



BEARDELL LIMITED

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

Company Secretary

Mr. K.Murali

Auditors

M/s. Deloitte Haskins & Sells

Bankers

Bank of India

Registered Office

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



NOTICE IS HEREBY GIVEN that the Seventy second Annual General Meeting of the Company will be held on Thursday, the 27th August, 2009 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 2009, the Profit and Loss Account of the Company for the year ended on that date, together with the Schedules, Balance sheet Abstract, the Company's general Business profile and Cash Flow Statement for the year ended 31st March, 2009 together with the Directors Report and the Auditors' Report thereon, be and are hereby approved and adopted."

2. APPOINTMENT OF DIRECTORS

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

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

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

3. APPOINTMENT OF AUDITORS

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

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

By order of the Board

Chennai
June 29, 2009

K.Murali
Company Secretary



BEARDELL LIMITED

NOTES:

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

A) The profile of Mr.P.C.D Nambiar who retires by rotation and being eligible for reappointment as a Director are as under

Mr P.C.D. Nambiar is a former Chairman of State Bank of India and its Seven Associate Banks for tenure of over 5½ years. Vastly experienced in National and International Banking and Finance, he served the Imperial Bank of India and its Successor, State Bank of India for over 38 years with postings in London and New York and was elected Chairman of the Indian Banks' Association. As Chairman of State Bank of India, he put through a successful programme of rapid internationalization of that Bank.

Mr P.C.D. Nambiar is interested in this resolution. None of the other Directors are interested in the above Resolution.

B) The profile of Mr.V. Thirumal Rao who retires by rotation and being eligible for reappointment as a Director are as under

Mr. Thirumal Rao completed Bachelor of Commerce from Osmania University in the year 1965 and Bachelor of Law in 1969. He started practicing in Criminal and Civil side in Kurnool. After practicing for about 5 years, he shifted to Chennai. He was a partner of Uttam Reddi & Co., a lawyer's firm, from 1972 to 1979. During this period, he appeared before various High Courts, Supreme Court and Tribunal on matters pertaining to Direct/Indirect taxes, Company Law, Import and Export policy matters, Trade Marks, Patents, etc. He has vast experience and knowledge in the above areas. He has been associated with Corporate Sector from 1979. He has worked in various Companies. He was looking after Excise, Customs and Service Tax matters, Company Law and

other areas of operations in MRF Limited. His experience, knowledge in the legal profession and in Corporate Sector has been of immense help to the Company. He was first elected to the Board in the year 1986.

On attaining Superannuation, he is practicing as an Advocate and appearing in various High Courts and other Courts on various matters..

Mr V.Thirumal Rao is interested in this resolution. Mr M. Uttam Reddi, Director relative of Mr V. Thirumal Rao is also interested in this 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 18th August, 2009 to 27th August 2009 (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 72nd Annual Report of the Company together with the Audited Accounts for the financial year ended 31.03.2009.

PERFORMANCE / OPERATIONS

FINANCIAL RESULTS

(Rs. In Lakhs)

	Year Ended 31.03.2009	Year Ended 31.03.2008
Gross Revenue	5282.16	6047.72
Profit before interest & Depreciation	138.63	460.02
Interest	15.02	23.46
Profit before Depreciation	123.61	436.56
Depreciation	57.31	57.31
Profit before tax	66.30	379.25
Profit after taxation	31.00	235.26
Balance of Profit & Loss Account from Last Year	548.50	470.46
Appropriations:		
Transfer to General Reserve	-	89.95
Proposed Dividend on Equity Shares	-	57.50
Tax on Dividend	-	9.77
Balance Profit carried to Balance Sheet	579.50	548.50

REVIEW OF OPERATIONS

INSULATION DIVISION

a) **EPS**

Performance of this division was satisfactory.

b) **ISOBUILD PREFAB PANELS**

The Division sold / installed 93938 RMT as against 116911 RMT during the previous year. Slowdown of Projects, in particular, from Pharmaceuticals, Roofing Applications, Cold Storage & Food processing industries affected the sales.

c) **CONTRACTING**

Company's decision to reduce its exposure to AC&R segment resulted in drop in business.

TRADING DIVISION

Trading Division's performance was affected largely due to slump in textile industry and exports.

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. 0.91 Lakhs matured but were not claimed till 31st March 2009. Subsequently, Fixed Deposits totaling to Rs. 0.10 lakhs have been repaid. Reminders have been sent to the other deposit holders for their instructions.

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

INSURANCE

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

DIRECTORS

Mr. P.C.D. Nambiar and Mr. V. Thirumal Rao , Directors, retire by rotation at this Annual General Meeting, and being eligible, offer themselves for re-appointment.

Board of Directors in their meeting held on 20th May 2009, appointed Mr.Bharat Anumolu as Managing Director subject to the approval of Central Government for a period of 5 years commencing from 20th May, 2009 and at the Board Meeting held on 29th June, 2009, fixed the remuneration and the consent of the share holders is being obtained for the above appointment and payment of remuneration at a separate Extra-Ordinary General Meeting of the members

Board of Directors in their meeting held on 29th June 2009 appointed Mr.S.V. Narasimha Rao as Executive Director and the consent of the share holders is being obtained for the above appointment and payment of remuneration at a separate Extra-Ordinary General Meeting of the members

Mr. A.V. Ramalingan, Executive Director, resigned from the Board with effect from 20th May 2009. The Board has placed on record the valuable contribution made by him during his tenure as Executive Director.

AUDITORS

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



BEARSELL LIMITED

NOTE ON SUBSIDIARY COMPANY MERGER OF SUBSIDIARY COMPANY

Pursuant to an Order dated 22nd April, 2009 and subsequently on 28th April 2009 passed by the Hon'ble High Court of Judicature at Madras in the Company Application, Meeting of the Shareholders of BEARSELL LIMITED was scheduled to be convened at "Mini Hall", Sathguru Gnanananda Hall, Naradagana Sabha, No.314, TTK Road, Chennai 600 018, on Wednesday, 10th June 2009 at 10.00 a.m. for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Merger proposed to be made between Beardsell Limited and Viraat Granites Private Limited.

Due to certain unavoidable circumstances the meeting stands postponed to a future date and the same has been communicated individually to all the shareholders and also published on 7th June 2009 edition of "The Economic Times" and "Dinamalar".

An application has been filed in the High Court of Judicature at Madras on 11th June 2009 praying to fix another date for convening the meeting of Equity Shareholders

AUDITORS OF SUSIDIARY COMPANY

M/s.Karvy & Co, the Statutory Auditors of our wholly owned subsidiary M/s Viraat Granites Pvt Ltd, vide their letter dated 16th June 2009 expressed their inability to continue as Statutory Auditors due to certain other pre-occupations. The Board of Viraat Granites Pvt Ltd placed on record the excellent support and guidance extended by M/s.Karvy & Co during their assignment as Statutory Auditors.

The Board of Directors of Viraat Granites Pvt Ltd during their meeting held on 17th June 2009 proposed to appoint M/s Deloitte Haskins & Sells as the Statutory Auditors of the Company and sent a letter seeking their consent. A consent letter was received from M/s Deloittee Haskins & Sells and their appointment as Statutory Auditors of the Company till the conclusion of the next Annual General Meeting was approved by the shareholders in the Extraordinary General Meeting held on 20th June 2009.

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 2009 and of the Profit of the Company for financial year ended 31st March 2009;
- III. The Directors have taken proper and sufficient care for the

maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

CORPORATE GOVERNANCE

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

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

Information Under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of Directors Report for the year ended 31st March 2009.

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.

Foreign Exchange Earnings And Outgo

During the year under review, Foreign Exchange Earnings amounted to Rs115.33 Lakhs as against Rs246.20 Lakhs during previous year.

The total Foreign Exchange Outgo during the year under review was Rs.194.28 Lakhs as against Rs.129.61 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

Chennai
June 29, 2009

Bharat Anumolu
Managing Director

MANAGEMENT DISCUSSIONS AND ANALYSIS Industry Structure & Development

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

Outlook on Opportunities and Threats

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

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

- 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.4820.26 Lakhs. 92% of the total revenue.

Trading and others Segment which comprises Chemical, Motors and Exports earned a revenue of Rs. 402.41 Lakhs. 8% 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 Managing Director. Non-Executive Directors bring wide-ranging experience and independent judgment to the Board's deliberations and decisions. Board of Directors of the Company meets at regular intervals for planning, assessing and evaluating all important business.

a) Composition

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

Name of Director	Category	Attendance in Previous AGM held on 27-08-08	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	1	1	Nil	Nil	Nil
Mr.M.Uttam Reddi	Non-Executive Independent	Present	5	1	Nil	1	Nil
Mr.P.C.D.Nambiar	Non-Executive Independent	Present	5	4	1	1	3
Mr.V.Thirumal Rao	Non-Executive Independent	Present	6	Nil	Nil	Nil	Nil
Mr.R.Gowri Shanker	Non-Executive Independent	Not Present	3	6	Nil	1	Nil
Mr. Bharat Anumolu*	Executive Promoter	Not Present	1	Nil	Nil	Nil	Nil
Mr.S.V.Narasimha Rao**	Executive Director	Not Applicable	-	-	-	-	-
Mr.A.V.Ramalingan ***	Executive Director	Present	6	1	Nil	Nil	Nil

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

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

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



BEARDELL LIMITED

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

During the Financial Year 2008-2009, Six Board meetings were held on 28/05/08, 28/06/08, 30/07/08, 27/08/08, 30/10/08 and 28/01/09.

c) Disclosures regarding appointment and reappointment.

i) Reappointment of Mr.P.C.D. Nambiar

At the Ensuing Annual General Meeting Mr.P.C.D. Nambiar, Non- Executive Director, retire by rotation and is eligible for reappointment.

Mr. P.C.D. Nambiar is a former Chairman of State Bank of India and its Seven Associate Banks for tenure of over 5½ years. Vastly experienced in National and International Banking and Finance, he served the Imperial Bank of India and its Successor, State Bank of India for over 38 years with postings in London and New York and was elected Chairman of the Indian Banks' Association. As Chairman of State Bank of India, he put through a successful programme of rapid internationalization of that Bank.

Mr. P.C.D. Nambiar is interested in this resolution. None of the other Directors are interested in the above Resolution.

ii) Reappointment of Mr.V Thirumal Rao

At the Ensuing Annual General Meeting Mr.V. Thirumal Rao, Non- Executive Director, retire by rotation and is eligible for reappointment.

Mr. Thirumal Rao completed Bachelor of Commerce from Osmania University in the year 1965 and Bachelor of Law in 1969. He started practicing in Criminal and Civil side in Kurnool. After practicing for about 5 years, he shifted to Chennai. He was a partner of Uttam Reddi & Co., a lawyer's firm, from 1972 to 1979. During this period, he appeared before various High Courts, Supreme Court and Tribunal on matters pertaining to Direct/Indirect taxes, Company Law, Import and Export policy matters, Trade Marks, Patents, etc. He has vast experience and knowledge in the above areas. He has been associated with Corporate Sector from 1979. He has worked in various Companies. He was looking after Excise, Customs and Service tax matters, Company Law and other areas of operations in MRF Limited. His experience, knowledge in the legal profession and in Corporate Sector has been of immense help to the Company. He was first elected to the Board in the year 1986.

On attaining Superannuation, he is practicing as an Advocate and appearing in various High Courts and other Courts on various matters..

