

Best & Crompton Engg. Limited



100th Annual Report 2011-12

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Best & Crompton Engg. Limited

DIRECTORS

Mr. S.V. Venkatesan, Chairman
Mr. M. Sinivasan
Mr. N. Srinivasan
Mr. A. Annamalai
Mr. K. Prakash, Whole Time Director

GROUP CHIEF EXECUTIVE OFFICER

Mr. Kalyan Shankar Bhattacharya

REGISTERED OFFICE :

28 A, Industrial Estate (North), Ambattur,
Chennai - 600 098.
Phone No. 91 044 45514600
Fax No. 91 044 45514609

REGIONAL OFFICES:

205, SkyLine House, (2nd Floor)
85, Nehru Place,
New Delhi - 110 019.

202, Kushal-Point T.P.S. II,
4th Road, Behind Uday Cinema,
Ghatkoper (West),
Mumbai - 400 086.

46/B, Rafi Ahmed Kidwai Road,
5th Floor, P.S. Park Street,
Kolkatta - 700 016

AUDITORS

CNGSN & ASSOCIATES,
Chartered Accountants,
“Agastyar Manor”
New No: 20, (Old No: 13), Raja Street,
T. Nagar, Chennai - 600 017.

WORKS:

28, Industrial Estate (North),
Ambattur, Chennai - 600 098.

28 A, Industrial Estate (North),
Ambattur, Chennai - 600 098.

28 C, Industrial Estate (North),
Ambattur, Chennai - 600 098.

MM Industrial Estate,
Yediyur, Bangalore - 560 082.

BEST & CROMPTON ENGG. LIMITED

Registered Office: 28-A, Industrial Estate (North),
Ambattur, Chennai-600 098.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Hundredth Annual General Meeting of the Members of the Company will be held on Monday, December 17, 2012 at 10.00 A.M. at Sri Thyaga Brahma Gana Sabha, Vani Mahal, (Obul Reddy Hall), 103, G.N. Chetty Road, T. Nagar, Chennai - 600 017 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2012, the Statement of Profit and Loss for the year ended March 31, 2012, the Report of the Auditors thereon and the Report of the Directors.
2. To reappoint Mr. S.V. Venkatesan as Director liable to retire by rotation.
3. To reappoint Mr. N. Srinivasan as Director liable to retire by rotation.
4. To appoint Auditors for the financial year 2012-2013 and fix their remuneration

The retiring Auditors, M/s. CNGSN & Associates, Chartered Accountants, Chennai are eligible for re-appointment

SPECIAL BUSINESS

Ordinary Resolution :

5. To appoint Mr. M. Sinivasan as Director of the Company, subject to retirement by rotation.

for Best & Crompton Engg. Limited
By Order of the Board

Chennai
November 19, 2012

V.P. THIRUMOORTHY
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY SHALL NOT BE ENTITLED TO SPEAK AT THE MEETING.
2. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business under item 5 set out above and details, as required in the Listing Agreement with the Stock Exchanges, in respect of Directors seeking re-appointment / appointment at this Annual General Meeting are annexed hereto.
3. The Members, who hold Shares in dematerialized form, are requested to bring their Client ID and DP ID numbers for easy identification at the Meeting.
4. The Company's Shares are listed with the Madras Stock Exchange Limited, Chennai and Bombay Stock Exchange Limited, Mumbai. The Company has paid the listing fee for the year 2012 - 2013 to the Stock Exchanges.

5. The Register of Members and the Share Transfer Books of the Company will remain closed from December 11, 2012 to December 17, 2012. (both days inclusive)

6. The Ministry of Corporate Affairs (MCA) has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies vide its Circular Nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively, stating that service of documents viz. Notices, Annual Reports, etc. to its Members can be sent through electronic mode. The Members holding Equity Shares of the Company in physical form are requested to provide their e-mail addresses to the Company.

Members holding Equity Shares of the Company in dematerialized mode are requested to register their e-mail addresses and / or changes therein from time to time with their DPs.

7. The Members are requested to notify immediately any change in their addresses to the Registrar and Transfer Agent at the following Address:-

M/s. Integrated Enterprises (India) Limited,
II Floor, Kences Towers,
No.1, Ramakrishna Street,
T. Nagar, Chennai - 600 017.
Phone: 28140801
e-mail : corpseiv@iepindia.com

8. The Members are requested to quote Register Folio Numbers or DP ID/ Client ID Numbers in all their correspondence.

9. The Members holding shares of the Company in identical order of the names in more than one folio are requested to send the details of all such folios together with the Share Certificates for consolidating the folios into one. The Share Certificates will be returned to the Members, after making necessary endorsements thereon.

10. The Companies (Amendment) Act, 1999 has introduced the facility of nomination to shareholders. The prescribed format, in this regard, can be obtained from the Company.

11. The Members attending the Annual General Meeting are requested to bring with them the following:-

- (i) Copy of the Annual Report.
- (ii) The attendance slips of a person actually attending the Meeting either as a Member or as a duly registered proxy.

