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**Directors**

Mr. P. Punnaiah  
Mr. M. Uttam Reddi  
Mr. P.C.D. Nambiar  
Mr. V. Thirumal Rao  
Mr. R. Gowri Shanker  
Mr. A. Bharat  
Mr. A.V. Ramalingan- Executive Director

**Company Secretary**

Mr. K. Murali

**Auditors**

M/s. Deloitte Haskins & Sells

**Bankers**

Bank of India  
Andhra Bank

**Registered Office**

47, Graemes Road,  
Chennai - 600 006.  
Phone : 044-2829 3296 / 2829 0381  
Fax : 044-2829 0391  
E-mail : [ho@beardsell.co.in](mailto:ho@beardsell.co.in)  
Website : [www.beardsell.co.in](http://www.beardsell.co.in)



**BEARDELL LIMITED**

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NOTICE IS HEREBY GIVEN that the Seventy First Annual General Meeting of the Company will be held on Wednesday, the 27<sup>th</sup> August, 2008 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, following resolution as an Ordinary Resolution:

"RESOLVED THAT the Balance Sheet as at 31<sup>st</sup> March 2008, the Profit and Loss Account of the Company for the year ended on that date, together with the Schedules, Balance Sheet Abstract and Company's General Business Profile and Cash Flow Statement for the Year ended 31<sup>st</sup> March, 2008 together with the Directors Report and the Auditors' Report thereon, be and are hereby approved and adopted."

**2. TO DECLARE DIVIDEND**

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

"RESOLVED THAT pursuant to the recommendation of the Board of Directors, Dividend at the rate of Rs. 1.50 (15 percent) per share be paid as Dividend for the year ended 31.03.2008 to those shareholders whose name appears in the register of members on 27<sup>th</sup> August, 2008."

"RESOLVED FURTHER THAT the dividend warrants be posted to the respective shareholders 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 Resolution:

a) "RESOLVED THAT Mr. P. Punnaiah, who retires by rotation and being eligible for reappointment be and is hereby appointed as a Director of the Company."

b) "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".

**4. APPOINTMENT OF AUDITORS**

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

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

**By order of the Board**

Hyderabad  
June 28, 2008

K. Murali  
Company Secretary



Notes :

1. In terms of Clause 49 of the listing agreement with the Stock Exchanges, brief details regarding the Director's reappointment is given below :

a) The profile of Mr.P. Punnaiah who retires by rotation and being eligible for reappointment as a Director are as under :

Mr. Punnaiah is an experienced industrialist with over 60 years of management and industrial experience and knowledge. Mr. Punnaiah is associated with the Company as a Director since 1985 subsequent to the acquisition of the shares held by M/s. Tootals Ltd., U.K. by Navabharat Ferro Alloys Ltd., Mr. Punnaiah was the Managing Director of the Company from 02-01-1989 till 19-08-1997 and Executive Chairman thereafter till 19-08-2006. He was appointed as an Additional Director w.e.f. 20<sup>th</sup> August, 2006 and as Director at the Annual General Meeting held on 27<sup>th</sup> September, 2006.

Mr. Punnaiah is a Director of Nava Bharat Ventures Ltd., Hyderabad and Prakasam Sugar Complex Ltd., Chennai.

Mr. Punnaiah is interested in the resolution. Mr A. Bharat - Director, relative of Mr. Punnaiah is also interested in the resolution. None of the other Directors are interested.

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

Mr. Uttam Reddi founded and manages the Law firm of M/s Uttam Reddi & Co., Mr. Uttam Reddi holds the university first rank in his law degree examination. Mr Uttam Reddi joined the Revenue Service in the year 1949 and rose to be the Deputy Commissioner of Income Tax. While Posted in New Delhi, he was also the Private Secretary to the Cabinet Minister for Industry, Commerce and Company Affairs in the Central Government.

He resigned from Government Service in 1964 and commenced his law practice in Madras by joining the well - known Law firm of King and Partridge. He was a partner of this firm till 1970 when he left to set up his own law office.

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., K C P Sugars & Industrial Corporation Limited., among others.

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.

Mr. Uttam Reddi is Director in Aruna Hotels Ltd.

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

Mr. Uttam Reddi is interested in the resolution. Mr. V. Thirumal Rao - Director relative of Mr. Uttam Reddi is also interested in the resolution. None of the other Directors are interested.

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 18<sup>th</sup> August, 2008 to 27<sup>th</sup> August, 2008 (both days inclusive).
5. Members are requested to intimate change, if any, in their addresses immediately.
6. The Company has already transferred the amount of all unclaimed dividends declared upto the period ended 31st March, 1998 to the Investor Education and Protection Fund of the Central Government (as per Section 205 C of the Companies Act, 1956). It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.
7. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

## REPORT OF BOARD OF DIRECTORS

Your Directors present the 71st Annual Report of the Company together with the Audited Accounts for the financial year ended 31.03.2008.

## PERFORMANCE / OPERATIONS

### FINANCIAL RESULTS

(Rs. in Lakhs)

	Year ended <b>31.03.2008</b>	Year ended 31.03.2007
Gross Revenue	<b>6047.72</b>	5448.02
Profit before interest & Depreciation	<b>460.02</b>	458.54
Interest	<b>23.46</b>	21.16
Profit before Depreciation	<b>436.56</b>	437.38
Depreciation	<b>57.31</b>	63.85
Profit before tax	<b>379.25</b>	373.53
Profit after taxation	<b>235.26</b>	254.66
Balance of Profit & Loss Account from Last year	<b>470.46</b>	286.10

### Appropriations :

Transfer to General Reserve	<b>89.95</b>	25.46
Proposed Dividend on Equity Shares	<b>57.50</b>	38.33
Tax on Dividend	<b>9.77</b>	6.51
Balance Profit carried to Balance Sheet	<b>548.50</b>	470.46

### DIVIDEND

The Board of Directors has recommended, subject to the approval of share holders, a Dividend of Rs.1.50 (15 percent) per Equity share of Rs.10 /- each.

### REVIEW OF OPERATIONS

For the year under review continued buoyancy in the economy and steps taken to improve the efficiency of operation helped your Company to post a profit after tax of Rs. 235.26 Lakhs on a total income of Rs. 6047.72 Lakhs.

### INSULATION DIVISION

#### a. EPS :

Increased demand from end use applications like cold storages, consumer durable packaging etc., and cost management resulted in improved performance.

#### b. ISOBUILD PREFAB PANELS

During the year under review continued demand from Pharmaceuticals and Roofing Applications and the growth in

Cold Storage & Food Processing Industries helped to improve the performance. The Division sold / installed 116698 RMT as against 79398 RMT during the previous year, thus constituting an increase of 47%.

### c. CONTRACTING

The Division made satisfactory progress with the focus on changed business mixes by more direct contracts with end users.

### TRADING DIVISION

Trading Division's performance is satisfactory. Steps are taken for improvement.

### LISTING WITH STOCK EXCHANGE

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

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

### FIXED DEPOSITS

Fixed Deposits amounting to Rs. 1.69 Lakhs matured but were not claimed till 31st March, 2008. Subsequently, Fixed Deposits totaling to Rs.0.15 Lakhs have been repaid. Reminders have been sent to the other deposit holders for their instructions.

All Deposits / Interest accrued there on remaining unclaimed for a period of seven years from the date they became due for payment have been credited to the Investor Education and Protection Fund under section 205C 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. Punnaiah and Mr M. Uttam Reddi, Directors, retire by rotation at this Annual General Meeting, and being eligible, offer themselves for reappointment.

### AUDITORS' REPORT

As regards observations of the Auditors in their report for the year under review, the Notes appended to the Accounts are self-explanatory.

### AUDITORS

The Auditors, M/s. Deloitte Haskins & Sells (DHS), retire and are eligible for reappointment. A written certificate has been received by the Company from them that the



re-appointment, if made, will be in accordance with the limits specified in Sec.224 (1B) of the Companies Act, 1956.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required by Section 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 judgements 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 31<sup>st</sup> March, 2008 and of the Profit of the Company for financial year ended 31<sup>st</sup> March, 2008;
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The Directors have prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE**

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

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

Information under section 217 (1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of Directors Report for the year ended 31<sup>st</sup> March, 2008.