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

3. AUDIT COMMITTEE

I Terms of Reference

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

II Composition and attendance

During the financial year 2008-2009, four Audit Committee meetings were held on 28/06/2008, 30/07/2008, 30/10/2008 and 28/01/2009.

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	3
2	Mr.P.C.D.Nambiar	Independent	3
3	Mr.V.Thirumal Rao	Independent	4
4	Mr.A.V.Ramalingan	Executive Director	4
5	Mr.R.Gowri Shanker	Independent	3

SITTING FEES PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2008-09

(Rs. In Lakhs)

Sl. No	Directors	Sitting Fees
1	Mr. P. Punnaiah	0.03
2	Mr. M. Uttam Reddi	0.24
3	Mr. P.C.D. Nambiar	0.24
4	Mr. V. Thirumal Rao	0.30
5	Mr. R.Gowri Shanker	0.18
6	Mr. Bharat Anumolu	0.03
	TOTAL	1.02

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	2.07	1.84	0.82	14.33

4. REMUNERATION COMMITTEE

A) FIXING OF REMUNERATION TO Mr. BHARAT ANUMOLU - MANAGING DIRECTOR

In accordance with the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, subject to the approval of the Central Government and consent of the Shareholders, the Remuneration Committee has recommended the following Remuneration payable with effect from 29th June, 2009 to Mr. Bharat Anumolu, appointed as Managing Director for a period of Five years with effect from 20.05.2009.

- a) Salary : Rs. 1,00,000/- per month
- b) Commission : 5 % of the Net Profit
- c) Perquisites : Perquisites are classified into Three Categories A, B and C as follows

CATEGORY "A" HOUSING

- a) The expenditure incurred by the Company on hiring unfurnished residential accommodation will be subject to a ceiling of 60% of the salary.
- b) Where accommodation in the Company-Owned house is provided, the Company shall deduct 20% salary of the Managing Director. Wherever the Company does not provide accommodation, House Rent allowance shall be paid in accordance with (a) above

GAS, ELECTRICITY AND WATER

Reimbursement of Expenditure incurred on gas, electricity and water.

MEDICAL REIMBURSEMENT

Expenses incurred for the Managing Director and the family, subject to a ceiling of one month's Salary in a year or three month's salary over a period of three years.



BEARDELL LIMITED

LEAVE TRAVEL CONCESSION

For the Managing Director and his family, once in a year incurred in accordance with the Company Rules.

CLUB FEES

Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

PERSONAL ACCIDENT INSURANCE

Premium not to exceed Rs. 1000/- per annum.

CATEGORY "B"

Contribution to Provident Fund, Superannuation Fund and Gratuity as per the Company's rules.

CATEGORY "C"

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee.

The Managing Director shall not be liable to retire by rotation as a Director.

The aggregate of above remuneration payable to the Managing Director shall not exceed Rs.30,00,000/- in a year which is inclusive of all perquisites and allowances.

B) FIXING OF REMUNERATION TO Mr. S.V. Narasimha Rao, Executive Director.

a. In Accordance to the provisions of Section 198, 269, 309, 310, 314 Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and with subject to the consent of the shareholders the remuneration committee has recommended the following remuneration payable to Mr. S.V. NARASIMHA RAO appointed as Executive Director for a period of five years with effect from 29.06.2009

- | | | |
|----------------|---|---|
| a) Salary | : | Rs. 70,000/- per month |
| b) Commission | : | 1 % of the Net Profit |
| c) Perquisites | : | Perquisites are classified into
Three Categories A, B and C as follows |

CATEGORY "A"

HOUSING

- The expenditure incurred by the Company on hiring unfurnished residential accommodation will be subject to a ceiling of 60% of the salary;
- Where accommodation in the Company owned house is provided, the Company shall deduct 20% salary of the Executive Director. Wherever the Company does not provide accommodation, House Rent allowance shall be paid in accordance with (a) above.

GAS, ELECTRICITY AND WATER

Reimbursement of Expenditure incurred on gas, electricity and water.

MEDICAL REIMBURSEMENT

Expenses incurred for the Executive Director and the family, subject to a ceiling of one month's Salary in a year or three month's salary over a period of three years.

LEAVE TRAVEL CONCESSION

For the Executive Director and his family, once in a year incurred in accordance with the Company Rules.

CLUB FEES

Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

PERSONAL ACCIDENT INSURANCE

Premium not to exceed Rs. 1000/- per annum.

CATEGORY "B"

Contribution to Provident Fund, Superannuation Fund and Gratuity as per the Company's rules.

CATEGORY "C"

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Executive Director.

The Executive Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee.

The Executive Director shall not be liable to retire by rotation as a Director.

- b. The authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary and commission as also the type and amount of perquisites and other benefits payable to Mr.S.V. NARASIMHA RAO, in such manner as may be agreed to between the Board of Directors and Mr.S.V. NARASIMHA RAO provided, however, that the remuneration payable to him shall not exceed the limits specified under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof.)
- c. In the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr.S.V. NARASIMHA RAO the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, without the approval of Central Government (if required), exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof.

5. SHARE HOLDERS / 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 Mr.P. Punnaiah, Mr.M. Uttam Reddi and Mr.V. Thirumal Rao.

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
2007-08	71 st	Narada Gana Sabha, 314, TTK Salai, Chennai-600018	27.08.08	10.00 A.M.
2006-07	70 th	Narada Gana Sabha, 314, TTK Salai, Chennai-600018	27.08.07	10.00 A.M.
2005-06	69 th	Narada Gana Sabha, 314, TTK Salai, Chennai-600018	27.09.06	10.00 A.M.

No Postal ballots were used/ invited during the year 2008-09.

7. MERGER OF SUBSIDIARY COMPANY

Pursuant to an Order dated 22nd April, 2009 and subsequently on 28th April 2009 passed by the Hon'ble High Court of Judicature at Madras in the Company Application, Meeting of the Shareholders of BEARDSSELL LIMITED was scheduled to be convened at "Mini Hall", Sathguru Gnanananda Hall, Naradagana Sabha, No.314, TTK Road, Chennai 600 018, on Wednesday, 10th June 2009 at 10.00 a.m. for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Merger proposed to be made between Beardsell Limited and Viraat Granites Private Limited.

Due to certain unavoidable circumstances the meeting stands postponed to a future date and the same has been communicated individually to all the shareholders and also published on 7th June 2009 edition of "The Economic Times" and "Dinamalar".

An application has been filed in the High Court of Judicature at Madras on 11th June 2009 praying to fix another date for convening the meeting of Equity Shareholders.



BEARDELL LIMITED

8. 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 who have all affirmed in writing their adherence to the Code and has also been posted on the website of the Company www.beardsell.co.in.
The Declaration to this effect signed by the Managing 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/ right/ preferential issues during the year.
- g) **Management Disclosures.**
Management Discussion and analysis report is forming part of the Annual Report.

9. CEO/CFO CERTIFICATION

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

10. 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).

11. GENERAL SHARE HOLDERS INFORMATION

- a) **General Body Meeting**
The 72nd Annual General Meeting of the Company will be held on Thursday the 27th day of August, 2009 at 10.00 a.m. at Naradagana Sabha, 'Mini Hall', 314, T.T.K. Road, Chennai - 600 018.
- b) **Financial Calendar**
The Next Financial Year covers the period from 1st April, 2009 to 31st March, 2010.

Results for the Period	Expected date of Completion
First Quarter	July 2009
Second Quarter & Half-Yearly	Oct 2009
Third Quarter	Jan 2010
Audited Financial Results	June 2010

- c) **Date of Book Closure**
18th August, 2009 to 27th August, 2009 (both days inclusive).

d) (i) Shareholding Pattern as on 31st March, 2009.

	Category	No. of Shares Held	Percentage Of Share Holding
A	Promoter's Holdings		
1.	Promoters		
	- Indian Promoters	1862060	48.58
	- Foreign Promoters	NIL	NIL
2.	Persons acting in Concert	NIL	NIL
	Sub Total	1862060	48.58
B	Non Promoter's Holdings		
3.	Institutional Investors		
	a. Mutual Funds and UTI	NIL	NIL
	b. Bank, Financial Institutions, Insurance Companies (Central / State Govt. Institutions)	817160	21.32
	c. Foreign Institutional Investors	NIL	NIL
	Sub Total	817160	21.32
4.	Others		
	a. Private Corporate bodies	114208	2.98
	b. Indian Public	1033930	26.97
	c. NRIs / OCBs	5810	0.15
	d. Any other	NIL	NIL
	Sub Total	1153948	30.10
	Grand Total	3833168	100.00

(ii) DISTRIBUTION OF HOLDINGS AS ON 31ST MARCH, 2009

No. of Shares	Shareholders		Shares Amount	
	Nos.	%	Rs.	% to Total
Up to 5000	3172	98.90	6055570	15.80
5001 to 10000	6	0.19	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	4516810	11.78
100001 & above	5	0.16	22474000	58.63
TOTAL	3207	100.00	38331680	100.00

e) Share Transfer Systems

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

f) Dematerialisation of Shares

As on 31st March 2009, 2044717 shares (53.34%) 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



BEARDELL LIMITED

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.

j) Address For Correspondence

Registered Office:
Secretarial Department
BEARDELL LTD
47, Graemes Road, Tel: (044) 28293296
Chennai-600006 Email: ho@beardsell.co.in

k) e-mail ID for redressal of investor complaints

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

COMPLIANCE

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

Chennai
June 29, 2009

For and on behalf of the Board
Bharat Anumolu
Managing Director

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

1 For the Financial Year of the Subsidiary Company ended 31st March, 2009

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

2 The Net aggregate of Profit / (Loss) of the Subsidiary Company for the financial year so far as it concerns the members of the Holding Company and dealt with / not dealt with the accounts of Holding Company for the year ended 31st March, 2009

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

Bharat Anumolu
Managing Director

R Gowri Shanker
Director

Chennai
29th June, 2009

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Declaration on Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on the website of the Company as www.beardsell.co.in. As Managing Director of Beardsell Limited and as required by Clause 49 (1D) of the Listing Agreement of the Stock Exchanges in India, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year 2008-2009.

Place : Chennai.
Dated : 29th June, 2009

Bharat Anumolu
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Beardsell Limited

We have examined the compliance of conditions of Corporate Governance of Beardsell Limited for the year ended March 31, 2009, 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, 2009 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 Accounts

Chennai
June 29th, 2009

Bhavani Balasubramanian
Partner
Membership No. 22156

FIVE YEAR RECORD

(Rs. in Lakhs)

	Year ended 31st March				
	2005	2006	2007	2008	2009
Income	4589.88	4191.38	5448.02	6047.72	5282.16
Profit before Depreciation	277.69	249.74	437.38	436.56	123.61
Depreciation	80.56	68.26	63.85	57.31	57.31
Taxation - Current	25.29	30.47	105.00	150.00	145.00
- Deferred	(68.91)	5.71	5.67	(15.72)	(117.60)
- Fringe Benefit Tax	-	8.88	8.20	9.71	7.90
Profit after Tax	240.75	136.42	254.66	235.26	31.00
Dividend	-	-	38.33	57.50	-
Tax on Dividend	-	-	6.51	9.77	-
Retained Funds	240.75	136.42	209.82	167.99	31.00
Share Capital	383.32	383.32	383.32	383.32	383.32
Earnings per Share (Rs.)	6.28	3.56	6.64	6.14	0.81
Net Worth	1108.90	1245.32	1455.14	1623.13	1654.13
Book Value Per Share (Rs.)	28.93	32.49	37.96	42.34	43.15



We have audited the attached balance sheet of Beardsell Limited (the "Company") as at March 31, 2009, 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 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 paragraph 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 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, 2009 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956 on that said date;

- vi) 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, 2009;
 - 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 of the Company for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants

Bhavani Balasubramanian
Partner
Membership No.22156

Place : Chennai
Date : June 29, 2009.