12. The Members desiring any information are requested to write to the Company at an early date to enable the Management to keep the information ready.

for Best & Crompton Engg. Limited
By Order of the Board

Chennai
November 19, 2012

V.P. THIRUMOORTHY
Company Secretary

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956

For Item No. 5

Mr. M. Sinivasan was appointed as an Additional Director of the Company on 27.7.2012. He holds Office upto the date of the Annual General Meeting and being eligible offers himself for appointment as Director of the Company.

Mr. M. Sinivasan is an Entrepreneur with varied business interests in diverse fields like Engineering, Textiles and Infrastructure related projects. He has a vast experience of over five decades in managing both manufacturing and service oriented industries abroad.

His induction in the Board will greatly benefit the Company and its Subsidiaries.

No Director other than Mr. M. Sinivasan is interested in the above Resolution.

for Best & Crompton Engg. Limited
By Order of the Board

Chennai
November 19, 2012

V.P. THIRUMOORTHY
Company Secretary

Brief particulars of Directors seeking Appointment / Re-appointment at the Annual General Meeting

Sl. No.	Particulars	
1.	Name	Mr. M. Sinivasan
2.	Date of Appointment	27.07.2012
3.	Qualifications & Expertise	Entrepreneur and Corporate Promoter
4.	Experience in functional area	Mr. M. Sinivasan is an Entrepreneur with varied business interests in diverse fields like Engineering, Textiles and Infrastructure related projects. He has a vast experience of over five decades in managing both manufacturing and service oriented industries abroad.
5.	Directorships held in other Public Companies	NIL
6.	Memberships/Chairmanships of Committees of other public Companies (Includes only Audit Committee and Shareholders/Investors Grievance Committee)	NIL
7.	No. of Shares held in the Company	NIL

Sl. No.	Particulars	
1.	Name	Mr. S.V. Venkatesan
2.	Date of Appointment	31.01.2007
3.	Qualifications & Expertise	B.Com CAIIB Finance and Banking
4.	Experience in functional area	Mr. S.V. Venkatesan is a gold medalist in Commerce from Madras University. His career with State Bank of India, the largest commercial Bank in India, spanned over 24 years; he held important responsibilities in India and abroad. and had a wide international exposure. He was associated with the committee appointed by the Bank to aid in the formulation of Corporate credit policies. In 1986, Mr. Venkatesan joined the Essar Group as the Financial Controller and is now on the Board of the Group companies. He spearheads the financial function for the entire Group and has been largely responsible for the resource mobilization through Capital Markets and Institutions to fund the large capital intensive projects of the Group; he was also responsible for drafting and implementing the financial policies for FOREX Management.
5.	Directorships held in other Public Companies	<ol style="list-style-type: none"> 1. Essar Investments Limited 2. Essar Steel Limited 3. Essar Teleholdings Limited 4. India Securities Limited 5. Bhandar Power Limited 6. Essar Constructions (India) Ltd 7. Essar Information Technology Limited 8. Essar Power Limited 9. Essar Power Tamilnadu Limited 10. Lancor Holdings Limited 11. Essar Power M.P.Limited 12. Essar Shipping Ports and Logistics Limited
6.	Memberships/Chairmanships of Committees of other public Companies (Includes only Audit Committee and Shareholders'/Investors' Grievance Committee)	Committee Member in 7 Companies. Comittee Chairman in 3 Companies.
7.	No. of Shares held in the Company	20,000

Sl. No.	Particulars	
1.	Name	Mr. N. Srinivasan
2.	Date of Appointment	31.01.2007
3.	Qualifications & Expertise	B.Com., C.A Corporate Finance and Accounts
4.	Experience in functional area	Mr. N. Srinivasan is a Commerce Graduate and a Chartered Accountant since 1955. He was the Senior Partner of Fraser & Ross and Deloitte Haskins & Sells. He has been the past Chairman of the Southern India Regional Council and a Central Council Member of the Institute of Chartered Accountants of India. He has been the President / Regional Director / Director of Institute of Internal Auditors Inc. Florida.
5.	Directorships held in other Public Companies	<ol style="list-style-type: none"> 1. United Breweries (Holdings) Limited 2. McDowell Holdings Limited 3. UB Engineering Limited 4. Tractors and Farm Equipment Limited 5. The India Cements Limited 6. Redington (India) Limited 7. The United Nilgiri Tea Estates Company Limited 8. GATI Limited 9. Tafe Motors and Tractors Limited 10. Essar Shipping Ports and Logistics Limited 11. The India Cements Capital Limited 12. Redington Investments Limited
6.	Memberships/Chairmanships of Committees of other public Companies (Includes only Audit Committee and Shareholders'/Investors' Grievance Committee)	Committee Member in 7 Companies Committee Chairman in 5 Companies
7.	No. of Shares held in the Company	Nil

Directors' Report

Dear Members,

Your Directors present the 100th Annual Report and the Audited Accounts of the Company for the year ended March 31, 2012.