**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.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review, Foreign Exchange Earnings amounted to Rs. 246.20 Lakhs as against Rs. 302.45 Lakhs during previous year.

The total Foreign Exchange Outgo during the year under review was Rs. 129.61 Lakhs as against Rs. 44.85 Lakhs during previous year.

**EMPLOYEE RELATIONS**

The relations between the employees and the 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

R. GOWRI SHANKER  
Director.

A.V. RAMALINGAN  
Executive Director.

Hyderabad  
June 28, 2008

## MANAGEMENT DISCUSSIONS & 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 :

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

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

### Segment wise Performance

Insulation division which comprises manufacture of EPS products / Prefab Panels and related Contracting activities earned a revenue of Rs. 5343.35 lakhs - 90% of the total revenue.

Trading and others Segment which comprises Chemical, Motors and Exports earned a revenue of Rs. 624.89 Lakhs -10 % 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

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

##### a) Composition

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

Name of Director	Category	Attendance in Previous AGM held on 27-08-07	Attendance in Board Meetings	No. of Directorships held in Other Public Limited Companies		Committee position held in other Companies	
				Director	Chairman	Member	Chairman
Mr.P. Punnaiah	Non Executive Promoter	Not Present	2	2	Nil	Nil	1
Mr.M. Uttam Reddi	Non-executive Independent	Not Present	4	1	Nil	1	Nil
Mr.P.C.D.. Nambiar	Non-executive Independent	Present	4	4	1	2	2
Mr.V. Thirumal Rao	Non-executive Independent	Present	7	Nil	Nil	Nil	Nil
Mr.R. Gowri Shanker	Non-executive Independent	Present	6	2	Nil	1	Nil
Mr. A. Bharat	Non-executive Promoter	Not Present	1	Nil	Nil	Nil	Nil
Mr.A.V. Ramalingan	Executive Director	Present	7	1	Nil	Nil	Nil



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

During the Financial Year 2007-2008, Seven Board meetings were held on 25/04/2007, 30/06/2007, 30/07/2007, 27/08/2007, 30/10/2007, 05/01/2008 & 31/01/2008.

c) Disclosures regarding appointment and reappointment.

i) **Reappointment of Mr P Punnaiah**

At the ensuing Annual General Meeting Mr.P. Punnaiah, Non-Executive Director, retire by rotation and is eligible for reappointment.

Mr. Punnaiah is an experienced industrialist with over 60 years of management and industrial experience and knowledge. Mr. Punnaiah is associated with the Company as a director since 1985 subsequent to the acquisition of the shares held by M/s. Tootals Ltd., U.K. by Navabharat Ferro Alloys Ltd., Mr. Punnaiah was the Managing Director of the Company from 02/01/1989 till 19/08/1997 and Executive Chairman thereafter till 19/08/2006. He was appointed as an Additional Director w.e.f 20<sup>th</sup> August 2006 and as Director at the Annual General Meeting held on 27<sup>th</sup> September, 2006.

Mr Punnaiah is a Director of Nava Bharat Ventures Ltd., Hyderabad and Prakasam Sugar Complex Ltd., Chennai.

Mr Punnaiah is related to Mr A. Bharat - Director

ii) **Reappointment of Mr. Mallu Uttam Reddi**

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

Mr. Uttam Reddi founded and manages the Law firm of M/s Uttam Reddi & Co., Mr Uttam Reddi holds the university first rank in his law degree examination. Mr Uttam Reddi joined the Revenue Service in the year 1949 and rose to be the Deputy Commissioner of Income Tax. While posted in New Delhi, he was also the Private Secretary to the Cabinet Minister for Industry, Commerce and Company Affairs in the Central Government.

He resigned from Government Service in 1964 and commenced his law practice in Madras by joining the well - known law firm of King and Partridge. He was a partner of this firm till 1970 when he left to set up his own law office.

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., K C P Sugars & Industrial Corporation Limited., among others

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.

Mr. Uttam Reddi is Director in Aruna Hotels Ltd.

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

Mr. Uttam Reddi is related to Mr. V. Thirumal Rao, Director

iii) **Appointment of Mr. K. Murali**

Mr. K. Murali was appointed as the Company Secretary on 11<sup>th</sup> January, 2008 and made Compliance officer of the Company at the Board Meeting held on 31<sup>st</sup> January, 2008.

Mr. K. Murali, aged 45 years, is a first class Commerce Graduate from Madras University. He is an Associate Member of the Institute of Company Secretaries of India (ACS 20089). He has over 25 years of experience in various corporates covering Accounts, Banking, Finance and Secretarial functions.

### 3. **AUDIT COMMITTEE**

#### **1) 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 the management, Company's financial statements, financial reporting process, disclosure of financial information and observations of Auditors before submission to the Board. It recommends the appointment of Statutory Auditors and their fees.



## II) Composition and Attendance

During the Financial Year 2007-2008, five Audit Committee Meetings were held on 25/04/2007, 29/06/2007, 30/07/2007, 30/10/2007 and 31/01/2008.

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

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

\* Mr. Uttam Reddi was unable to attend the AGM held on 27/08/2007 due to health reasons.

\*\* Appointed as member of the Committee in the Board Meeting held on 05/01/2008

## 4. REMUNERATION COMMITTEE

Company does not have a Remuneration Committee for the purposes of determination and payment of managerial remuneration. The Board fixes the remuneration payable.

### SITTING FEES PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2007-2008

(Rs. In Lakhs)

Sl.No	Directors	Sitting Fees
1.	Mr. P. Punnaiah	0.06
2.	Mr. M. Uttam Reddi	0.24
3.	Mr. P.C.D Nambiar	0.18
4.	Mr. V. Thirumal Rao	0.36
5.	Mr. R. Gowri Shanker	0.21
6.	Mr. A. Bharat	0.03
	<b>TOTAL</b>	<b>1.08</b>

### REMUNERATION PAID TO WHOLE TIME DIRECTOR

(Rs. In Lakhs)

Sl.No	Name	Salary	Money Value of Perquisites	Contribution to Provident Fund and Other Funds	Commission	Total
1.	Mr. A. V. Ramalingan	9.60	0.56	2.69	3.97	16.82

## 5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

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

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

**6. GENERAL BODY MEETINGS**

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

Financial Year	AGM	Location	Date	Time
2006-07	70th	Narada Gana Sabha, 314, T.T.K. Salai, Chennai - 600 018	27.08.07	10.00 A.M.
2005-06	69th	Narada Gana Sabha, 314, T.T.K. Salai, Chennai - 600 018	27.09.06	10.00 A.M.
2004-05	68th	Narada Gana Sabha, 314, T.T.K. Salai, Chennai - 600 018	05.08.05	10.00 A.M.

No Postal ballots were used / invited during the year 2007-08.

**7. DISCLOSURE**

- a) There were no materially significant related party transactions during the year having conflict with the interest of the Company.
- b) Company has complied with all requirements of the Listing Agreement with Stock Exchange as well as regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchange or any Statutory Authority on matters relating to Capital Markets during the last three years.

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 personnel 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 Executive Director is given at the end of this report.

f) **Proceeds from public issues, rights issues, preferential issues etc.,**

No Money has been raised through public / rights / preferential issues during the year.

g) **Management Disclosures**

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

**8. CEO / CFO CERTIFICATION**

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

**9. MEANS OF COMMUNICATION**

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

## 10. GENERAL SHARE HOLDERS INFORMATIONS

### a) General Body Meeting

The 71<sup>st</sup> Annual General Meeting of the Company will be held on Wednesday, the 27<sup>th</sup> day of August, 2008 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 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009

Results for the Period	Expected date of Completion
First Quarter	July 2008
Second Quarter & Half-Yearly	October 2008
Third Quarter	January 2009
Audited Financial Results	June 2009

### c) Date of Book Closure

18<sup>th</sup> August, 2008 to 27<sup>th</sup> August, 2008 (both days inclusive).