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 & 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 disposals 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) According to the information and explanations given to us, 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) According to the information and explanations given to us, 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 system commensurate with the size of the Company and 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 control.
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 Companies (Acceptance of deposits) Rules, 1975 with regard to the deposits accepted from the 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, Value Added 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, Value Added tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues as at March 31, 2009, for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of Income- tax, Sales-tax, Value Added tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2009, 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, 2009 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 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. 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

Place : Chennai
Date : June 29, 2009.



BEARDELL LIMITED

Balance Sheet as at March 31, 2009

	Schedule	As at March 31, 2009	As at March 31, 2008	
		(Rs. in lakhs)		
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	383.32	383.32	
Reserves and Surplus	2	1270.81	1239.81	
		<u>1654.13</u>	<u>1623.13</u>	
Loan Funds				
Secured Loans	3	15.79	77.51	
Unsecured Loans		19.75	56.95	
		<u>35.54</u>	<u>134.46</u>	
		<u>1689.67</u>	<u>1757.59</u>	
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	4	1032.15	1018.85	
Less: Accumulated Depreciation		616.09	619.72	
Net Block		416.06	399.13	
Capital Work in Progress including advances		98.74	-	
Net Block		<u>514.80</u>	<u>399.13</u>	
Investments	5	189.21		10.73
Deferred Tax Asset/(Liability) - Net		74.73		(42.87)
Current Assets, Loans and Advances				
Current Assets				
Inventories	6	230.11	387.45	
Sundry Debtors	7	993.62	1200.86	
Cash and Bank Balances	8	681.36	549.37	
Loans and Advances	9	458.13	712.30	
		<u>2363.22</u>	<u>2849.98</u>	
Less: Current Liabilities and Provisions	10			
(a) Current Liabilities		1376.50	1387.21	
(b) Provisions		75.79	72.17	
		<u>1452.29</u>	<u>1459.38</u>	
Net Current Assets		<u>910.93</u>	<u>1459.38</u>	1390.60
		<u>1689.67</u>	<u>1757.59</u>	
NOTES ON ACCOUNTS	15			

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

For DELOITTE HASKINS & SELLS
Chartered Accountants

Bharat Anumolu
Managing Director

R Gowri Shanker
Director

Bhavani Balasubramanian
Partner

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Chennai
June 29, 2009

Profit And Loss Account for the year ended March 31, 2009

		For the Year ended March 31, 2009		For the Year ended March 31, 2008
	Schedule		(Rs. in Lakhs)	
INCOME				
Turnover		5430.50		6259.47
Less: Excise Duty		339.20		426.16
Net Sales		5091.30		5833.31
Commission & Rental Income	11	131.37		131.33
Others	12	59.49		83.08
		5282.16		6047.72
EXPENDITURE				
Manufacturing and Other expenses	13	5143.53		5587.70
Interest	14	15.02		23.46
Depreciation		57.31		57.31
		5215.86		5668.47
Profit for the year before tax		66.30		379.25
Less: Provision for Taxation				
- Current		145.00		150.00
- Deferred		(117.60)		(15.72)
- Fringe Benefit Tax		7.90		9.71
		35.30		143.99
Profit for the year after tax		31.00		235.26
Add: Balance brought forward from Previous year		548.50		470.46
Profit available for appropriation		579.50		705.72
APPROPRIATIONS				
Transfer to General Reserve		-		89.95
Proposed Dividend		-		57.50
Tax on Dividend		-		9.77
		-		157.22
		579.50		548.50

NOTES ON ACCOUNTS 15

Basic and diluted earnings per share of face value of Rs.10/- each (in Rupees) **0.81** 6.14

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

For DELOITTE HASKINS & SELLS
Chartered Accountants

Bharat Anumolu
Managing Director

R Gowri Shanker
Director

Bhavani Balasubramanian
Partner

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Chennai
June 29, 2009



BEARDELL LIMITED

Cash Flow Statement for the year ended March 31, 2009

	March 31, 2009	March 31, 2008
	(Rs. in Lakhs)	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before tax	66.30	379.25
Adjustments for :		
Depreciation	57.31	57.31
Unrealised Exchange Variation (Net)	(0.68)	(0.59)
Interest Expenses	15.02	23.46
Provision no longer required written back	(0.55)	-
Dividend Income	(0.44)	(0.42)
Interest Income	(35.20)	(55.77)
(Profit)/Loss on Sale of Assets (Net)	(1.79)	0.88
Provision for Doubtful debts	4.25	43.32
Provision for Doubtful Advances	269.39	-
Provision for Warranties	70.15	-
Provision for Compensated Absences	0.74	1.00
Bad Debts Written-off	25.64	-
	403.84	69.19
Operating Profit before Working Capital Changes	470.14	448.44
Adjustments for :		
(Increase) in Debtors & Other Receivables	(10.23)	(194.85)
Decrease/(Increase) in Inventories	157.34	(34.62)
Increase in Current Liabilities and Provisions	57.18	266.07
	204.29	36.60
Cash Generated from Operations	674.43	485.04
Taxes paid (Net of Refunds), including Fringe Benefit Tax	(46.03)	(120.00)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	628.40	365.04
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure	(174.51)	(63.08)
Proceeds from Sale of Fixed Assets	3.32	5.37
Purchase of Investments	(168.48)	-
Dividend Received	0.44	0.42
Interest Received	32.20	38.69
NET CASH (USED IN) INVESTING ACTIVITIES (B)	(307.03)	(18.60)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long term borrowings	-	(36.03)
Short Term Borrowings (Net)	(98.92)	(34.78)
Interest on Borrowings	(19.08)	(25.17)
Dividend Paid including dividend tax	(64.82)	(43.14)
NET CASH (USED IN) FINANCING ACTIVITIES (C)	(182.82)	(139.12)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	138.55	207.32
Opening Balance of Cash and Cash Equivalents	493.36	286.04
Closing Balance of Cash and Cash Equivalents	631.91	493.36
Reconciliation of cash and cash equivalents		
Cash and Cash equivalents at the end of the year as per Balance Sheet	681.36	549.37
Less: Bank deposits under lien	45.30	54.31
Less: Balances in Unpaid dividend account	4.15	1.70
	631.91	493.36

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

For DELOITTE HASKINS & SELLS
Chartered Accountants

Bharat Anumolu
Managing Director

R Gowri Shanker
Director

Bhavani Balasubramanian
Partner

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Chennai
June 29 , 2009

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

SCHEDULE 1 SHARE CAPITAL	As at March 31, 2009	(Rs. in Lakhs)	As at March 31, 2008
Authorised 5000000 Equity Shares of Rs.10/- each	<u>500.00</u>		<u>500.00</u>
Issued, Subscribed and Paid up 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 incash

SCHEDULE 2 RESERVES AND SURPLUS	As at April 1, 2008	Additions	Deductions	As at March 31,2009
Securities Premium	241.31	-	-	241.31
General Reserve	450.00	-	-	450.00
Surplus As Shown In Profit And Loss Account	548.50	31.00	-	579.50
	<u>1239.81</u>	<u>31.00</u>	<u>-</u>	<u>1270.81</u>

SCHEDULE 3 LOANS SECURED LOANS	As at March 31, 2009	As at March 31, 2008
Working Capital Facilities from Banks		
Packing Credit	15.79	77.51
UNSECURED LOANS		
Fixed Deposits	19.75	56.95

**SCHEDULE 4
FIXED ASSETS**

(Rs. in Lakhs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at April 1, 2008	Addi- tions	Deduc- tions	As at March 31, 2009	As at April 1, 2008	For the Year	Deduc- tions	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Freehold Land *	6.92	19.26	-	26.18	-	-	-	-	26.18	6.92
Leasehold Land	1.90	-	-	1.90	0.59	0.02	-	0.61	1.29	1.31
Buildings **	254.70	3.15	0.15	257.70	70.50	7.30	0.04	77.76	179.94	184.20
Plant and Machinery *** / #	580.36	40.94	50.30	571.00	464.54	37.63	50.20	451.97	119.03	115.82
Electrical Installation	20.82	-	0.39	20.43	16.24	1.63	0.31	17.56	2.87	4.58
Furniture, Fittings & Office Equipments	88.25	2.35	6.81	83.79	51.26	4.56	5.57	50.25	33.54	36.99
Vehicles	65.90	10.07	4.82	71.15	16.59	6.17	4.82	17.94	53.21	49.31
	<u>1018.85</u>	<u>75.77</u>	<u>62.47</u>	<u>1032.15</u>	<u>619.72</u>	<u>57.31</u>	<u>60.94</u>	<u>616.09</u>	<u>416.06</u>	<u>399.13</u>
Capital Work in Progress including advances									98.74	--
									514.80	399.13
Previous year	954.22	77.17	12.54	1018.85	568.71	57.31	6.30	619.72	399.13	399.60

* Given on Operating Lease

** Given on Operating Lease - Cost - Rs. 84.30 lakhs (Rs. 84.45 lakhs), Depreciation - Rs.2.82 lakhs (Rs.2.82 lakhs) and WDV - Rs. 46.82 (Rs.49.76 lakhs)

*** Given on Operating Lease - Cost - Rs.256.35 lakhs (Rs. 219.63 lakhs), Depreciation - Rs.10.85 lakhs (Rs.11.87 lakhs) and WDV - Rs.63.70 (Rs.36.94 lakhs)

Excludes value of Plant & Machinery given as grant under United Nations Development Programme (UNDP) taken at nominal value of Rs.2/- (2008 : Rs.2/-)



BEARDELL LIMITED

SCHEDULE 5	As at March 31, 2009		As at March 31, 2008	
	Face Value	Cost	Face Value	Cost
INVESTMENTS (Long Term)				
In fully paid Equity Shares				
TRADE - UNQUOTED				
Diana Garments (Private) Limited 15000 Equity shares of Rs.10/-each	1.50	-	1.50	-
Sri Balaji Insulation (P) Ltd 3400 Equity Shares of Rs.100/- each	3.40	-	3.40	-
Hyderabad EPS Products (P) Ltd., 18000 Equity shares of Rs.10/-each	1.80	1.80	1.80	1.80
Arpejay Investments (P) Ltd., 900 Shares @ Rs.100/- each	0.90	-	0.90	-
Pondy EPS Products (P) Ltd., 180 Equity Shares of Rs.100/- each	0.18	-	0.18	-
Pink Packaging & Moulding Pvt.Ltd 5300 Shares @ Rs.141.50/- each	5.30	7.50	5.30	7.50
In Subsidiaries (wholly owned)				
Viraat Granites Private Limited 741078 (Nil) Equity Shares @ Rs.10/- each	74.11	178.48	-	-
In partly paid Equity Shares				
TRADE - UNQUOTED				
Royal Insulation (P) Ltd., 3618 Equity Shares of Rs.10/- each Rs.5/- per share paid up	0.18	-	0.18	-
Sarovar Insulation (P) Ltd., 3618 Equity Shares of Rs.10/- each Rs.5/- per share paid up	0.18	-	0.18	-
		187.78		9.30
IN FULLY PAID SHARES				
NON-TRADE-QUOTED				
Nava Bharat Ventures Limited 1565 Equity Shares of Rs.2/- each	0.03	0.08	0.03	0.08
ICICI Bank Ltd., 233 shares of Rs.10/- each	0.01	0.12	0.01	0.12
Taurus Mutual Fund - Boinanza Exclusive Growth Scheme 13333 Units of Rs.10/- each	1.00	1.00	1.00	1.00
Andhra Bank 2300 Shares of Rs.10/-each	0.23	0.23	0.23	0.23
		1.43		1.43
		189.21		10.73
Market Value of Quoted Investments		7.00		12.88
Aggregate cost of Quoted Investments		1.43		1.43

