	2005-06	CIT (Appeals)

Note: Figures in bracket relates to the previous year

(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of purchase of tangible assets.	<b>72.73</b>	68.81
(b) Letters of Credit established for purchases of raw materials	<b>111.46</b>	271.47

## 28 Employee benefits

The Company's obligation towards the Gratuity Fund is a defined benefit plan.

The details of actuarial valuation are given below

<b>(I) Table showing changes in present value of obligations</b>		
Present value of obligations at the beginning of the year	<b>108.64</b>	83.04
Interest cost	<b>8.69</b>	6.64
Current service cost	<b>10.75</b>	8.03
Benefit paid / payable	<b>(9.72)</b>	(4.53)
Actuarial loss on obligations	<b>15.20</b>	15.46
<b>Present value of obligations at the end of the year</b>	<b>133.56</b>	108.64
<b>(II) Table showing changes in the Fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	<b>112.79</b>	91.13
Expected return on plan assets	<b>10.46</b>	8.38
Contributions	<b>23.68</b>	17.81
Benefit paid	<b>(9.72)</b>	(4.53)
<b>Fair value of plan assets at the end of the year</b>	<b>137.21</b>	112.79

Particulars	As at March 31, 2012	As at March 31, 2011
	(Rs. in Lakhs)	
<b>(III) Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	<b>112.79</b>	91.13
Actual return on plan assets	<b>10.46</b>	8.38
Contributions	<b>23.68</b>	17.81
Benefits paid	<b>(9.72)</b>	(4.53)
Fair value of plan assets at the end of year	<b>137.21</b>	112.79
Funded status	<b>3.65</b>	4.15
Excess of actual over estimated return	-	-
<b>(IV) Actuarial loss recognised</b>		
Actuarial loss on obligation	<b>15.20</b>	15.46
Actuarial loss on plan assets	-	-
Total loss for the year	<b>15.20</b>	15.46
Actuarial loss recognised in the year	<b>15.20</b>	15.46
<b>(V) Amount to be recognised in the balance sheet</b>		
Present value of obligations at the end of the year	<b>133.56</b>	108.64
Fair value of plan assets at the end of the year	<b>137.21</b>	112.79
<b>Amount to be recognised in the balance sheet *</b>	<b>3.65</b>	4.15
<b>(VI) Expenses recognised in the income statement</b>		
Current service cost	<b>10.75</b>	8.03
Interest cost	<b>8.69</b>	6.64
Expected return on plan assets	<b>10.46</b>	8.38
Net actuarial loss/(gain) to be recognised	<b>15.20</b>	15.46
<b>Expense recognised in P &amp; L</b>	<b>24.18</b>	21.75
<b>(VII) Balance sheet reconciliation</b>		
Opening net asset	<b>4.15</b>	8.09
Expense as above	<b>24.18</b>	21.75
Employers contribution	<b>23.68</b>	17.81
<b>Closing net asset *</b>	<b>3.65</b>	4.15
<b>(VIII) Actuarial assumptions</b>		
Discount rate	<b>8.00%</b>	8.00%
Expected return on plan assets	<b>8.00%</b>	8.00%
Attrition rate	<b>3.00%</b>	1-3% depending on age
Salary escalation	<b>6.00%</b>	6%- 7%
Mortality	LIC-94-96-Mortality rates	

\* As the fair value of planned assets is more than the liability, an amount of Rs.3.65 Lakhs (PY Rs.4.15 lakhs) has not been recognised in the books, on a conservative basis.

In the absence of detailed information regarding Plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.



# BEARDELL LIMITED

## 29 Segment Information

### (a) Primary Segment

The Company has identified business segments as its primary segment. Business segments are primarily insulation and trading. Insulation Business includes manufacturing of EPS Products/ Prefab panels and related service activities. Trading includes motors, exports etc. The above segments have been identified taking into account the organisation structure as well as differing risks and returns of these segments.