### d) (i) Shareholding Pattern as on 31st March, 2008

Category		No. of Shares held	Percentage of Shareholding
<b>A.</b>	<b>Promoter's Holdings</b>		
1.	Promoters		
	- Indian Promoters	1862060	48.58
	- Foreign Promoters	Nil	Nil
2.	Persons acting in Concert	Nil	Nil
	<b>Sub Total</b>	<b>1862060</b>	<b>48.58</b>
<b>B.</b>	<b>Non Promoter's Holdings</b>		
3.	Institutional Investors		
	a. Mutual Funds and UTI	Nil	Nil
	b. Bank, Financial Institutions, Insurance Companies (Central / State Govt. Institutions )	817160	21.32
	c. Foreign Institutional Investors	Nil	Nil
	<b>Sub Total</b>	<b>817160</b>	<b>21.32</b>
4.	Others		
	a. Private Corporate bodies	114208	2.98
	b. Indian Public	1034080	26.97
	c. NRIs / OCBs	5660	0.15
	d. Any other	Nil	Nil
	<b>Sub Total</b>	<b>1153948</b>	<b>30.10</b>
	<b>Grand Total</b>	<b>3833168</b>	<b>100.00</b>

**(ii) DISTRIBUTION OF HOLDINGS AS ON 31st MARCH, 2008**

NO. OF SHARES	SHAREHOLDERS		SHARES AMOUNT	
	Numbers	%	Amount	% to total
Upto 5000	3182	98.91	6063570	15.82
5001 to 10000	6	0.18	413800	1.08
10001 to 20000	9	0.28	1364500	3.56
20001 to 30000	1	0.03	250000	0.65
30001 to 40000	1	0.03	374500	0.98
40001 to 50000	6	0.19	2882500	7.52
50001 to 100000	7	0.22	4508810	11.76
100001 & above	5	0.16	22474000	58.63
<b>TOTAL</b>	<b>3217</b>	<b>100.00</b>	<b>38331680</b>	<b>100.00</b>

**e. Share Transfer Systems**

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

**f. Dematerialisation of Shares**

As on 31st March 2008, 2024363 Shares (52.81%) have been dematerialised.

**g. Registrar and Share Transfer Agents**

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

Address of the Share Transfer Agent:

The General Manager  
M/s. Cameo Corporate Services Limited  
Subramanian Building,  
No. 1, Club House Road,  
Chennai – 600 002.

Tel: (044) 28460390-91

E-mail: cameo@cameoindia.com

**h. Listing On Stock Exchange**

The shares of the Company are listed on the Madras Stock Exchange. Listing fees has been paid upto date.

**i. Market Price Data**

Shares of the Company were last traded on the Stock Exchange on 29.05.2006 at a price of Rs.20/- per share.

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**j. Address for Correspondence**

Registered office :

Secretarial Department      Tel : (044) 28293296  
BEARSELL LTD                      E-mail : [ho@beardsell.co.in](mailto:ho@beardsell.co.in)  
47, Graemes Road,  
Chennai - 600 006

**k. E-mail ID for redressal of investor complaints**

An e-mail id has been created for Redressal grievance division / Compliance officer exclusively for the purpose of registering the complaints of the investors. Investors may send their complaints to [igrc.beardsell@rediffmail.com](mailto:igrc.beardsell@rediffmail.com)

**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.

For and on behalf of the Board

R. Gowri Shanker  
Director

A. V. Ramaligan  
Executive Director

Hyderabad  
June 28, 2008



## BEARSELL LIMITED

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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 Executive 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 2007 - 2008.

Hyderabad  
June 28, 2008

A. V. RAMALINGAN  
Executive 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, 2008, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

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

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

We state that no investor grievance is pending against the company as at March 31, 2008 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

Hyderabad  
June 28, 2008

BHAVANI BALASUBRAMANIAN  
Partner  
Membership No. 22156

## FIVE YEAR RECORD

(Rs. in Lakhs)

	Year Ended 31 <sup>st</sup> March				
	2004	2005	2006	2007	<b>2008</b>
Income	3261.48	4589.88	4191.38	5448.02	<b>6047.72</b>
Profit before Depreciation	(51.95)	277.69	249.74	437.38	<b>436.56</b>
Depreciation	80.85	80.56	68.26	63.85	<b>57.31</b>
Taxation - Current	-	25.29	30.47	105.00	<b>150.00</b>
- Deferred	(19.58)	(68.91)	5.71	5.67	<b>(15.72)</b>
- Fringe Benefit Tax	-	-	8.88	8.20	<b>9.71</b>
Profit after Tax	(113.22)	240.75	136.42	254.66	<b>235.26</b>
Dividend	-	-	-	38.33	<b>57.50</b>
Tax on Dividend	-	-	-	6.51	<b>9.77</b>
Retained Funds	(113.22)	240.75	136.42	209.82	<b>167.99</b>
Share Capital	383.32	383.32	383.32	383.32	<b>383.32</b>
Earnings per Share (Rs.)	(2.95)	6.28	3.56	6.64	<b>6.14</b>
Net Worth	1032.95	1108.90	1245.32	1455.14	<b>1623.13</b>
Book Value Per Share (Rs.)	26.95	28.93	32.49	37.96	<b>42.34</b>



We have audited the attached Balance Sheet of Beardsell Limited (the "Company") as at March 31, 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 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.

Further to our comments in the Annexure referred to above, we report that :

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account as required by Law have been kept by the Company, so far as appears from our examination of those books;
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v) On the basis of the written representations received from the Directors and taken on record by the Board of

Directors, we report that none of the Directors is disqualified as on March 31, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;

- vi) Without qualifying our opinion, we draw attention to the following, the outcome of which is not presently ascertainable

Note No 15.09 regarding outsourced kintwear export operations at Tirupur, in respect of which Rs.450 Lakhs advanced over a period of time and partly secured by way of registered mortgage and deposit of title deeds of 2 acres of prime land at Tirupur is outstanding. During the current year, the Company has initiated appropriate legal action, as the cheques amounting to Rs 274 lakhs issued in part discharge of the advance has been returned by the bankers. Considering the value of the securities, this advance is considered good and realizable.

- vii) 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.
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
  - b) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Deloitte Haskins & Sells  
Chartered Accountants

BHAVANI BALASUBRAMANIAN  
Partner  
Membership No. 22156

Hyderabad  
June 28, 2008



## Annexure to the Auditors' Report to the Members

1. In respect of its Fixed Assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations 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.
2. In respect of its inventories
  - a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3.
  - a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
  - b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in such internal controls.
5. Based on audit procedures applied by us, and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that are needed to be entered in the register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58 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 public.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
8. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed for the maintenance of cost accounting records under Section 209 (1) (d) of the Companies Act, 1956, for the products manufactured by the Company.
9. In respect of Statutory dues
  - a) According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom Duty, Excise duty, Cess and any other material statutory dues with the appropriate authorities during the year.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues as at March 31, 2008, for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us, there are no dues of Sales tax, Income tax, Custom Duty, Wealth tax, Service tax, Excise duty and Cess which have not been deposited as on March 31, 2008, with the appropriate authorities on account of disputes, except for the dues referred to in Note. No.15.02 of Schedule 15 to the Financial Statements.
10. The Company has no accumulated losses as at March 31, 2008 and has not incurred any cash losses either during the financial year covered by our audit or the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the payment of dues to banks. There are no loans from financial institutions and debenture holders.
12. Based on our examination of documents and records, and according to the information and explanations given to us, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a chit fund or nidhi/ mutual benefit fund/ society.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities and debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
16. The Company has not raised any term loans during the year.
17. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis have *prima facie*, not been used during the year for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised money through public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