	As at March 31, 2009	As at March 31, 2008
	(Rs. in Lakhs)	
SCHEDULE 6		
INVENTORIES		
Stores and Spare parts	3.30	2.90
Loose Tools	2.29	3.26
Raw Materials	76.19	133.99
Trading and Finished Goods	66.34	125.57
Process Stock	11.53	17.75
Jobs in Progress	70.46	103.98
	<u>230.11</u>	<u>387.45</u>
 SCHEDULE 7		
SUNDRY DEBTORS - UNSECURED		
Debts outstanding for a period exceeding six months		
Considered Good	87.69	58.62
Considered Doubtful	82.25	98.83
	<u>169.94</u>	<u>157.45</u>
Less: Provision	82.25	98.83
	87.69	58.62
Other Debts		
Considered Good	905.93	1142.24
Considered Doubtful	27.60	17.01
	<u>933.53</u>	<u>1159.25</u>
Less: Provision	27.60	17.01
	<u>905.93</u>	<u>1142.24</u>
	<u>993.62</u>	<u>1200.86</u>
 SCHEDULE 8		
CASH AND BANK BALANCES		
Cash, Cheques and stamps on hand	47.02	65.41
Balances with scheduled Banks on		
Current Account	255.64	161.69
Margin Money Deposits *	42.30	45.70
Fixed Deposits	332.25	274.87
Unpaid Dividend Account	4.15	1.70
	<u>634.34</u>	<u>483.96</u>
	<u>681.36</u>	<u>549.37</u>

* for Bank Guarantees and Letter of Credit



BEARDELL LIMITED

SCHEDULE 9	As at	As at
LOANS AND ADVANCES	March 31, 2009	March 31, 2008
	(Rs. in Lakhs)	
Secured #	185.36	188.03
Unsecured - Considered Good		
Advances recoverable in cash or in kind for value to be received	128.07	375.84
Deposits *	87.40	50.96
Balance with Excise Authorities	1.70	7.18
	217.17	433.98
Unsecured - Considered Doubtful	269.39	-
Less : provision for doubtful advances	269.39	-
Interest Accrued on Deposits	4.16	5.05
Advance Tax and Tax Deducted at Source including Fringe Benefit Tax (Net of Provisions Rs.558.81 -P.Y.Rs.405.90)	51.44	85.24
	458.13	712.30
	2.41	10.32

*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	25.13	33.62
Sundry Creditors		
- Dues to Micro Enterprises & Small Enterprises	-	-
- Others	1036.26	1071.15
Advance received from Customers	309.45	275.17
Amount to be credited to		
Investor Education & Protection Fund *	-	-
Unpaid Dividends **	4.15	1.70
Interest accrued but not due on Fixed Deposits	1.51	5.57
	1376.50	1387.21
Provisions		
Compensated Absence	5.64	4.90
Warranties	70.15	-
Proposed Dividend	-	57.50
Tax on Dividend	-	9.77
	75.79	72.17
	1452.29	1459.38

* There are no amounts due and outstanding as on March 31,2009 and March 31,2008 to be credited to Investor Education & Protection Fund

** These amounts represent warrants issued to share holders which remain unrepresented and unclaimed as on March 31,2009

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

	For the year ended March 31, 2009	For the year ended March 31, 2008
	(Rs. in Lakhs)	
SCHEDULE 11		
COMMISSION AND RENTAL INCOME		
Commission	97.73	98.69
[Tax deducted at Source Rs. 7.51 lakhs (Rs. 10.04 lakhs)]		
Rental Income	33.64	32.64
[Tax deducted at Source Rs.5.17 lakhs (Rs. 5.83 lakhs)]		
	<u>131.37</u>	<u>131.33</u>
SCHEDULE 12		
OTHER INCOME		
Interest from Banks and others	35.20	55.77
[Tax deducted at Source Rs.5.00 lakhs (Rs. 2.56 lakhs)]		
Dividends	0.44	0.42
Foreign Exchange Variation (Net)	3.90	0.60
Provision no longer required written back	0.55	-
Profit on Sale of Assets (Net)	1.79	-
Duty Drawback	5.32	9.78
Bad Debts written off in earlier years recovered	1.08	4.33
Miscellaneous Income	11.21	12.18
	<u>59.49</u>	<u>83.08</u>
SCHEDULE 13		
MANUFACTURING AND OTHER EXPENSES:		
I. MATERIALS		
1) Consumption of Raw Materials		
Opening Stock	133.99	78.48
Add: Purchases	1474.28	1834.08
	<u>1608.27</u>	<u>1912.56</u>
Less: Closing Stock	76.19	133.99
	<u>1532.08</u>	<u>1778.57</u>
2) Purchases		
Trading /Finished Goods	942.97	1259.12
Bought out items for jobs	1433.97	1751.17
	<u>2376.94</u>	<u>3010.29</u>
3) Decrease/ (Increase) in Process Stock, Jobs in Progress and Trading/Finished Goods		
Opening Stock		
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>
Closing Stock		
Trading /Finished Goods	66.34	125.57
Process stock	11.53	17.75
Jobs in progress	70.46	103.98
	<u>148.33</u>	<u>247.30</u>
	98.97	19.69
4) Excise Duty		
	2.49	(0.13)
	<u>4010.48</u>	<u>4808.42</u>



BEARDELL LIMITED

	As at March 31, 2009	(Rs. in Lakhs)	As at March 31, 2008
II. Payments to and Provision for Employees			
Salaries, Wages and Bonus	306.65		292.37
Contribution to Provident Fund and Other funds	42.75		41.74
Workmen and Staff Welfare Expenses	46.84		42.51
	<u>396.24</u>		<u>376.62</u>
III. Other Expenses			
Consumption of Stores and Spare Parts	17.00		21.07
Power and Fuel	41.65		36.51
Rent	36.08		35.55
Rates and Taxes	13.08		5.28
Insurance	11.70		32.00
Repairs and maintenance to			
- Buildings	10.54		6.61
- Machinery	6.00		6.35
- Furniture and Equipment	5.07		6.40
Directors Sitting fees	1.02		1.08
Bad debts written off	35.88	9.60	
Less: Transfer from Provision for Doubtful debts	<u>(10.24)</u>	<u>(9.60)</u>	
	25.64		-
Provision for doubtful debts	4.25		43.32
Provision for doubtful advances	269.39		-
Provision for Warranties	70.15		-
Travelling and Conveyance	60.82		54.93
Communication expenses	27.23		25.15
Printing & Stationery	8.73		8.96
Professional Charges	15.36		15.51
Loss on Sale of Assets (Net)	-		0.88
Miscellaneous Expenses	113.10		103.06
	<u>736.81</u>		<u>402.66</u>
	<u>5143.53</u>		<u>5587.70</u>

SCHEDULE 14 INTEREST ON :

I. Loans from Banks	6.02	7.26
II. Fixed Deposits	3.51	6.78
III Others	5.49	9.42
	<u>15.02</u>	<u>23.46</u>

Schedules forming part of accounts

(All amounts in lakhs of Indian Rupees)

15.00 Notes to accounts

15.01 Significant accounting policies

(a) Basis of preparation

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

(b) Use of estimates

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

(c) Inventories

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

(i) Raw materials and stores & spares – on weighted average basis.

(ii) Finished goods, process stock and contracting material - at lower of cost (which includes appropriate production overheads) or net realizable value; the cost being determined on weighted average basis.

(iii) Trading stocks are valued at purchase cost, inclusive of all duties and taxes on FIFO basis.

(iv) Loose tools are valued at cost less estimated reduction in value for use.

(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.

(f) Revenue recognition

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

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

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

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

(g) Foreign currency transactions

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

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



(h) Investments

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

(i) Retirement benefits

(i) Short-term employee benefits

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

(ii) Long-term employee benefits

Defined benefit plan

Accumulated Compensated absence

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

Gratuity

The Company makes contribution to a scheme administered by Life Insurance Corporation of India to discharge gratuity liabilities to the employees. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at March 31, 2009, using the 'Projected Unit Credit Method'.

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

Defined contribution plan

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

(i) Segment reporting

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

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

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

(k) Earnings per share

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

(l) Taxes on income

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

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

(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

	As on Mar 31, 2009	As on Mar 31, 2008
Uncalled Liability in respect of partly paid shares held as investments	0.36	0.36
Claims against the Company not acknowledged as debts	2.00	2.00
Capital Commitments (Net of Advances)	60.45	-
Disputed Sales Tax demands	16.89	21.80

Name of the statute	Nature of dues	Amount	Payment made	Period to which the amt. relates	Forum where dispute is pending
Sales tax acts of various States	Sales Tax	9.29 (13.56)	3.05 (3.76)	1982 - 83 to 1985 - 86 1989 - 90 to 1995-96 1997 - 98 1998 - 99 2000 - 01 2001 - 02 2003 - 04	Deputy Commissioner & Assistant Commissioner & other appellate authorities
Central Sales Tax Act	Sales Tax	7.60 (8.24)	2.65 (2.65)	1993 - 94 to 1995 - 96 1997 - 98 2000 - 01 2001 - 02 2003 - 04	Deputy Commissioner & CTO of various states

15.03 Income tax appeal

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

15.04 Excise duty

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

15.05 Working capital facilities

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

15.06 Deposits from public

(a) Fixed deposits maturing within one year is Rs. 19.11 lakhs (Rs. 36.64 lakhs).

(b) Fixed deposits under cash and bank balances includes an amount of Rs. 3.00 lakhs (Rs. 8.61 lakhs) deposited in pursuance of Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975.

15.07 Sundry debtors includes

Retention money Rs.61.23 lakhs (Rs. 34.19 lakhs)

15.08 Loans and advances includes

Advance for purchase of land Rs. NIL lakhs (Rs.25.49 lakhs)

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 in the prior year.

During the year ended March 31, 2009, the company had issued a notice under section 138 of Negotiable Instrument Act, as the cheques amounting to Rs.274.00 lakhs issued in part discharge of the advance were returned by the bankers. However no further legal proceedings were initiated. The Company has been negotiating with M/s. Park-in Mills for a settlement and in the process obtained fresh cheques amounting to Rs. 274.00 Lakhs in lieu of the earlier returned cheques. Since, the negotiations did not fructify, the company decided to encash the fresh cheques.



During the current year 2009-10, the above cheques were deposited in the bank. This was however returned by the bankers and a notice under section 138 of Negotiable Instrument Act, has been issued to M/s. Park-in Mills.

Considering the above developments and as a matter of abundant caution, the company has made a provision in this accounts for the unsecured portion of the advance.

15.10 Micro Enterprises & Small Enterprises

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

15.11 Contracts-in-progress

In respect of contracts-in-progress, as on March 31, 2009, the aggregate cost incurred and the profit recognized is Rs. 96.48 lakhs (Rs. 132.47 lakhs) and Rs. 12.95 lakhs (Rs. 22.94 lakhs) respectively. Advance from contract customers amount to Rs. 70.39 lakhs (Rs. 74.98 lakhs). Contracts receivables amount to Rs. 291.72 lakhs (Rs. 465.21 lakhs).