Particulars	For the year ended 31 March, 2012		
	Business segments		Total
	Insulation	Trading	
	(Rs. in Lakhs)		
Revenue (Gross of Excise Duty)	<b>9,533.21</b> (7,849.21)	<b>588.04</b> (458.97)	<b>10,121.25</b> (8,308.18)
Total	<b>9,533.21</b> (7,849.21)	<b>588.04</b> (458.97)	<b>10,121.25</b> (8,308.18)
Segment result	<b>976.02</b> (936.84)	<b>33.81</b> (7.64)	<b>1,009.83</b> (944.48)
Less: Interest			<b>125.53</b> (77.64)
Less: Unallocable corporate expenses (net-off income)			<b>533.56</b> (345.73)
Profit before taxes			<b>350.74</b> (521.11)
Tax expense			<b>115.49</b> (191.99)
Net profit for the year			<b>235.25</b> (329.12)

Segment assets	<b>5,530.83</b> (4,391.13)	<b>137.77</b> (285.21)	<b>5,668.60</b> (4,676.34)
Unallocable assets			<b>1,005.94</b> (910.62)
Total assets			<b>6,674.54</b> (5,586.96)
Segment liabilities	<b>2,399.03</b> (2,026.12)	<b>134.69</b> (135.22)	<b>2,533.72</b> (2,161.34)
Unallocable liabilities			<b>1,129.12</b> (884.73)
Total liabilities			<b>3,662.84</b> (3,046.07)
Capital Expenditure Addition*			<b>737.20</b> (1,331.95)
Depreciation*			<b>163.48</b> (104.59)

\* Capital Expenditure addition and Depreciation for previous year excludes gross value and depreciation of assets added on merger.  
Note: Figures in bracket relates to the previous year

**(b) Secondary segment**

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

**30 Related party transactions**

Details of related parties:

**(a) Key Management Personnel (KMP)**

- Mr. Bharat Anumolu - Managing Director
- Mr. S.V.Narasimha Rao - Executive Director

**(b) Relatives of KMP**

- Mrs. A. Jayasree- Mother of Managing Director
- Mr. Amrith Anumolu - Brother of Managing Director
- Mr. S Arun (HUF) - HUF, wherein son of Executive Director is the Karta

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012

<b>Particulars</b>	<b>KMP</b>	<b>Relatives of KMP</b>
Remuneration to Key Management Personnel	<b>51.63</b> (54.62)	- -
Receipts against Share Warrants from Mr. Bharath Anumolu	<b>130.50</b> (116.00)	- -
Receipts against Share Warrants from Mrs. A Jayasree	- -	<b>159.50</b> (87.00)
<b>Balances outstanding at the end of the year</b>		
Fixed Deposits received and outstanding from Mr. Bharath Anumolu	- (95.00)	- -
Fixed Deposits received and outstanding from Mr. S Arun (HUF)	- -	<b>40.00</b> (40.00)
Interest accrued on above deposit	- (4.03)	<b>0.31</b> (0.32)
Technical advisory charges payable to Mr. Amrith Anumolu	- -	<b>0.80</b> -

Note: Figures in bracket relates to the previous year.



# BEARDELL LIMITED

## 31 Details of leasing arrangements

Particulars	As at March 31, 2012	As at March 31, 2011
	(Rs. in Lakhs)	
<b>As Lessor</b>		
The Company has entered into operating lease arrangements for certain surplus facilities. Lease rentals are accrued on the basis of agreed basis and the lease is non-cancellable for a period of 12 months and is renewable for subsequent period of 12 months upon mutually agreed terms. The outstanding commitments by the lessee on account of such assets leased are as follows:		
Not later than 1 year	<b>21.00</b>	41.04
Later than 1 year and not later than 5 years	-	-
<b>As Lessee</b>		
The Company has entered into operating lease arrangements for certain office premises. The leases are non-cancellable and are for a period of 5 years. The lease agreements provide for an increase in the lease payments by 6 to 7 % every year.		
Future minimum lease payments		
not later than one year	<b>26.99</b>	17.25
later than one year and not later than five years	<b>76.66</b>	64.70
later than five years	-	-
Lease payments recognised in the Statement of Profit and Loss	<b>26.99</b>	4.31
Sublease payments received / receivable recognised in the Statement of Profit and Loss	<b>5.70</b>	2.67