For DELOITTE HASKINS & SELLS  
Chartered Accountants

BHAVANI BALASUBRAMANIAN  
Partner  
Membership No. 22156

Hyderabad  
June 28, 2008

**BEARDELL LIMITED****Balance Sheet  
as at  
March 31, 2008**

	Schedule	As at March 31, 2008		As at March 31, 2007	
		(Rs. in Lakhs)			
<b>SOURCES OF FUNDS</b>					
<b>Shareholder's Funds</b>					
Share Capital	1	<b>383.32</b>		383.32	
Reserves and Surplus	2	<b>1239.81</b>	<b>1623.13</b>	<u>1071.82</u>	1455.14
<b>Loan Funds</b>					
Secured Loans	3	<b>77.51</b>		100.63	
Unsecured Loans		<b>56.95</b>	<b>134.46</b>	<u>104.64</u>	205.27
<b>Deferred Tax Liability (Net)</b>			<b>42.87</b>		<u>58.59</u>
			<b>1800.46</b>		<u>1719.00</u>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	4	<b>1018.85</b>		954.22	
Less : Depreciation		<b>619.72</b>		<u>568.71</u>	
Net Block		<b>399.13</b>		385.51	
Capital Work in Progress including advances		-		<u>14.09</u>	
Net Block			<b>399.13</b>		399.60
<b>Investments</b>	5		<b>10.73</b>		10.73
<b>Current Assets, Loans and Advances</b>					
<b>Current Assets</b>					
Inventories	6	<b>387.45</b>		352.83	
Sundry Debtors	7	<b>1200.86</b>		1272.52	
Cash and Bank Balances	8	<b>549.37</b>		286.04	
Loans and Advances	9	<b>632.43</b>		<u>621.00</u>	
			<b>2770.11</b>		2532.39
<b>Less : Current Liabilities and Provisions</b>					
(a) Current Liabilities	10	<b>1307.34</b>		1174.98	
(b) Provisions		<b>72.17</b>		<u>48.74</u>	
<b>Net Current Assets</b>			<b>1379.51</b>	<u>1223.72</u>	<u>1308.67</u>
			<b>1390.60</b>		<u>1308.67</u>
			<b>1800.46</b>		<u>1719.00</u>
NOTES ON ACCOUNTS	15				

This is the Balance Sheet referred to in our Report of even date.

For DELOITTE HASKINS & SELLS  
Chartered Accountants

A.V. RAMALINGAN  
Executive Director

R. GOWRI SHANKER  
Director

BHAVANI BALASUBRAMANIAN  
Partner

Y. MUKTHAR BASHA  
Deputy General Manager - Finance

K. MURALI  
Company Secretary

Hyderabad  
June 28, 2008

**Profit and Loss Account  
for the year ended  
March 31, 2008**

		For the year ended March 31, 2008	For the year ended March 31, 2007
Schedule		(Rs. in Lakhs)	
<b>INCOME</b>			
Turnover		<b>6259.47</b>	5298.21
Less : Excise Duty		<b>426.16</b>	257.90
Net Sales		<b>5833.31</b>	5040.31
Commission & Rental Income	11	<b>134.93</b>	134.86
Others	12	<b>79.48</b>	272.85
		<b>6047.72</b>	5448.02
<b>EXPENDITURE</b>			
Manufacturing and Other expenses	13	<b>5587.70</b>	4989.48
Interest	14	<b>23.46</b>	21.16
Depreciation		<b>57.31</b>	63.85
		<b>5668.47</b>	5074.49
Profit for the year before tax		<b>379.25</b>	373.53
Less : Provision for Taxation			
- Current		<b>150.00</b>	105.00
- Deferred		<b>(15.72)</b>	5.67
- Fringe Benefit Tax		<b>9.71</b>	8.20
		<b>143.99</b>	118.87
Profit for the year after tax		<b>235.26</b>	254.66
Add : Balance brought forward from Previous year		<b>470.46</b>	286.10
Profit available for Appropriations		<b>705.72</b>	540.76
APPROPRIATIONS:			
Transfer to General Reserve		<b>89.95</b>	25.46
Proposed Dividend		<b>57.50</b>	38.33
Tax on Dividend		<b>9.77</b>	6.51
		<b>157.22</b>	70.30
Surplus carried to Balance Sheet		<b>548.50</b>	470.46
NOTE ON ACCOUNTS	15		
Basic and diluted earnings per share of face value of Rs.10/- each (in Rupees)		<b>6.14</b>	6.64

This is the Profit and Loss Account referred to in our Report of even date.

For DELOITTE HASKINS & SELLS  
Chartered Accountants

A.V. RAMALINGAN  
Executive Director

R. GOWRI SHANKER  
Director

BHAVANI BALASUBRAMANIAN  
Partner

Y. MUKTHAR BASHA  
Deputy General Manager - Finance

K. MURALI  
Company Secretary

Hyderabad  
June 28, 2008

**BEARDELL LIMITED****CASH FLOW STATEMENT FOR THE  
YEAR ENDED MARCH 31, 2008**

	March 31, 2008 (Rs. in Lakhs)	March 31, 2007
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year before tax	379.25	373.53
Adjustments for :		
Depreciation	57.31	63.85
Unrealised Exchange Variation (Net)	(0.59)	0.48
Interest Expenses	23.46	21.16
Dividend Income	(0.42)	(0.79)
Interest Income	(55.77)	(10.29)
Loss / (Profit) on Sale of Assets (Net)	0.88	(239.32)
Provision for doubtful debts	43.32	17.60
	<u>68.19</u>	<u>(147.31)</u>
Operating Profit before Working Capital Changes	447.44	226.22
Adjustment for :		
Increase in Debtors & Other Receivables	(138.84)	(368.77)
Increase in Inventories	(34.62)	(73.78)
Increase in Current Liabilities & Provisions	267.07	36.78
	<u>93.61</u>	<u>(405.77)</u>
Cash Generated from / (used in) Operations	541.05	(179.55)
Taxes paid (Net of Refunds), including Fringe Benefit Tax	(120.00)	(70.71)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	<u>421.05</u>	<u>(250.26)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(63.08)	(78.25)
Proceeds from Sale of Fixed Assets	5.37	323.18
Purchase of Investments	-	(7.50)
Dividend Received	0.42	0.79
Interest Received	38.69	9.48
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	<u>(18.60)</u>	<u>247.70</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long term borrowings	-	0.91
Repayment of Long term borrowings	(36.03)	(26.57)
Short Term Borrowings (Net)	(34.78)	64.84
Interest on Borrowings	(25.17)	(21.16)
Dividend Paid including Dividend Tax	(43.14)	-
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	<u>(139.12)</u>	<u>18.02</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	<u>263.33</u>	<u>15.46</u>
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	286.04	270.58
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	549.37	286.04

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

For DELOITTE HASKINS & SELLS  
Chartered Accountants

A.V. RAMALINGAN  
Executive Director

R. GOWRI SHANKER  
Director

BHAVANI BALASUBRAMANIAN  
Partner

Y. MUKTHAR BASHA  
Deputy General Manager - Finance

K. MURALI  
Company Secretary

Hyderabad  
June 28, 2008

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

	<b>As at March 31, 2008 (Rs. in Lakhs)</b>	As at March 31, 2007
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
5000000 Equity Shares of Rs. 10/- each	<u>500.00</u>	<u>500.00</u>
<b>Issued, Subscribed and paid up</b>		
3833168 Equity Shares of Rs.10/- each Fully paid up	<u>383.32</u>	<u>383.32</u>

**Of the above Shares**

678700 Equity Shares of Rs. 10/- each are issued as fully paid-up by way of Bonus Shares through the capitalisation of Reserves and from Securities Premium Account.

157400 Equity Shares of Rs. 10/- each are issued as fully paid-up pursuant to a contract without payments being received in cash.

**SCHEDULE 2  
RESERVES AND SURPLUS**

	As at April 1, 2007	Additions	Deductions	As at March 31, 2008
<b>Securities Premium</b>	241.31	-	-	<b>241.31</b>
<b>General Reserve</b>	360.05	<b>89.95</b>	-	<b>450.00</b>
Surplus as shown in Profit and Loss Account	470.46	<b>78.04</b>	-	<b>548.50</b>
	<u>1071.82</u>	<u>167.99</u>	<u>-</u>	<u>1239.81</u>



# BEARDELL LIMITED

As at  
March 31, 2008

As at  
March 31, 2007

(Rs. in Lakhs)

## SCHEDULE 3

### LOANS SECURED LOANS

#### Working Capital Facilities from Banks

Packing Credit	77.51	100.63
	<u>77.51</u>	<u>100.63</u>
<b>UNSECURED</b>		
Fixed Deposits	56.95	104.64
	<u>56.95</u>	<u>104.64</u>
	<u>134.46</u>	<u>205.27</u>