15.12 During the current year, the company has completed the acquisition of Viraat Granites Private Limited, thereby making it a wholly owned subsidiary. The company has filed an application with the Honourable High Court of Madras on March 18, 2009 for the merger of subsidiary company with itself, subject to the completion of necessary formalities.

15.13 Subsequent events

The Company in its Board Meeting held on May 20, 2009 has appointed Mr. Bharat Anumolu, who is a Non Resident Indian, as Managing Director, with remuneration, subject to the necessary approvals of the Central Government and the members of the Company in the ensuing meeting.

15.14 Gratuity

The Company's obligation towards gratuity fund is a 'Defined Benefit Plan' and the details of actuarial valuation as at March 31, 2009 is given below:

Assumptions

Discount Rate	8%	8%
Salary Escalation	7%	7%
Attrition rate	1-3% depending on age	1-3% depending on age
Expected return on plan assets	8%	8%
Mortality Rate	LIC-94-96-Mortality rates	LIC-94-96-Mortality rates

Table showing changes in Present Value of Obligations

Present Value of Obligations as at beginning of year	77.22	68.36
Interest Cost	5.70	4.98
Current Service Cost	4.61	5.20
Benefits Paid	11.96	3.92
Actuarial Gain / (Loss) on Obligation	1.42	(2.60)
Present Value of Obligations as at the end of year	74.15	77.22

Table Showing changes in the Fair Value of Plan Assets

	LIC Fund	LIC Fund
Fair Value of Plan Assets at beginning of year	84.52	78.02
Expected return on plan assets	6.40	5.83
Contributions	3.00	3.35
Benefits paid	11.96	3.92
Actuarial Gain on plan Assets	0.77	1.24
Fair Value of Plan Assets at the end of year	82.73	84.52

Table Showing Fair Value of Plan Assets

	March 31, 2009	March 31, 2008
Fair Value of Plan Assets at beginning of year	84.52	78.02
Actual return on plan assets	7.17	7.07
Contributions	3.00	3.35
Benefits paid	11.96	3.92
Fair Value of Plan assets at the end of year	82.73	84.52
Funded Status	8.58	7.30
Excess of Actual over estimated return on plan assets	0.77	1.24

	As on Mar 31, 2009	As on Mar 31, 2008
Actuarial gain / (Loss) recognized		
Actuarial Gain / (loss) on obligation	1.42	(2.60)
Actuarial gain on plan assets	0.77	1.24
Total Gain / (loss) for the year	2.19	(1.36)
Actuarial Gain/ (loss) recognized in the year	2.19	(1.36)
 The amount to be recognized in the balance sheet & Statements of profit and loss		
Present Value of Obligations as at the end of year	74.15	77.22
Fair Value of Plan assets as at the end of the year	82.73	84.52
Funded status	8.58	7.30
Net Asset Recognized in the Balance Sheet	8.58	7.30
 Expenses Recognized in Statement of Profit & Loss		
Current Service Cost	4.62	5.20
Interest Cost	5.70	4.98
Expected return on plan Assets	6.40	5.83
Net Actuarial Gain / (loss) recognized in the year	2.19	(1.36)
Expenses to be recognized in the profit & loss	1.72	5.71
 Opening Net Asset	7.30	9.66
Contributions	3.00	3.35
Expenses	1.72	5.71
Closing Net Asset	8.58	7.30

15.15 Segment reporting
(a) Primary segment

	As on March 31, 2009			As on March 31, 2008		
	Insulation	Trading	Total	Insulation	Trading	Total
Segment revenue						
Net sales / commission & rental income	4820.26	402.41	5222.67	5343.35	621.29	5964.64
Segment results						
Operating profit	526.90	(281.18)	245.72	547.06	24.89	571.95
Interest	-	-	(15.02)	-	-	(23.46)
Unallocable corporate expenses (net-off income)	-	-	(164.40)	-	-	(169.24)
Income taxes	-	-	(35.30)	-	-	(143.99)
Net profit	-	-	31.00	-	-	235.26

	As on March 31, 2009				As on March 31, 2008			
	Insulation	Trading	Others	Total	Insulation	Trading	Others	Total
Segment assets / liabilities								
Segment assets	2371.67	347.33	-	2719.00	2443.78	640.37	-	3084.15
Unallocated corporate assets	-	-	348.23	348.23	-	-	132.82	132.82
Total assets				3067.23				3216.97
Segment liabilities	1271.75	94.99	-	1366.74	1228.48	176.85	-	1405.33
Unallocated corporate liabilities	-	-	1700.49	1700.49	-	-	1811.64	1811.64
Total liabilities				3067.23				3216.97
Capital expenditure addition				75.77				77.17
Depreciation				57.31				57.31



BEARDELL LIMITED

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

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

Trading includes Chemicals, Motors and Exports, etc.

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

(b) Secondary segment

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

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

(a) Subsidiary Company	-	M/s. Viraat Granites Private Limited
(b) Key management personnel	-	Mr. A.V. Ramalingan (Executive Director)
(c) Nature of transactions	As at March 31,2009	As at March 31,2008

(i) Subsidiary Company

Equity Share Capital Outstanding	178.48	-
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(ii) Key Management Personnel

Remuneration to Key Management Personnel	14.33	16.82
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15.17 Leases

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

	March 31,2009	March 31,2008
Within one year	35.64	32.64
Later than one year and not later than 5 years	-	-

Brief description of Terms of Lease

Lease Rentals are accrued on the basis of Agreed Terms.

All assets are leased out for a period of twelve months

15.18 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)	31.00	235.26
Weighted average number of equity shares	(B)	3833168	3833168
Face value per share (Rs.)		10	10
Basic and diluted EPS (Rs.)		0.81	6.14

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	37.34	39.38
Provision for doubtful advances	93.19	-
VRS payment	-	5.30
Provision for Warranties	23.84	-
Others	1.91	1.66
	156.28	46.34

(b) Deferred tax liabilities

Depreciation	78.38	85.63
Others	3.17	3.58
	81.55	89.21

Net deferred tax asset / (liability)	74.73	(42.87)
--------------------------------------	--------------	---------

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

	Opening Balance	Additions	Release	Withdrawals	Closing Balance
Provision for Warranties	-	70.15	-	-	70.15

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

15.21 Turnover particulars For the year ended
March 31, 2009 March 31, 2008
(Rs. in lakhs)

	Qty.	Value	Qty.	Value
Sales				
Expanded polystyrene	1115 MT	2028.12	1151 MT	2055.19
Prefab panels	89004 RMT	1658.90	97036 RMT	1718.59
Chemicals	3 MT	3.69	4 MT	3.87
Electric motors	1145 NOS	253.91	1266 NOS	374.88
Exports of fabrics		143.28		235.54
Miscellaneous		13.33		30.43
		<u>4101.23</u>		<u>4418.50</u>
Contracts				
Insulation / prefab contracts		<u>1329.27</u>		<u>1840.97</u>
		<u>5430.50</u>		<u>6259.47</u>

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

Polystyrene Resin	1121	872.66	1205	939.53
Precoated Steel	902	535.81	1136	642.75
Others	90	123.61	133	196.29
		<u>1532.08</u>		<u>1778.57</u>

15.23 Stock particulars of finished goods

Class of goods	Unit of measurement	As on March 31, 2009				As on March 31, 2008			
		Opening		Closing		Opening		Closing	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
(a) Manufactured									
Expanded polystyrene	MT	20	34.13	21	17.55	27	27.41	20	34.13
Prefab panels	RMT	369	5.61	202	4.01	188	3.52	369	5.61
(b) Traded goods									
Motors	NOS	188	17.55	260	13.69	122	14.04	188	17.55
Fabrics			33.76		6.03		33.59		33.76
Others			34.52		25.06		24.21		34.52
			<u>125.57</u>		<u>66.34</u>		<u>102.77</u>		<u>125.57</u>



BEARDELL LIMITED

15.24 Directors' remuneration

	March 31, 2009	March 31, 2008
	(Rs. in lakhs)	
(a) Mr. A.V. Ramalingan - Executive Director		
Salary	6.00	6.00
House rent allowance	3.60	3.60
Commission	0.82	3.97
Contribution to provident and superannuation funds	1.84	2.69
Money value of perquisites	2.07	0.56
	<u>14.33</u>	<u>16.82</u>

(b) Calculation of commission to Executive Director

Profit as per profit & loss account	66.30	379.25
Add: Director's sitting fees	1.02	1.08
Director's remuneration	<u>14.33</u>	<u>16.82</u>
	<u>81.65</u>	<u>397.15</u>

Commission to Executive Director @ 1% on Rs.81.65 Lakhs

0.82 3.97

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

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

For Audit	4.00	4.00
For Tax Audit/Representation	2.76	1.80
For Certification of statements	2.10	1.55
For Expenses	0.32	0.32
	<u>9.18</u>	<u>7.67</u>

15.26 Installed capacities & production

	Expanded Polystyrene MT	Prefab Panels RMT	Expanded Polystyrene MT	Prefab Panels RMT
Installed Capacity (Per annum on single shift basis)	384	216000 *	384	216000 *
Actual Production	1010	93771	1152	116879
Produced by outside processor out of the above	430	-	428	-
Captive Consumption	261	4934	397	19662

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

15.27 Value of imports on CIF basis

	March 31, 2009	March 31, 2008
Raw materials	171.03	110.39
Traded goods	21.15	16.23
	<u>192.18</u>	<u>126.62</u>

15.28 Expenditure in foreign currency

Travel	1.44	2.56
Interest / charges	0.66	0.43
	<u>2.10</u>	<u>2.99</u>

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

	March 31, 2009		March 31, 2008	
	As % of consumption	Value	As % of consumption	Value
Imported	10.00	147.80	7.00	129.68
Indigenous	90.00	1401.28	93.00	1669.96
	<u>100.00</u>	<u>1549.08</u>	<u>100.00</u>	<u>1799.64</u>

15.30 Earnings in foreign currency

Export of goods calculated on FOB basis	115.33	246.20
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15.31 Prior period comparatives

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

For & on behalf
of the Board of Directors

For DELOITTE HASKINS & SELLS
Chartered Accountants

Bharat Anumolu
Managing Director

R Gowri Shanker
Director

Bhavani Balasubramanian
Partner

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Chennai
June 29, 2009



BEARDELL LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	1428	State Code	18
Balance Sheet	31	03	2009
	Date	Month	Year

II. Capital Raised During the Year

(Amount in Rs. Lakhs)

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Lakhs)

Source of Funds

Total Liabilities

3141.96

Total Assets

3141.96

Paid-up-Capital

383.32

Reserves & Surplus

1270.81

Application of Funds

Secured Loans

15.79

Unsecured Loans

19.75

Net Fixed Assets

514.80

Investments

189.21

Net Current Assets

985.66

(Incl. Deferred Tax Asset)

Misc-Expenditure

NIL

Accumulated Losses

NIL

IV. Performance of Company

Turnover

5282.16

Total Expenditure

5215.86

Profit Before Tax

66.30

Profit After Tax

31.00

Earning Per Share in Rs.

0.81

Dividend Per Share Rs.