## 32 Earnings per share

<b>Basic</b>		
Net profit for the year attributable to the equity shareholders (Rs. in Lakhs)	<b>235.25</b>	329.12
Weighted average number of equity shares (Nos)	<b>40,05,299</b>	38,33,168
Par value per share (Rs.)	<b>10.00</b>	10.00
Earnings Per Share - Basic (Rs.)	<b>5.87</b>	8.59
<b>Diluted</b>		
Net profit for the year attributable to the equity shareholders (Rs. in Lakhs)	<b>235.25</b>	329.12
Weighted average number of equity shares for Basic EPS (Nos)	<b>40,05,299</b>	38,33,168
Add: Effect of warrants, which are dilutive (Nos)	-	170,959
Weighted average number of equity shares - for diluted EPS (Nos)	<b>40,05,299</b>	40,04,127
Par value per share (Rs.)	<b>10.00</b>	10.00
Earnings Per Share - Diluted (Rs.)	<b>5.87</b>	8.22

**33 Deferred Tax Liabilities (Net)**

Particulars	As at March 31, 2012	As at March 31, 2011
	(Rs. in Lakhs)	
<b>(a) Tax effect of items constituting Deferred tax liabilities</b>		
- On difference between book balance and tax balance of fixed assets	<b>164.98</b>	138.63
Tax effect of items constituting deferred tax liability	<b>164.98</b>	138.63
<b>(b) Tax effect of items constituting Deferred tax assets</b>		
- Provision for doubtful debts	<b>76.01</b>	46.91
- Provision for warranties	<b>55.72</b>	60.58
- Provision for compensated absences	<b>8.02</b>	5.40
Tax effect of items constituting deferred tax assets	<b>139.75</b>	112.89
<b>Net deferred tax liability</b>	<b>25.23</b>	25.74

**34 Disclosure requirements under Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets**

(Rs. in Lakhs)

Particulars	As at 1 - April 2011	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 - March 2012
Provision for warranty	<b>186.73</b> (197.69)	-	<b>15.00</b> (10.96)	-	<b>171.73</b> (186.73)

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

**35 Director's Remuneration:**

As at March 31, 2012	As at March 31, 2011
(Rs. in Lakhs)	

Salary	<b>20.40</b>	20.40
Perquisites and allowances	<b>18.47</b>	9.37
Commission	<b>5.71</b>	15.23
Contribution to provident and superannuation funds	<b>7.05</b>	9.62
	<b>51.63</b>	54.62

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

**36 Value of imports in CIF basis**

Raw materials	<b>689.24</b>	771.15
Traded goods	<b>118.51</b>	33.60
Capital goods	<b>74.66</b>	235.48
	<b>882.41</b>	1040.23

**37 Expenditure in foreign currency**

Travel	<b>2.72</b>	4.05
Interest / charges	<b>4.05</b>	0.24
	<b>6.77</b>	4.29





# BEARDELL LIMITED

**38 Value of imported Raw materials and stores and spare parts consumed and the value of all indigenous raw materials and stores and spare parts similarly consumed and percentage of each to total consumption:**

Particulars	As at March 31, 2012		As at March 31, 2011	
	As % of consumption	Value (Rs. In Lakhs)	As % of consumption	Value (Rs. In Lakhs)
Imported	13 %	452.93	32 %	806.04
Indigenous	87 %	2,963.97	68 %	1,746.25
	100 %	3,416.90	100 %	2,552.29

**39 Earnings in foreign currency**

Particulars	As at March 31, 2012	As at March 31, 2011
FOB value of exports	21.43	15.83

**40 Subsequent events**

On April 4, 2012 the promoters of the Company made an open offer for acquisition of 12,17,624 shares (representing 26% of the total paid up equity share capital) at Rs.58/- per share from public shareholders, in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto. The offer opened on June 7, 2012 and closed on June 20, 2012. Holders of 8,55,516 shares have accepted the offer, consequent to which the promoters' shareholding has increased from 57.64% to 75.91%. In order to comply with clause 40A of the Listing agreement, the promoters have sold 44,003 shares in the open market on July 26, 2012 and July 27, 2012 to reduce their holdings to 74.96%.

**41** The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of Board of Directors

Bharat Anumolu  
Managing Director

V Thirumal Rao  
Director

Chennai  
August 13, 2012

Y Mukhtar Basha  
Chief Financial Officer

K Murali  
Company Secretary