## SCHEDULE 4 FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at April 1, 2007	Additions	Deductions	As at March 31, 2008	As at April 1, 2007	For the year	Deductions	As at March 31, 2008	As at March 31, 2008	As at March 31, 2007
Freehold Land*	6.92	-	-	6.92	-	-	-	-	6.92	6.92
Leasehold Land	1.90	-	-	1.90	0.57	0.02	-	0.59	1.31	1.33
Buildings**	225.67	29.03	-	254.70	63.65	6.85	-	70.50	184.20	162.02
Plant and Machinery***/#	549.36	31.00	-	580.36	425.01	39.53	-	464.54	115.82	124.35
Electrical Installation	20.82	-	-	20.82	14.71	1.53	-	16.24	4.58	6.11
Furniture, Fittings and Office Equipments	85.16	3.62	0.53	88.25	48.15	3.47	0.36	51.26	36.99	37.01
Vehicles	64.39	13.52	12.01	65.90	16.62	5.91	5.94	16.59	49.31	47.77
	954.22	77.17	12.54	1018.85	568.71	57.31	6.30	619.72	399.13	385.51
Capital Work in Progress including advances									-	14.09
									399.13	399.60
Previous year	1052.34	73.70	171.82	954.22	592.82	63.85	87.96	568.71	385.51	459.52

\* Given on Operating Lease

\*\* Given on Operating Lease - Cost - Rs. 84.45 lakhs (Rs. 84.45 lakhs) and WDV - Rs. 49.76 lakhs (Rs. 52.58 lakhs)

\*\*\* Given on Operating Lease - Cost - Rs. 221.39 lakhs (Rs. 212.97 lakhs) and WDV - Rs. 37.44 lakhs (Rs. 40.95 lakhs)

# Excludes value of Plant & Machinery given as grant under United Nations Development Programme (UNDP) taken at nominal value of Rs.2/- (2007 : Rs.2/-)

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

<b>SCHEDULE 5</b> <b>Investments (Long Term)</b> <b>In Fully Paid Equity Shares</b> <b>Trade - Unquoted :</b>	As at March 31, 2008		As at March 31, 2007	
	Face Value	Cost	Face Value	Cost
	<b>(Rs. in Lakhs)</b>			
Diana Garments (Private) Limited 15000 Equity shares of Rs.10/- each	<b>1.50</b>	-	1.50	-
Sri Balaji Insulation (P) Limited 3400 Equity Shares of Rs. 100/- each	<b>3.40</b>	-	3.40	-
Hyderabad EPS Products (P) Limited 18000 Equity Shares of Rs. 10/- each	<b>1.80</b>	<b>1.80</b>	1.80	1.80
Arpejay Investments (P) Limited 900 Equity Shares of Rs.100/- each	<b>0.90</b>	-	0.90	-
Pondy EPS Products (P) Limited 180 Equity Shares of Rs.100/- each	<b>0.18</b>	-	0.18	-
Pink Packaging & Moulding Pvt.Ltd 5300 Shares @ Rs.141.50 each	<b>5.30</b>	<b>7.50</b>	5.30	7.50
<b>In partly paid Equity Shares</b> <b>Trade - Unquoted :</b>				
Royal Insulation (P) Limited 3618 Equity Shares of Rs.10/- each Rs.5/- per share paid up	<b>0.18</b>	-	0.18	-
Sarovar Insulation (P) Limited 3618 Equity Shares of Rs.10/- each Rs.5/- per share paid up	<b>0.18</b>	-	0.18	-
		<u><b>9.30</b></u>		<u><b>9.30</b></u>
<b>In Fully Paid Shares</b> <b>Non-Trade-Quoted:</b>				
Nava Bharat Ventures Limited 1565 Equity Shares of Rs. 2/- each	<b>0.03</b>	<b>0.08</b>	0.03	0.08
ICICI Bank Limited 233 shares of Rs.10/- each	<b>0.01</b>	<b>0.12</b>	0.01	0.12
Taurus Mutual Fund - Boinanza Exclusive Growth Scheme 13333 Units of Rs.10/- each	<b>1.00</b>	<b>1.00</b>	1.00	1.00
Andhra bank 2300 Shares of Rs.10/- each	<b>0.23</b>	<b>0.23</b>	0.23	0.23
		<u><b>1.43</b></u>		<u><b>1.43</b></u>
		<u><b>10.73</b></u>		<u><b>10.73</b></u>
Market Value of Quoted Investments		<u><b>12.88</b></u>		<u><b>9.56</b></u>
Aggregate cost of Quoted Investments		<u><b>1.43</b></u>		<u><b>1.43</b></u>



# BEARDELL LIMITED

	As at March 31, 2008	As at March 31, 2007
<b>(Rs. in Lakhs)</b>		
<b>SCHEDULE 6</b>		
<b>INVENTORIES</b>		
Stores & Spare Parts	2.90	1.90
Loose Tools	3.26	5.46
Raw Materials	133.99	78.48
Trading and Finished Goods	125.57	102.77
Process Stock	17.75	14.90
Jobs in Progress	103.98	149.32
	<u>387.45</u>	<u>352.83</u>
<b>SCHEDULE 7</b>		
<b>SUNDRY DEBTORS - UNSECURED</b>		
Debts outstanding for a period exceeding six months		
Considered Good	58.62	34.51
Considered Doubtful	98.83	50.78
	<u>157.45</u>	85.29
Less : Provision	98.83	50.78
	58.62	34.51
Other Debts		
Considered Good	1142.24	1238.01
Considered Doubtful	17.01	31.34
	<u>1159.25</u>	1269.35
Less : Provision	17.01	31.34
	1142.24	1238.01
	<u>1200.86</u>	<u>1272.52</u>
<b>SCHEDULE 8</b>		
<b>CASH AND BANK BALANCES</b>		
Cash, Cheques and Stamps on hand	65.41	31.09
<b>Balances with scheduled Banks on</b>		
Current Account	161.69	141.80
Margin Money Deposits*	45.70	44.25
Fixed Deposits	274.87	68.90
Unpaid Dividend Account	1.70	-
	<u>483.96</u>	<u>254.95</u>
	<u>549.37</u>	<u>286.04</u>

\* for Bank Guarantees and Letter of Credit



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

	As at March 31, 2008	As at March 31, 2007
	(Rs. in Lakhs)	
<b>SCHEDULE 9</b>		
<b>LOANS AND ADVANCES</b>		
Advances recoverable in Cash or in kind or for value to be received Considered Good		
Secured #	188.03	190.38
Unsecured	295.97	292.30
Interest accrued on Deposits	5.05	2.40
Advance Tax and Tax Deducted at source including Fringe Benefit Tax (Net of Provisions Rs.405.90 - P.Y. Rs. 244.06)	85.24	88.75
	574.29	573.83
Deposits - Unsecured and Considered Good	50.96*	43.59*
Balance with Excise Authorities	7.18	3.58
	58.14	47.17
	632.43	621.00
	10.32	2.19

\* Includes with Government Departments

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

**SCHEDULE 10**  
**CURRENT LIABILITIES AND PROVISIONS**

**Current Liabilities**

Acceptances	33.62	22.54
Sundry Creditors		
- Dues to Micro Small & Medium Enterprises	-	-
- Others	991.28	882.40
Advance received from Customers	275.17	262.76
Amount to be credited to		
Investor Education & Protection Fund *	-	-
Unpaid Dividends **	1.70	-
Interest accrued but not due on Fixed Deposits	5.57	7.28
	1307.34	1174.98
<b>Provisions</b>		
Leave Encashment	4.90	3.90
Proposed Dividend	57.50	38.33
Tax on Dividend	9.77	6.51
	72.17	48.74
	1379.51	1223.72

\* There are no amounts due and outstanding as on March 31, 2008 and March 31, 2007 to be credited to Investor Education & Protection Fund

\*\* These amounts represent warrants issued to share holders which remain unrepresented and unclaimed as on March 31, 2008

	For the year ended March 31, 2008	For the year ended March 31, 2007
	(Rs. in Lakhs)	
<b>SCHEDULE 11</b>		
<b>COMMISSION AND RENTAL INCOME</b>		
Commission	98.69	99.82
[Tax deducted at source Rs.10.04 lakhs (Rs.5.23 lakhs)]		
Rental Income	36.24	35.04
[Tax deducted at source Rs.5.83 lakhs (Rs.4.20 lakhs)]		
	134.93	134.86