-

V. Generic Names of Three Principal Products/Services of the 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

Bharat Anumolu
Managing Director

R Gowri Shanker
Director

Chennai
June ' 29, 2009

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

FINANCIAL STATEMENTS OF SUBSIDIARY COMPANY 2008-09

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NOTICE IS HEREBY GIVEN that the Twenty First Annual General Meeting of the Company will be held on Thursday, the 27th August, 2009 at 10.30 A.M. at "Mini Hall" Satguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai 600 018 to transact the following business

AS ORDINARY BUSINESS

1. ADOPTION OF ACCOUNTS

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

"RESOLVED THAT the Balance Sheet as at 31st March 2009, 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 31st March, 2009 together with the Directors Report and the Auditors' Report thereon, be and are hereby approved and adopted."

2. APPOINTMENT OF AUDITORS

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

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

By Order of the Board
For VIRAAT GRANITES PRIVATE LIMITED

Place : Chennai
Date : June 29, 2009

S. Dhandapani
Director

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

Your Directors have pleasure in presenting their Twenty First Annual Report together with the Audited Balance Sheet of your Company as at 31st March 2009 and the Auditors' Report thereon.

Operations

There were no operations in the Company during the year.

Directors

Mr A.V. Ramalingan and Mr S. Dhandapani were appointed as Directors in the Board Meeting held on 13th August 2008.

Auditors

M/s. Deloitte Haskins & Sells (DHS), Chartered Accountants, Chennai who were appointed as the Statutory Auditors of the Company in the Extraordinary General Meeting held on 20th June 2009, retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to continue in office, if reappointed.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 2009 and of the Profit of the Company for financial year ended 31st March 2009;

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

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

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

PARTICULARS OF EMPLOYEES:

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

ACKNOWLEDGMENT:

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

For and on behalf of the Board

Chennai
June ' 29, 2009

P. K. Rami Reddy
Director

S. Dhandapani
Director

Report of the Auditors to the Members

We have audited the attached balance sheet of Viraat Granites Private Limited (the "Company") as at March 31, 2009, 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 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 accounts 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, 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 written representations received from the directors and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2009 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) 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, 2009;
 - b) in the case of the profit and loss account, of the loss of the Company for the year ended on that date: and
 - c) in the case of 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

Place : Chennai
Date : June 29, 2009.

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

The nature of company's business activities during the year is such that clauses (ii), (iv), (vi), (vii), (viii), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) are not applicable to the Company.

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) None of the fixed assets have been disposed off during the year.

2. (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.

3. Based on the 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 need to be entered in the register maintained under section 301 of the Companies act, 1956.

4. In respect of statutory dues

a. According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Income-tax and Cess during the year.

b. There were no undisputed amounts in respect of Income-tax and Cess as at March 31, 2009 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no dues of Income-tax, Cess and Royalty which have not been deposited with the appropriate authorities on account of any dispute, except for dues referred in Note No 8.02 of schedule 8 to the financial statements.

5. The company has accumulated losses as at March 31, 2009 and has incurred cash losses during the current financial year covered by our audit and the immediately preceding financial year.

6. 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

Place : Chennai
Date : June 29, 2009.

Balance Sheet as at March 31, 2009

		As at March 31, 2009	(Rs. in lakhs)	As at March 31, 2008	
SOURCES OF FUNDS	Schedule				
Shareholders' Funds					
Share Capital	1	74.11		74.11	
Reserves and Surplus	2	196.96		10.20	
		<u>271.07</u>		<u>84.31</u>	
			<u>271.07</u>		<u>84.31</u>
APPLICATION OF FUNDS					
Fixed Assets	3				
Gross Block		231.07		45.69	
Less: Accumulated Depreciation		16.61		16.80	
Net Block		<u>214.46</u>		<u>28.89</u>	
Investments			-		0.05
Current Assets, Loans and Advances:					
Current Assets					
Cash and Bank Balances	4	0.05		0.24	
Loans and Advances	5	0.50		0.50	
		<u>0.55</u>		<u>0.74</u>	
Less: Current Liabilities	6				
Current Liabilities		0.10		0.06	
Net Current Assets		<u>0.45</u>		<u>0.68</u>	
Profit & Loss Account			56.16		54.69
			<u>271.07</u>		<u>84.31</u>
NOTES ON ACCOUNTS	8				

This is the Balance Sheet referred to in our Report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

Bhavani Balasubramanian
Partner

Chennai
June 29, 2009

S. Dhandapani
Director

P. K. Rami Reddy
Director

VIRAAT GRANITES PVT LTD

Profit and Loss Account for the year ended March 31, 2009

	Schedule	As at March 31,2009	As at March 31,2008
		(Rs. in lakhs)	
INCOME			
Sales / Service Income		-	-
EXPENDITURE			
Administration Expenses	7	0.82	29.71
Depreciation		1.22	0.74
Less : Transfer from Fixed Assets Revaluation Reserve		<u>0.57</u>	
		<u>0.65</u>	
		<u>1.47</u>	<u>30.45</u>
Loss for the year before tax		(1.47)	(30.45)
Less: Provision for taxation		-	-
Loss for the year after tax		(1.47)	(30.45)
Add: Balance brought forward from Previous year		(54.69)	(24.24)
Balance Carried to Balance Sheet		<u>(56.16)</u>	<u>(54.69)</u>
NOTES ON ACCOUNTS	8		
Basic and diluted earnings per share of face value of Rs.10/- each (in Rupees)		(0.20)	(4.11)

This is the Profit and Loss Account referred to in our Report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

Bhavani Balasubramanian
Partner

S. Dhandapani
Director

P. K. Rami Reddy
Director

Chennai
June 29, 2009

**Cash Flow Statement
for the year ended
March 31, 2009**

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

Since this is the first time applicability of Accounting Standard 3 "Cash Flow Statement" previous year figures have not been furnished.

This is the Cash Flow Statement referred to in our Report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

Bhavani Balasubramanian
Partner

Chennai
June 29, 2009

S. Dhandapani
Director

P. K. Rami Reddy
Director

VIRAAT GRANITES PVT LTD

**As at
March 31,2009**

As at
March 31,2008

(Rs. in lakhs)

SCHEDULE 1

SHARE CAPITAL:

Authorised:

1000000 Equity Shares of Rs.10/- each **100.00** 100.00

Issued,Subscribed and Paid up:

741078 Equity Shares of Rs. 10/- each **74.11** 74.11
fully paid up

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

SCHEDULE 2 RESERVES AND SURPLUS:

	As at April 1, 2008	Additions	Deductions	As at March 31, 2009
Capital Reserve (Refer Note 8.04)	10.20	-	10.20	-
Fixed Assets Revaluation (Refer Note 8.03)	-	187.33	0.57*	186.76
General Reserve (Refer Note 8.04)	-	10.20	-	10.20
	<u>10.20</u>	<u>197.53</u>	<u>10.77</u>	<u>196.96</u>

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

SCHEDULE 3 FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at April 1, 2008	Addi- tions	Deduc- tions	Increase on Revaluation	As at March 31, 2009	As at April 1, 2008	For the year	Deduc- tions	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Freehold Land	3.64	-	-	132.87	136.51	-	-	-	-	136.51	3.64
Buildings	40.10	-	-	54.46	94.56	15.39	1.22*	-	16.61	77.95	24.71
Plant and Machinery	0.55	-	0.55	-	-	0.51	-	0.51	-	-	0.04
Electrical Installation	1.40	-	1.40	-	-	0.90	-	0.90	-	-	0.50
	<u>45.69</u>	<u>-</u>	<u>1.95</u>	<u>187.33</u>	<u>231.07</u>	<u>16.80</u>	<u>1.22</u>	<u>1.41</u>	<u>16.61</u>	<u>214.46</u>	<u>28.89</u>
Previous year	159.31	-	113.62	-	45.69	101.60	0.74	85.54	16.80	28.89	57.71

* Out of the Depreciation for the year a sum of Rs.0.57 lakhs to the extent it is charged on the increased value, has been recouped from Fixed Assets Revaluation Reserves and Rs.0.65 lakhs has been debited to the Profit and Loss account

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

	As at March 31, 2009	As at March 31, 2008
	(Rs. in lakhs)	
SCHEDULE 4		
CASH AND BANK BALANCES		
Cash, Cheques and stamps on hand	-	0.08
Balances with scheduled Banks on		
Current Account	<u>0.05</u>	<u>0.16</u>
	<u>0.05</u>	<u>0.24</u>
 SCHEDULE 5		
LOANS AND ADVANCES: (Unsecured/Considered Good)		
Deposits Unsecured and Considered Good (Refer Note 8.02)	<u>0.50</u>	<u>0.50</u>
	<u>0.50</u>	<u>0.50</u>
 SCHEDULE 6		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Outstanding Liabilities	<u>0.10</u>	<u>0.06</u>
	<u>0.10</u>	<u>0.06</u>
 SCHEDULE 7		
Administration Expenses		
Audit Fee	<u>0.10</u>	0.06
Fixed Assets written-off	<u>0.54</u>	27.08
Investments written-off	<u>0.05</u>	-
Miscellaneous Expenses	<u>0.13</u>	2.57
	<u>0.82</u>	<u>29.71</u>
	For the Year ended March 31, 2009	For the Year ended March 31, 2008

(All amounts in lakhs of Indian Rupees)

8 Notes to accounts

8.01 Significant accounting policies

(a) Basis of preparation

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

(b) Use of estimates

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

(c) Fixed assets and depreciation

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

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

(d) Impairment of assets

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

(e) Investments

Investments are recorded at cost of acquisition. Unquoted Investments are written off, where they are not realizable in the opinion of the management.

(f) Earnings per share

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

(g) Provisions, contingent liabilities and contingent assets

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

8.02 Contingent liabilities

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

8.03 Revaluation of Fixed Assets

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

8.04 The Capital Subsidy of Rs.10.20 lakhs has been transferred to General Reserve, since the export obligations for which the subsidy had been received, has been fulfilled in the earlier years

8.05 Related Party Transactions

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

Name	Relationship
Beardsell Limited	Holding Company

(b) Transactions

Nature of Transactions	Outstanding Amounts carried in Balance Sheet
Equity Contribution made during the year	74.11

Since this is the first time applicability of Accounting Standard 18 "Related party transactions" previous year figures have not been furnished

8.06 Earnings per share

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

	March 31 2009	March 31 2008
Loss after tax	(1.47)	(30.45)
Weighted average number of equity shares	741,078	741,078
Face value per share (Rs.)	10	10
Basic and diluted EPS (Rs.)	(0.20)	(4.11)

8.07 During the current year, the Company's Promoters have sold their entire Shareholding in the company to M/s. Beardsell Limited and its nominees, w.e.f. 13.08.2008, for a consideration of Rs. 178.00 Lakhs. Consequently, the Company has become wholly owned subsidiary of Beardsell Limited.

8.08 The Company has filed an application with the Hon'ble High Court of Andhra Pradesh on February 20, 2009 for Merger with its Holding Company, Beardsell Limited, subject to the completion of necessary formalities.

8.09 Prior period comparatives

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

For Deloitte Haskins & Sells
Chartered Accountants

For & on behalf
of the Board of Directors

Bhavani Balasubramanian
Partner

S. Dhandapani
Director

P.K. Rami Reddy
Director

Place : Chennai
Date : June 29, 2009

VIRAAT GRANITES PVT LTD

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code

Balance Sheet

31	03	2009
Date	Month	Year

II. Capital Raised During the Year

(Amount in Rs. Lakhs)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Lakhs)

Total Liabilities

Total Assets

Source of Funds

Paid-up-Capital

Reserves & Surplus

(Incl. Revaluation Reserve)

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc-Expenditure

Accumalated Losses

IV. Performance of Company

Turnover

Total Expenditure

Profit Before Tax

Profit After Tax

Earning Per Share in Rs.

Dividend Per Share Rs.

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

Item Code No.

(ITC Code)

Product Description

Chennai
June 29, 2009

S. Dhandapani
Director

P. K. Rami Reddy
Director

CONSOLIDATED FINANCIAL STATEMENTS 2008-09

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Profit and Loss Account	51
Cash Flow Statement	52
Schedules	53

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

1. We have audited the attached consolidated balance sheet of Beardsell Limited and its subsidiary as at March 31, 2009, the consolidated profit and loss account and the consolidated cash flow statement for the year then ended. These financial statements are the responsibility of Beardsell Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards general accepted in India. These 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, evident supporting the amount 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.
3. We report that the consolidated financial statements have been prepared by the management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified by Companies (Accounting Standard) Rules, 2006.
4. Based on our Audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial

statements together with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of consolidated balance sheet, of the consolidated state of affairs of Beardsell Limited and its subsidiary as at March 31, 2009;
- b) in the case of consolidated profit and loss account, of the consolidated results of operations of Beardsell Limited and its subsidiary for the year then ended: and
- c) in the case of consolidated cash flow statement, of the consolidated cash flows of Beardsell Limited and its subsidiary for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Chennai
June 29, 2009

Bhavani Balasubramanian
Partner
Membership No.22156



	Schedule		As at March 31, 2009
			(Rs. in Lakhs)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	383.32	
Reserves and Surplus	2	1307.24	
			1690.56
Loan Funds			
Secured Loans	3	15.79	
Unsecured Loans		19.75	
			35.54
			1726.10
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	1263.22	
Less: Accumulated Depreciation		632.70	
Net Block		630.52	
Capital Work in Progress including advances		98.74	
Net Block			729.26
Investments	5		10.73
Deferred Tax Asset (Net)			74.73
Current Assets, Loans and Advances			
Current Assets			
Inventories	6	230.11	
Sundry Debtors	7	993.62	
Cash and Bank Balances	8	681.41	
Loans and Advances	9	458.63	
		2363.77	
Less: Current Liabilities and Provisions	10		
(a) Current Liabilities		1376.60	
(b) Provisions		75.79	
			1452.39
Net Current Assets			911.38
			1726.10
NOTES ON ACCOUNTS	15		

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

For DELOITTE HASKINS & SELLS
Chartered Accountants

Bharat Anumolu
Managing Director

R Gowri Shanker
Director

Bhavani Balasubramanian
Partner

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Chennai
June 29, 2009

Consolidated Profit and Loss Account for the year ended March 31, 2009

	Schedule	For the year ended March 31, 2009 (Rs. in Lakhs)
INCOME		
Turnover		5430.50
Less: Excise Duty		339.20
Net Sales		5091.30
Commission & Rental Income	11	131.37
Others	12	59.49
		5282.16
EXPENDITURE		
Manufacturing and Other expenses	13	5144.35
Interest	14	15.02
Depreciation		58.53
		5217.90
Profit for the year before tax		64.26
Less: Provision for Taxation		
- Current		145.00
- Deferred		(117.60)
- Fringe Benefit Tax		7.90
		35.30
Profit for the year after tax		28.96
Add: Balance brought forward from Previous year *		548.50
Balance carried forward to Balance Sheet		577.46
* Represents balances of stand alone Beardsell Limited		
NOTES ON ACCOUNTS	15	
Basic and diluted earnings per share of face value of Rs. 10/- each (in Rupees)		0.76

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

For DELOITTE HASKINS & SELLS
Chartered Accountants

Bharat Anumolu
Managing Director

R Gowri Shanker
Director

Bhavani Balasubramanian
Partner

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Chennai
June 29, 2009



	March 31, 2009 (Rs. in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit for the year before tax	64.26
Adjustments for :	
Depreciation	58.53
Fixed Assets Written-off	0.54
Investments Written-off	0.05
Unrealised Exchange variation (Net)	(0.68)
Interest Expenses	15.02
Provision no longer required written back	(0.55)
Dividend Income	(0.44)
Interest Income	(35.20)
Profit on Sale of Assets (Net)	(1.79)
Provision for Doubtful debts	4.25
Provision for Doubtful Advances	269.39
Provision for Warranties	70.15
Provision for Compensated Absences	0.74
Bad Debts Written-off	25.64
	<u>405.65</u>
Operating Profit before Working Capital Changes	469.91
Adjustments for :	
(Increase) in Debtors & Other Receivables	(10.24)
Decrease in Inventories	157.34
Increase in Current Liabilities and Provisions	57.23
	<u>204.33</u>
Cash Generated from Operations	674.24
Taxes paid (Net of Refunds), including Fringe Benefit Tax	(46.03)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	<u>628.21</u>
B. CASHFLOW FROM INVESTING ACTIVITIES	
Capital Expenditure	(174.51)
Proceeds from Sale of Fixed Assets	3.32
Purchase of Investments	(168.48)
Dividend Received	0.44
Interest Received	32.20
NET CASH (USED IN) INVESTING ACTIVITIES (B)	<u>(307.03)</u>
C. CASHFLOW FROM FINANCING ACTIVITIES	
Short Term Borrowings (Net)	(98.92)
Interest on Borrowings	(19.08)
Dividend Paid including dividend tax	(64.82)
NET CASH (USED IN) FINANCING ACTIVITIES (C)	<u>(182.82)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	<u>138.36</u>
Opening Balance of Cash and Cash Equivalents *	493.36
Opening Balance of Cash and Cash Equivalents of subsidiary acquired during the year	0.24
Closing Balance of Cash and Cash Equivalents	631.96
* Represents balances of stand alone Beardsell Limited	
Reconciliation of cash and cash equivalents	
Cash and Cash equivalents at the end of the year as per Balance Sheet	681.41
Less: Bank deposits under lien	45.30
Less: Balances in Unpaid dividend account	4.15
This is the Cash Flow Statement referred to in our Report of even date	631.96

For Deloitte Haskins & Sells
Chartered Accountants

Bharat Anumolu
Managing Director

R Gowri Shanker
Director

Bhavani Balasubramanian
Partner

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Place: Chennai
Date: June 29, 2009

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

**As at
March 31,2009**
(Rs. in Lakhs)

SCHEDULE 1

SHARE CAPITAL

Authorised

5000000 Equity Shares of Rs.10/- each

500.00

Issued, Subscribed and Paid up

3833168 Equity Shares of Rs.10/- each
fully paid up

383.32

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, 2008	Additions	Deductions	As at March 31,2009
Capital Reserve on consolidation	-	38.47	-	38.47
Securities Premium	241.31	-	-	241.31
General Reserve	450.00	-	-	450.00
Surplus As Shown In Profit And Loss Account	548.50	28.96	-	577.46
	<u>* 1239.81</u>	<u>67.43</u>	<u>-</u>	<u>1307.24</u>

* Represents balances of stand alone Beardsell Limited

SCHEDULE 3

LOANS

SECURED LOANS

Working Capital Facilities from Banks

Packing Credit

15.79

UNSECURED LOANS

Fixed Deposits

19.75



BEARDELL LIMITED

SCHEDULE 4 FIXED ASSETS

(Rs. in Lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at April 1, 2008	Subsidiary acquired during the year	Additions	Deductions	As at March 31, 2009	As at April 1, 2008	Subsidiary acquired during the year	For the year	Deductions	As at March 31, 2009	As at March 31, 2009
Freehold Land *	6.92	136.51	19.26	-	162.69	-	-	-	-	-	162.69
Leasehold Land	1.90	-	-	-	1.90	0.59	-	0.02	-	0.61	1.29
Buildings **	254.70	94.56	3.15	0.15	352.26	70.50	15.39	8.52	0.04	94.37	257.89
Plant and Machinery *** / #	580.36	0.55	40.94	50.85	571.00	464.54	0.51	37.63	50.71	451.97	119.03
Electrical Installation	20.82	1.40	-	1.79	20.43	16.24	0.90	1.63	1.21	17.56	2.87
Furniture, Fittings & Office Equipments	88.25	-	2.35	6.81	83.79	51.26	-	4.56	5.57	50.25	33.54
Vehicles	65.90	-	10.07	4.82	71.15	16.59	-	6.17	4.82	17.94	53.21
	\$ 1018.85	233.02	75.77	64.42	1263.22	619.72	16.80	58.53	62.35	632.70	630.52
Capital Work in Progress including advances											98.74
											729.26

* Given on Operating Lease

** Given on Operating Lease - Cost - Rs. 84.30 lakhs , Depreciation - Rs.2.82 lakhs and WDV - Rs. 46.82 lakhs

*** Given on Operating Lease - Cost - Rs.256.35 lakhs, Depreciation - Rs.10.85 lakhs and WDV - Rs.63.70 lakhs

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

\$ Represents balances of stand alone Beardsell Limited

SCHEDULE 5	As at March 31,2009	
	Face Value	Cost
	(Rs. in Lakhs)	
INVESTMENTS (Long Term)		
In fully paid Equity Shares		
TRADE - UNQUOTED		
Diana Garments (Private) Limited 15000 Equity shares of Rs.10/-each	1.50	-
Sri Balaji Insulation (P) Ltd 3400 Equity Shares of Rs.100/- each	3.40	-
Hyderabad EPS Products (P) Ltd., 18000 Equity shares of Rs.10/-each	1.80	1.80
Arpejay Investments (P) Ltd., 900 Shares @ Rs.100/- each	0.90	-
Pondy EPS Products (P) Ltd., 180 Equity Shares of Rs.100/- each	0.18	-
Pink Packaging & Moulding Pvt.Ltd 5300 Shares @ Rs.141.50/- each	5.30	7.50
In partly paid Equity Shares		
TRADE - UNQUOTED		
Royal Insulation (P) Ltd., 3618 Equity Shares of Rs.10/- each Rs.5/- per share paid up	0.18	-
Sarovar Insulation (P) Ltd., 3618 Equity Shares of Rs.10/- each Rs.5/- per share paid up	0.18	-
		9.30
IN FULLY PAID SHARES		
NON-TRADE-QUOTED		
Nava Bharat Ventures Limited 1565 Equity Shares of Rs.2/- each	0.03	0.08
ICICI Bank Ltd., 233 shares of Rs.10/- each	0.01	0.12
Taurus Mutual Fund - Boinanza Exclusive Growth Scheme 13333 Units of Rs.10/- each	1.00	1.00
Andhra Bank 2300 Shares of Rs.10/-each	0.23	0.23
		1.43
		10.73
Market Value of Quoted Investments		7.00
Aggregate cost of Quoted Investments		1.43



BEARDELL LIMITED

As at
March 31, 2009

(Rs. in Lakhs)

SCHEDULE 6

INVENTORIES

Stores and Spare parts	3.30
Loose Tools	2.29
Raw Materials	76.19
Trading and Finished Goods	66.34
Process Stock	11.53
Jobs in Progress	70.46
	<u>230.11</u>

SCHEDULE 7

SUNDRY DEBTORS - UNSECURED

Debts outstanding for a period exceeding six months	
Considered Good	87.69
Considered Doubtful	82.25
	<u>169.94</u>
Less: Provision	82.25
	<u>87.69</u>
Other Debts	
Considered Good	905.93
Considered Doubtful	27.60
	<u>933.53</u>
Less: Provision	27.60
	<u>905.93</u>
	<u>993.62</u>

SCHEDULE 8

CASH AND BANK BALANCES

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

* for Bank Guarantees and Letter of Credit

**As at
March 31,2009**

(Rs. in Lakhs)