# BEARDELL LIMITED

	For the year ended March 31, 2008	For the year ended March 31, 2007
	(Rs. in Lakhs)	
<b>SCHEDULE 12</b>		
<b>OTHER INCOME</b>		
Interest from Banks & Others [Tax deducted at Source Rs.2.56 lakhs (2007 : Rs.0.84 lakhs)]	55.77	10.29
Dividends	0.42	0.79
Foreign Exchange Variation (Net)	0.60	-
Profit on Sale of Assets (Net)	-	239.32
Duty Drawback	9.78	13.51
Bad Debts written off in earlier years recovered	4.33	0.55
Miscellaneous Income	8.58	8.39
	<u>79.48</u>	<u>272.85</u>
<b>SCHEDULE 13</b>		
<b>MANUFACTURING AND OTHER EXPENSES</b>		
<b>I. MATERIALS</b>		
<b>1) Consumption of Raw Materials</b>		
Opening Stock	78.48	47.29
Add : Purchases	1834.08	1247.76
	<u>1912.56</u>	<u>1295.05</u>
Less : Closing Stock	133.99	78.48
	<u>1778.57</u>	<u>1216.57</u>
<b>2) Purchases</b>		
Trading / Finished Goods	1259.12	1482.51
Bought out items for jobs	1751.17	1601.90
	<u>3010.29</u>	<u>3084.41</u>
<b>3) Decrease / (Increase) in Process Stock, Jobs in Progress and Trading / Finished Goods</b>		
<b>Opening Stock</b>		
Trading / Finished Goods	102.77	58.51
Process Stock	14.90	10.38
Jobs in progress	149.32	153.26
	<u>266.99</u>	<u>222.15</u>
<b>Closing Stock</b>		
Trading / Finished Goods	125.57	102.77
Process Stock	17.75	14.90
Jobs in progress	103.98	149.32
	<u>247.30</u>	<u>266.99</u>
	19.69	(44.84)
	<u>(0.13)</u>	<u>(1.58)</u>
<b>4) Excise Duty</b>	<u>4808.42</u>	<u>4254.56</u>

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

	<b>For the year ended March 31, 2008</b>	<b>For the year ended March 31, 2007</b>
	<b>(Rs. in Lakhs)</b>	
<b>II. Payments to and Provision for Employees</b>		
Salaries, Wages and Bonus	<b>292.37</b>	234.40
Contribution to Provident Fund and Other Funds	<b>41.74</b>	44.63
Workmen and Staff Welfare Expenses	<b>42.51</b>	33.68
	<b>376.62</b>	312.71
<b>III. Other Expenses</b>		
Consumption of Stores and Spare Parts	<b>21.07</b>	13.62
Power and Fuel	<b>36.51</b>	30.40
Rent	<b>35.55</b>	27.01
Rates and Taxes	<b>5.28</b>	3.86
Insurance	<b>32.00</b>	14.95
Repairs and Maintenance to		
– Buildings	<b>6.61</b>	2.72
– Machinery	<b>6.35</b>	3.79
– Furniture and Equipment	<b>6.40</b>	6.83
Directors' Sitting Fees	<b>1.08</b>	0.99
Foreign Exchange Variation (Net)	-	2.37
Bad Debts Written off	<b>9.60</b>	91.85
Less : Transfer from Provision for Doubtful debts	<b>9.60</b>	7.15
	-	84.70
Provision for Doubtful Debts	<b>43.32</b>	17.60
Travelling and Conveyance	<b>54.93</b>	56.97
Communication Expenses	<b>25.15</b>	27.36
Printing and Stationery	<b>8.96</b>	9.24
Professional Charges	<b>15.51</b>	19.80
Loss on Sale of Assets (Net)	<b>0.88</b>	-
Miscellaneous	<b>103.06</b>	100.00
	<b>402.66</b>	422.21
	<b>5587.70</b>	4989.48
<b>SCHEDULE 14</b>		
<b>INTEREST ON</b>		
I. Loans from Banks	<b>7.26</b>	5.10
II. Fixed Deposits	<b>6.78</b>	13.71
III. Others	<b>9.42</b>	2.35
	<b>23.46</b>	21.16



**SCHEDULE 15**

**NOTES ON ACCOUNTS**

*(All amounts in lakhs of Indian Rupees)*

**15.01 Significant Accounting Policies**

**a) BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards ('AS') as specified in the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.

**b) USE OF ESTIMATES**

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

**c) INVENTORIES**

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

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

**d) FIXED ASSETS AND DEPRECIATION**

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

Assets given on operating lease are capitalized and depreciation has been provided on such assets on straight-line method at the rates specified in Schedule XIV of 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 of the Companies Act, 1956. Assets individually costing less than Rs.5,000 are fully depreciated in the year of addition.

**e) IMPAIRMENT OF ASSETS**

The Company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amounts of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

**f) REVENUE RECOGNITION**

- i) Revenue from contract jobs are recognized on the percentage of completion method taking into consideration the estimated expenditure to be incurred for completion of the jobs.
- ii) Sales are recognized when goods are dispatched and recorded net of trade discounts and sales taxes. Export

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

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incentives are recognized on accrual basis.

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

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

### **g) FOREIGN CURRENCY TRANSACTIONS**

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

Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the exchange gain / loss is suitably dealt with in the profit and loss account.

### **h) INVESTMENTS**

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

### **i) RETIREMENT BENEFITS**

i) Short-term employee benefits

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

ii) Long-term employee benefits

#### **DEFINED BENEFIT PLAN**

##### **Leave encashment**

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, 2008, using the 'Projected Unit Credit Method'.

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

##### **Defined Contribution Plan**

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

### **j) SEGMENT REPORTING**

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

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

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

### **k) EARNINGS PER SHARE**

The earnings considered in ascertaining the Company's earning per share ('EPS') comprise the net profit after



## BEARDELL LIMITED

tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

### I) TAXES ON INCOME

- i) Current tax is determined on the profit for the year in accordance with the provisions of the Income Tax Act, 1961.
- ii) Deferred tax is calculated at the rates and laws that have been enacted or substantially enacted as of the Balance Sheet date and is recognised 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 recognised and carried forward only to the extent that they can be realised.
- iii) Fringe Benefit tax is calculated in accordance with the provisions of the Income Tax Act, 1961.

### m) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

#### 15.02 Contingent Liabilities

	March 31, 2008	March 31, 2007
	(Rs. in lakhs)	
Uncalled liability in respect of partly paid shares held as investments.	0.36	0.36
Claims against the Company not acknowledged as debts	2.00	32.00
Capital Commitments (Net of advances)	-	6.55
Disputed Sales tax demands	21.80	29.97

Name of the statute	Nature of Dues	Amount (Rs.in lakhs)	Payment made (Rs.in lakhs)	Period to which the Amt. Relates	Forum where dispute is pending
Sales Tax Act of various States	Sales Tax	13.56 (18.94)	3.76 (4.11)	1982-83 to 1985 -86 1989-90 to 1995-96 1997 -98 1998-99 2000-01 2001-02 2003-04	Dy. Commissioner & Asst. Commissioner & Other Appellate Authorities
Central Sales Tax Act	Sales Tax	8.24 (11.03)	2.65 (2.64)	1993-94 to 1995-96 1997-98 2000-01 2001-02 2003-04	Dy. Commissioner & CTO of various states.

#### 15.03 Income Tax Appeal

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

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

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### 15.04 Excise Duty

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

### 15.05 Working Capital Facilities

Working Capital facilities of the Company are secured by first charge on current assets and fixed assets of the Company, on pari passu basis.

### 15.06 Deposits from public

- a) Fixed Deposits maturing within one year is Rs.36.64 lakhs ( Rs.48.30 lakhs).
- b) Fixed Deposits under cash and bank balances includes an amount of Rs. 8.61 lakhs (Rs. 11.62 lakhs) deposited in pursuance of Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975.

### 15.07 Sundry Debtors Includes

Retention Money Rs.34.19 lakhs (Rs.29.83 lakhs)

### 15.08 Loans and Advances includes

- a) Advance for purchase of land Rs. 25.49 lakhs (Rs.35.51 lakhs)
- b) Insurance claims receivable of Rs. Nil lakhs (Rs. 22.02 lakhs) against damage to inventory in Thane factory.

### 15.09 Advance for export operations

The Company had an outsourced knitwear manufacturing arrangement with M/s Park-In Mills, Tirupur for exports. Rs.450.00 lakhs advanced over a period of time, partly secured by registered mortgage and deposit of title deeds of 2 acres of prime land at Tirupur, is outstanding. Considering the export market and difficulties faced in the operations, this arrangement has been discontinued.