SCHEDULE 9

LOANS AND ADVANCES

Secured #		185.36
Unsecured - Considered Good Advances recoverable in cash or in kind for value to be received	128.57	
Deposits *	87.40	
Balance with Excise Authorities	1.70	
	217.67	217.67
Unsecured - Considered Doubtful	269.39	
Less : provision for doubtful advances	269.39	-
	4.16	4.16
Interest Accrued on Deposits		51.44
Advance Tax and Tax Deducted at Source including Fringe Benefit Tax (Net of Provisions Rs.558.81)		51.44
	458.63	458.63
*Includes with Government Departments		2.41

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

SCHEDULE 10

CURRENT LIABILITIES AND PROVISIONS

Current Liabilities

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

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

** These amounts represent warrants issued to share holders which remain unrepresented and unclaimed as on March 31,2009



BEARDELL LIMITED

For the year ended
March 31,2009

(Rs. in Lakhs)

SCHEDULE 11

COMMISSION AND RENTAL INCOME

Commission (Tax deducted at Source Rs. 7.51 lakhs)	97.73
Rental Income (Tax deducted at Source Rs.5.17 lakhs)	33.64
	<u>131.37</u>

SCHEDULE 12

OTHER INCOME

Interest from Banks and others (Tax deducted at Source Rs.5.00 lakhs)	35.20
Dividends	0.44
Foreign Exchange Variation (Net)	3.90
Provision no longer required written back	0.55
Profit on Sale of Assets (Net)	1.79
Duty Drawback	5.32
Bad Debts written off in earlier years recovered	1.08
Miscellaneous Income	11.21
	<u>59.49</u>

SCHEDULE 13

MANUFACTURING AND OTHER EXPENSES

I. MATERIALS

1) Consumption of Raw Materials

Opening Stock *	133.99
Add: Purchases	1474.28
	<u>1608.27</u>
Less:Closing Stock	76.19
	<u>1532.08</u>

2) Purchases

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

3) Decrease/ (Increase) in Process Stock, Jobs in Progress and Trading/Finished Goods

Opening Stock *

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

Closing Stock

Trading /Finished Goods	66.34
Process stock	11.53
Jobs in progress	70.46
	<u>148.33</u>
	98.97

4) Excise Duty

2.49

4010.48

* Represents balances of stand alone Beardsell Limited

**For the year ended
March 31,2009**

(Rs. in Lakhs)

II. Payments to and Provision for Employees

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

III. Other Expenses

Consumption of Stores and Spare Parts	17.00
Power and Fuel	41.65
Rent	36.08
Rates and Taxes	13.08
Insurance	11.70
Repairs and maintenance to	
- Buildings	10.54
- Machinery	6.00
- Furniture and Equipment	5.07
Directors Sitting fees	1.02
Fixed Assets written off	0.54
Bad debts written off	35.88
Less: Transfer from provision for Doubtful debts	<u>(10.24)</u>
	25.64
Provision for doubtful debts	4.25
Provision for doubtful advances	269.39
Provision for Warranties	70.15
Travelling and Conveyance	60.82
Communication expenses	27.23
Printing & Stationery	8.73
Professional Charges	15.46
Miscellaneous Expenses	113.28
	<u>737.63</u>
	<u>5144.35</u>

SCHEDULE 14

INTEREST ON

I. Loans from Banks	6.02
II. Fixed Deposits	3.51
III Others	5.49
	<u>15.02</u>



BEARDELL LIMITED

Consolidated Financial statements for the year ended March 31, 2009

Schedules forming part of accounts

(All amounts in lakhs of Indian Rupees)

15.00 Notes to consolidated accounts

15.01 Basis of Consolidation

- (i) The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as of the Company i.e., year ended March 31, 2009.
- (ii) The consolidated financial statements have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, which are notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India.

Subsidiary company considered in this consolidated financial statement:

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

The consolidated financial statements have been prepared on the following basis

- a) The financial statements of the company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.
- b) In cases if the share of equity in the subsidiary companies as on date of investment is in excess of cost of investment of the Company, it is recognised as "Capital Reserve" and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

15.02 Significant accounting policies

(a) Basis of preparation

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

(b) Use of estimates

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

(c) Inventories

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

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

(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.

(f) Revenue recognition

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

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

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

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

(g) Foreign currency transactions

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

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

(h) Investments

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

(i) Retirement benefits

(i) Short-term employee benefits

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

(ii) Long-term employee benefits

Defined benefit plan

Accumulated Compensated absence

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

Gratuity

The Company makes contribution to a scheme administered by Life Insurance Corporation of India to discharge gratuity liabilities to the employees. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at March 31, 2009, using the 'Projected Unit Credit Method'.



BEARDELL LIMITED

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

(l) Taxes on income

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

15.03 Contingent liabilities

As on March 31, 2009

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

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

15.04 Income tax appeal

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

15.05 Excise duty

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

15.06 Working capital facilities

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

15.07 Deposits from public

- (a) Fixed deposits maturing within one year is Rs. 19.11 lakhs.
- (b) Fixed deposits under cash and bank balances includes an amount of Rs. 3.00 lakhs deposited in pursuance of Rule 3A of the Companies (Acceptance of Deposits) Rules, 1975.

15.08 Sundry debtors includes

Retention money Rs.61.23 lakhs.

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 in the prior year.

During the year ended March 31, 2009, the company had issued a notice under section 138 of Negotiable Instrument Act, as the cheques amounting to Rs.274.00 lakhs issued in part discharge of the advance were returned by the bankers. However no further legal proceedings were initiated. The Company has been negotiating with M/s. Park-in Mills for a settlement and in the process obtained fresh cheques amounting to Rs. 274.00 Lakhs in lieu of the earlier returned cheques. Since, the negotiations did not fructify, the company decided to encash the fresh cheques.



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During the current year 2009-10, the above cheques were deposited in the bank. This was however returned by the bankers and a notice under section 138 of Negotiable Instrument Act, has been issued to M/s. Park-in Mills.

Considering the above developments and as a matter of abundant caution, the company has made a provision in this accounts for the unsecured portion of the advance.

15.10 Contracts-in-progress

In respect of contracts-in-progress, as on March 31, 2009, the aggregate cost incurred and the profit recognized is Rs. 96.48 lakhs and Rs. 12.95 lakhs respectively. Advance from contract customers amount to Rs. 70.39 lakhs. Contracts receivables amount to Rs.291.72 lakhs.

15.11 Subsequent events

The Company in its Board Meeting held on May 20, 2009 has appointed Mr. Bharat Anumolu, who is a Non Resident Indian, as Managing Director, with remuneration, subject to the necessary approvals of the Central Government and the members of the Company in the ensuing meeting.

15.12 Gratuity

The Company's obligation towards gratuity fund is a 'Defined Benefit Plan' and the details of actuarial valuation as at March 31, 2009 is given below:

Assumptions

Discount Rate	8%
Salary Escalation	7%
Attrition rate	1-3% depending on age
Expected return on plan assets	8%
Mortality Rate	LIC-94-96-Mortality rates

Table showing changes in Present Value of Obligations

Present Value of Obligations as at beginning of year	77.22
Interest Cost	5.70
Current Service Cost	4.61
Benefits Paid	11.96
Actuarial Gain on Obligation	1.42
Present Value of Obligations as at the end of year	74.15

Table Showing changes in the Fair Value of Plan Assets

Fair Value of Plan Assets at beginning of year	84.52
Expected return on plan assets	6.40
Contributions	3.00
Benefits paid	11.96
Actuarial Gain on plan Assets	0.77
Fair Value of Plan Assets at the end of year	82.73

Table Showing Fair Value of Plan Assets

Fair Value of Plan Assets at beginning of year	84.52
Actual return on plan assets	7.17
Contributions	3.00
Benefits paid	11.96
Fair Value of Plan assets at the end of year	82.73
Funded Status	8.58
Excess of Actual over estimated return on plan assets	0.77

March 31, 2009

Actuarial gain/(loss) recognized

Actuarial gain on obligation	1.42
Actuarial gain on plan assets	0.77
Total gain for the year	2.19
Actuarial gain recognized in the year	2.19

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

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

Expenses Recognized in Statement of Profit & Loss

Current Service Cost	4.62
Interest Cost	5.70
Expected return on plan Assets	6.40
Net Actuarial Gain recognized in the year	2.19
Expenses to be recognized in the profit & loss	1.72

Opening Net Asset

Contributions	7.30
Expenses	3.00
	1.72

Closing Net Asset

8.58

15.13 Segment reporting**(a) Primary segment****As on March 31, 2009**

	Insulation	Trading	Total
Segment revenue			
Net sales / commission & rental income	4820.26	402.41	5222.67
Segment results			
Operating profit	526.90	(281.18)	245.72
Interest	-	-	(15.02)
Unallocable corporate expenses (net-off income)	-	-	(166.44)
Income taxes			(35.30)
Net profit			28.96

As on March 31, 2009

	Insulation	Trading	Others	Total
Segment assets / liabilities				
Segment assets	2371.67	347.33	-	2719.00
Unallocated corporate assets	-	-	384.77	384.77
Total assets				3103.77
Segment liabilities	1271.75	94.99	-	1366.74
Unallocated corporate liabilities	-	-	1737.03	1737.03
Total liabilities				3103.77

Capital expenditure addition	75.77
Depreciation	58.53



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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.

(b) Secondary segment

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

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

(a) Key management personnel	- Mr. A.V. Ramalingan (Executive Director)	
(b) Nature of transactions		March 31,2009
Remuneration to Key Management Personnel		14.33

15.15 Leases

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

	March 31,2009
Within one year	35.64
Later than one year and not later than 5 years	-
Later than five years	-

Brief description of Terms of Lease

Lease Rentals are accrued on the basis of Agreed Terms.

All assets are leased out for a period of twelve months

15.16 Earnings per share

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

Profit after tax	(A)	28.96
Weighted average number of equity shares	(B)	3833168
Face value per share (Rs.)		10
Basic and diluted EPS (Rs.)		0.76

15.17 Information relating to Deferred tax

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

(a) Deferred tax assets

Provision for doubtful debts	37.34
Provision for doubtful advances	93.19
VRS payment	-
Provision for Warranties	23.84
Others	1.91
	156.28

(b) Deferred tax liabilities

Depreciation	78.38
Others	3.17
	81.55

Net deferred tax asset	74.73
------------------------	--------------

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

	Opening Balance	Additions	Release	Withdrawals	Closing Balance
Provision for Warranties	-	70.15	-	-	70.15

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

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

For Audit	4.00
For Tax Audit/Representation	2.76
For Certification of statements	2.10
For Expenses	0.32
	<u>9.18</u>

15.20 Prior period comparatives

Since this is the first year of Preparation of Consolidated Financial Statements, there are no comparable previous year figures.

For & on behalf
of the Board of Directors

For DELOITTE HASKINS & SELLS
Chartered Accountants

Bharat Anumolu
Managing Director

R Gowri Shanker
Director

Bhavani Balasubramanian
Partner

Y Mukthar Basha
General Manager - Finance

K Murali
Company Secretary

Chennai
June 29, 2009



BEARDELL LIMITED



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 72nd 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 Thursday, the 27th August 2009 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

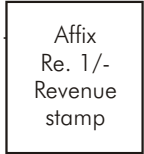
or failing him

of

as my / our proxy to attend and vote for me / us and on my / our behalf at the 72nd Annual General Meeting of the Company to be held on Thursday the 27th August, 2009 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 2009.

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.