During current year, Company has initiated appropriate legal action, as the cheques amounting to Rs.274.00 lakhs issued in part discharge of the advance has been returned by bankers. However, considering the value of securities, this advance is considered good and realizable.

### 15.10 Micro, Small & Medium enterprises

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

### 15.11 Contracts-in-progress

In respect of contracts-in-progress, as on March 31, 2008, the aggregate cost incurred and the profit recognized is Rs.132.47 lakhs (Rs.217.85 lakhs) and Rs.22.94 lakhs (Rs.34.31 lakhs) respectively. Advance from contract customers amount to Rs.74.98 lakhs (Rs.142.40 lakhs). Contracts receivables amount to Rs.465.21 lakhs (Rs.378.96 lakhs).

**15.12 Subsequent events****a) Memorandum of Understanding for acquisition of a company**

The Company has entered into a memorandum of understanding on May 9, 2008 for the acquisition of 100% stake in a private limited company for investment purposes, for a consideration of Rs.178.00 lakhs and an advance of Rs.18.00 lakhs has been paid.

**b) Cessation of lease**

The Company has entered into an agreement on May 10, 2008 for the surrender of tenancy rights in respect of a property situated at Hyderabad for a compensation of Rs. 230.00 lakhs and an advance of Rs. 115.00 lakhs has been received.

**15.13 Gratuity**

The Company's obligation towards gratuity fund is a 'Defined Benefit Plan' and the details of actuarial valuation as at March 31, 2008 is given below:

**Assumptions**

Discount Rate	8%
Salary Escalation	7%
Attrition Rate	1-3% depending on age
Expected return on plan assets	8%

**Table showing changes in present value of obligations**

Present Value of Obligations as at beginning of year	68.36
Interest Cost	4.98
Current Service Cost	5.20
Benefits Paid	3.92
Actuarial Loss on Obligation	(2.60)
Present Value of Obligations as at end of year	77.22

**Table Showing Changes in the Fair Value of Plan Assets**

	LIC Fund
Fair Value on plan Assets at beginning of year	78.02
Expected return on plan assets	5.83
Contributions	3.35
Benefits paid	3.92
Actuarial Gain on plan Assets	1.24
Fair Value of Plan Assets at the end of year	84.52

**Table Showing Fair Value of Plan Assets**

	March 31, 2008
Fair Value of Plan Assets at beginning of year	78.02
Actual return on plan assets	7.07
Contributions	3.35
Benefits paid	3.92
Fair Value of Plan assets at the end of year	84.52
Funded Status	7.30
Excess of Actual over estimated return on plan assets	1.24



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

<b>Actuarial Gain/Loss recognized</b>	
Actuarial loss on obligation	(2.60)
Actuarial gain on plan assets	1.24
Total loss for the year	(1.36)
Actuarial loss recognized in the year	(1.36)
<b>The amount to be recognized in the balance sheet &amp; Statements of profit and loss</b>	
Present Value Obligations as at the end of the year	77.22
Fair Value of Plan assets at the end of the year	84.52
Funded status	7.30
Net Assets Recognized in the Balance Sheet	7.30
<b>Expenses Recognized in Statement of Profit &amp; Loss</b>	
Current Service Cost	5.20
Interest Cost	4.98
Expected return on plan Assets	5.83
Net Actuarial loss recognized in the year	(1.36)
Expenses to be recognized in the profit & loss	5.71
<b>Opening Net Asset</b>	<b>9.66</b>
Contributions	3.35
Expenses	5.71
<b>Closing Net Asset</b>	<b>7.30</b>

**15.14 Leave encashment**

The Company's obligation towards leave encashment is a 'Defined Benefit Plan' and the details of actuarial valuation as at March 31, 2008 is given below:

**Mean Financial Assumptions**

Discount rate per unit per annum	8%
Salary escalation rate per unit per annum	7%

**Mean Demographic Assumptions**

Mortality	LIC-94-96-Mortality rates
Withdrawal	No explicit assumption
Disability	No explicit assumption

**Earned Leave Salary Encashment**

Valuation as on	March 31, 2008
Movements during the valuation year	April 1, 2007 to March 31, 2008
Inter Valuation period in years	1
Opening Balance of Actuarial value of Benefit Obligations	3.90
Interest Cost assuming that claims paid in middle of financial year	0.28
Current Service Cost	1.12
Past Service Cost	-
Curtailment Cost / (Credit)	-
Settlement Cost / (Credit)	-
Claims Paid	0.70
Actuarial Loss on Benefit Obligations	0.30
Closing Balance of Actuarial Value of Benefit Obligations	4.90



## BEARDELL LIMITED

### Movement in Profit & Loss Account

Interest Cost	0.28
Current Service Cost	1.12
Actuarial Loss on Benefit Obligations	0.30
Net Recognized	1.70

### Final Balance Sheet Movement

Opening Balance of Actuarial Value of Benefit Obligations	3.90
Net Cost	1.70
Claims Paid	0.70
Closing Balance of Actuarial Value of Benefit Obligations	4.90

Since this is the first year of implementation of Accounting Standard 15 (revised 2005) on 'Employee Benefits', previous year figures have not been furnished

## 15.15 Segment reporting

### a) Primary segment

(Rs. in Lakhs)

	March 31, 2008				March 31, 2007			
	Insulation	Trading	Others	Total	Insulation	Trading	Others	Total
<b>Segment Revenue</b>								
Net Sales / Commission & Rental Income	5343.35	621.29	3.60	<b>5968.24</b>	4447.98	724.79	2.40	5175.17
<b>Segment Results</b>								
Operating Profit	547.07	22.83	2.07	<b>571.97</b>	452.45	37.54	1.76	491.75
Interest	-	-	-	<b>(23.46)</b>	-	-	-	(21.16)
Unallocable Corporate Expenses (Net-off Income)	-	-	-	<b>(169.26)</b>	-	-	-	(97.06)
Income Taxes	-	-	-	<b>(143.99)</b>	-	-	-	(118.87)
Net Profit	-	-	-	<b>235.26</b>	-	-	-	254.66
<b>Segment Assets / Liabilities</b>								
Segment Assets	2406.78	640.37	1.07	<b>3048.22</b>	2150.39	665.40	0.93	2816.72
Unallocated Corporate Assets	-	-	131.75	<b>131.75</b>	-	-	126.00	126.00
<b>Total Assets</b>				<b>3179.97</b>				2942.72
Segment Liabilities	1191.48	176.85	0.41	<b>1368.74</b>	900.61	227.20	0.03	1127.84
Unallocated Corporate Liabilities	-	-	1811.23	<b>1811.23</b>	-	-	1814.88	1814.88
<b>Total Liabilities</b>				<b>3179.97</b>				2942.72

Capital Expenditure Addition	<b>77.17</b>	73.70
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Depreciation	<b>57.31</b>	63.85
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The Company has considered business segment as the primary Segment for disclosure.

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

Trading includes Chemicals, Motors and Exports, etc.

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

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

b) Secondary Segment

As the sales and assets outside india is less than 10% of total sales / assets, there are no reportable Geographical Segments.

**15.16 Related Parties**

a) Parties with significant influence	-	Nava Bharat Ventures Limited (Until May 29, 2006)
b) Key management personnel	-	Mr. A. V. Ramalingan (Executive Director)
c) Nature of transactions	<b>March 31, 2008</b>	March 31, 2007
i) Parties with significant influence	-	35.51
ii) Remuneration to Key Management Personal	<b>16.82</b>	11.30

**15.17 Leases**

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

Within one year	<b>32.64</b>	32.64
Later than one year and not later than 5 years	-	-
Later than five years	-	-

**15.18 Earnings per share**

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

Profit after tax	(A)	<b>235.26</b>	254.66
Weighted average number of equity shares	(B)	<b>3833168</b>	3833168
Face Value per share (Rs.)		<b>10</b>	10
Basic and diluted EPS (Rs.)		<b>6.14</b>	6.64

**15.19 Information relating to Deferred tax**

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

(a) Deferred tax assets

Provision for doubtful debts	<b>39.38</b>	27.91
VRS payment	<b>5.30</b>	10.60
Others	<b>1.66</b>	2.24
	<b><u>46.34</u></b>	<u>40.75</u>

(b) Deferred tax liabilities

Depreciation	<b>85.63</b>	95.36
Others	<b>3.58</b>	3.98
	<b><u>89.21</u></b>	<u>99.34</u>

Net deferred tax liability	<b><u>42.87</u></b>	<u>58.59</u>
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# BEARDELL LIMITED

FOR THE YEAR ENDED

March 31, 2008

March 31, 2007

## 15.20 Turnover Particulars

(Rs. in Lakhs)

	Quantity	Value	Quantity	Value
<b>Sales</b>				
Expanded Polystyrene	1151 MT	2055.19	1122 MT	1818.21
Prefab Panels	97036 RMT	1718.59	61194 RMT	1054.75
Chemicals	4 MT	3.87	12 MT	13.40
Electric Motors	1266 NOS	374.88	1123 NOS	352.67
Exports of fabrics		235.54		352.97
Miscellaneous		30.43		33.45
		<u>4418.50</u>		<u>3625.45</u>
<b>Contracts</b>				
Insulation / prefab contracts		1840.97		1672.76
		<u>6259.47</u>		<u>5298.21</u>

## 15.21 Consumption of Raw Materials (Qty. in Metric Ton)

	Quantity	Value	Quantity	Value
Polystyrene Resin	1205	939.53	922	691.34
Precoated Steel	1136	642.75	744	398.52
Others	133	196.29	105	126.71
		<u>1778.57</u>		<u>1216.57</u>

## 15.22 Stock Particulars of Finished Goods

Class of Goods	Unit of Measurement	Opening		Closing		Opening		Closing	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
<b>(a) Manufactured</b>									
Expanded Polystyrene	MT	27	27.41	20	34.13	21	19.72	27	27.41
Prefab Panels	RMT	188	3.52	369	5.61	588	8.83	188	3.52
<b>(b) Traded Goods</b>									
Motors	Nos	122	14.04	188	17.55	52	4.84	122	14.04
Fabrics			33.59		33.76		14.80		33.59
Others			24.21		34.52		10.32		24.21
			<u>102.77</u>		<u>125.57</u>		<u>58.51</u>		<u>102.77</u>

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

**15.23 Directors' Remuneration**

	March 31, 2008	March 31, 2007
	(Rs. in Lakhs)	
<b>(a) Mr. P. Punnaiah - Executive Chairman</b>		
(untill August 19, 2006)		
Sitting Fees	-	0.03
Money Value of Perquisites	-	0.08
	-	0.11
<b>(b) Mr. A.V. Ramalingan - Executive Director</b>		
Salary	6.00	5.10
House rent allowance	3.60	-
Commission	3.97	-
Contribution to Provident and Superannuation Funds	2.69	1.38
Money Value of Perquisites	0.56	4.71
	16.82	11.19
<b>Total</b>	16.82	11.30
<b>(c) Calculation of commission to Executive Director</b>		
Profit as per profit & Loss account	379.25	-
Add : Director's sitting fees	1.08	-
Director's remuneration	16.82	-
	17.90	-
	397.15	-
Commission to Executive Director @ 1% on Rs. 397.15 Lakhs	3.97	-

**15.24 Auditors' Remuneration** (included in professional charges)

For Audit	4.00	3.50
For Tax Audit / Representation	1.80	1.35
For Certification of statements	1.55	1.43
For Expenses	0.32	0.36
	7.67	6.64



# BEARDELL LIMITED

	March 31, 2008		March 31, 2007	
	(Rs. in Lakhs)			
<b>15.25 Installed Capacities and Production</b>				
	<b>Expanded Polystyrene MT</b>	<b>Prefab Panels RMT</b>	Expanded Polystyrene MT	Prefab Panels RMT
Installed Capacity (Per annum on single shift basis)	<b>384</b>	<b>216000*</b>	384	216000*
Actual Production	<b>1152</b>	<b>116879</b>	898	78998
Produced by outside processor out of the above	<b>428</b>	–	415	–
Captive Consumption	<b>397</b>	<b>19662</b>	252	18204
* As per certificate given by the Management on which the Auditors have relied.				
<b>15.26 Value of imports on CIF basis</b>				
Raw Materials		<b>110.39</b>		31.68
Traded goods		<b>16.23</b>		12.17
		<b>126.62</b>		43.85
<b>15.27 Expenditure in foreign Currency</b>				
Travel		<b>2.56</b>		0.81
Interest / Charges		<b>0.43</b>		0.19
		<b>2.99</b>		1.00
<b>15.28 Value of raw materials, stores, spare parts and components consumed</b>				
	<b>As % of consumption</b>	<b>Value</b>	As % of consumption	Value
Imported	<b>7.00</b>	<b>129.68</b>	2.00	29.23
Indigeneous	<b>93.00</b>	<b>1669.96</b>	98.00	1200.96
	<b>100.00</b>	<b>1799.64</b>	100.00	1230.19

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

	March 31, 2008 (Rs. in Lakhs)	March 31, 2007
<b>15.29 Earnings in foreign currency</b>		
Export of goods calculated on FOB basis	<b>246.20</b>	302.45

**15.30 Prior period comparatives**

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

For and on behalf of the  
Board of Directors

For DELOITTE HASKINS & SELLS  
Chartered Accountants

A.V. RAMALINGAN  
*Executive Director*

R. GOWRI SHANKER  
*Director*

BHAVANI BALASUBRAMANIAN  
Partner

Y. MUKTHAR BASHA  
*Deputy General Manager - Finance*

K. MURALI  
*Company Secretary*

Hyderabad  
June 28, 2008



# BEARDELL LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No.	1428			State Code	18
Balance Sheet	31	03	2008		
	Date	Month	Year		

### II. Capital Raised During the Year

(Amount in Rs. Lakhs)

<b>Public Issue</b>	NIL	<b>Rights Issue</b>	NIL
<b>Bonus Issue</b>	NIL	<b>Private Placement</b>	NIL

### III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Lakhs)

	<b>Total Liabilities</b>	3179.97	<b>Total Assets</b>	3179.97
<b>Sources of Funds</b>	<b>Paid-up-Capital</b>	383.32	<b>Reserves &amp; Surplus</b>	1239.81
	<b>Secured Loans</b>	77.51	<b>Unsecured Loans</b>	99.82
			(Incl. Deferred Tax Liabilities)	
<b>Application of Funds</b>	<b>Net Fixed Assets</b>	399.13	<b>Investments</b>	10.73
	<b>Net Current Assets</b>	1390.60		
	<b>Misc-Expenditure</b>	NIL	<b>Accumulated Losses</b>	NIL

### IV. Performance of Company

(Amount in Rs. Lakhs)

<b>Turn Over</b>	6047.72	<b>Total Expenditure</b>	5668.47
<b>Profit Before Tax</b>	379.25	<b>Profit After Tax</b>	235.26
<b>Earning Per Share in Rs.</b>	6.14	<b>Dividend Per Share Rs.</b>	1.50

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

Item Code No. (ITC Code)	390311-00	-
Product Description	EXPANDED POLYSTYRENE	INSULATION CONTRACTS
Item Code No. (ITC Code)	940600-00	-
Product Description	PREFAB PANELS	AGENCY LINES

A.V. RAMALINGAN  
Executive Director

R. GOWRI SHANKER  
Director

Hyderabad  
June 28, 2008

Y. MUKTHAR BASHA  
Deputy General Manager - Finance

K. MURALI  
Company Secretary









# BEARDELL LIMITED

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

## ATTENDANCE SLIP

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

I/We hereby record my/our presence at the 71st Annual General Meeting of the above named Company at Mini Hall, Satguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai - 600 018 on Wednesday, the 27<sup>th</sup> August, 2008, at 10.00 a.m.

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

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

Member's/Proxy's Signature



# BEARDELL LIMITED

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

## PROXY FORM

Registered Folio No. ....

I/We .....

of .....

..... being a member(s) of the above

named Company hereby appoint .....

of .....

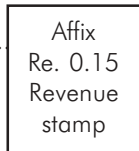
or failing him .....

of .....

as my/our proxy to attend and vote for me/us and on my/our behalf at the 71<sup>st</sup> Annual General Meeting of the Company to be held on Wednesday, the 27<sup>th</sup> August, 2008, at 10.00 a.m. at Mini Hall, Satguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai - 600 018.

Signed this ..... day of ..... 2008.

Signature .....



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