The financial Highlights for the year ended under review are as below:

1. Financial Highlights

(Rs'Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Total Income	5928	7965
Expenditure	6099	11761
Gross Profit/(Loss)	(171)	(3796)
Taxation	185	(143)
Profit after Tax	(356)	(3653)

As your Company has incurred continuing losses, your Directors are unable to recommend any dividend for the year ended March 31, 2012.

2. Performance of various Divisions of the Company

2.1 Pumps Division

The order inflow and revenue from operations remained flat in this financial year primarily because large infrastructure projects in both government and private sector were kept on hold for various reasons. However, we were able to improve the margins substantially from 16% in 2010-11 to 22% in 2011-12 and revenue earned through supply of spares. This was possible by selling improved product mix and through timely and cost efficient execution of orders on hand.

The Company continues to be a preferred supplier of pumps to the Indian Navy and expects to benefit from the Navy's growth plan and its emphasis on greater indigenization in the coming years. The Company made fresh forays into the mining sector by bagging orders for dewatering pumps from Neyveli Lignite Corporation. The unit continues to serve municipal corporations, water and sewerage boards of India and has made significant in-roads in supply of pumps to waste water segment. The order book position continues to be healthy and the division is expected to perform well in the current year.

2.2 Chennai Foundry

The foundry operation was adversely affected by the additional power cuts imposed by the Tamil Nadu Electricity Board and the slump in demand of castings from the commercial vehicle segment. The production of Non-Ferrous Castings stabilized and the division was successful in producing pump castings needed to meet the in-house requirement of the pump division. In future, this backward integration would help the pump division in timely execution of the naval orders and make the unit more competitive. With the expected improvement in power supply scenario and the bounce back of the automotive sector, the unit would increase production levels and generate increased revenue in the coming years.

2.3 Machinery Manufacturing Division

The electrical machine factory has bagged repeat orders from the Railways for making 4.5 Kw and 25Kw alternators. The unit has received the ISO 9001-2008 certification and this will ensure continuous business with the Railways.

Plug and Socket unit performed well during the year and achieved a turnover of Rs.2.29 Crores. As the Power Sector unit is on the growth path, the performance of this unit is expected to improve over the coming years.

2.4 Fabrication Division

The division has met the in-house fabrication requirements of the Pump Division and the machinery manufacturing division. It is expected that the division will be able to cater to outside customers.

2.5 Bangalore Pump Factory

The unit achieved a net sale of Rs.3.25 Crores and a PBT of Rs.35 lakhs in this financial year. The unit has taken on the manufacture of 1Kw, 3Kw and 5Kw monoblock pumps and it is expected that it would enable your Company to increase its turnover and profitability in the coming years.

3. Fixed Deposits

No Fixed Deposits have been accepted by the Company. There was no outstanding deposit at the close of the financial year.

4. Accounts of Subsidiaries

As per the Circular issued by the Ministry of Corporate Affairs, Government of India, exemption has been granted to all Companies from attaching the Accounts of the Subsidiary Companies; however, a statement showing the particulars about the performance of the Subsidiary Companies forms part of this Annual Report. Your Company undertakes that the Annual Accounts of the Subsidiary Companies and related information will be made available to the Members of the Company, if such request is made by them. The Annual Accounts of the Subsidiary Companies are also available for inspection at the Registered Office of the Company.

5. Performance of Subsidiary Companies

5.1 Best & Crompton Apparels Limited

The Operations of this Subsidiary were suspended due to acute financial crunch, lack of working capital and lack of orders. The Company is under discussion with strategic investors for augmenting working capital and restart operations of the unit, besides infusion of funds to the satisfaction of Debts Recovery Tribunal, Chennai.

5.2 B&C Machinery Limited

This Subsidiary is in the process of completing the project. The delay was due to various factors. As a means of assistance, the Bankers have called for a comprehensive proposal for completion of the project and commence commercial production by March 2013, despite reference to Debts Recovery Tribunal, Chennai.

5.3 Crombest Precast Buildings Limited

To reflect the brand name of the Holding Company, the name of the Subsidiary Company has been changed to Crombest Precast Buildings Limited with effect from 16.10.2012.

This Subsidiary is executing orders on a limited extent due to working capital constraint. The company is in discussion with strategic investors for augmenting working capital requirements of the company. Further, a comprehensive proposal is being worked out for discussion with the Bankers for reschedulement/ restructuring/ settlement of their dues to the satisfaction of Debts Recovery Tribunal, Chennai.

5.4 Best & Crompton Green Tech Limited

Best & Crompton Green Tech Limited has achieved financial closure and is in the process of setting up its manufacturing facility. The Company is expected to commence commercial production of CFL and LED Bulbs by July 2013.

Best & Crompton Green Tech Limited has ceased to be a Subsidiary of the Company and became an Associate Company with effect from March 17, 2012.

5.5 B & C Tech. Services Limited

This Subsidiary is reorganizing and revamping its business operations to ensure its continued viability and profitability.

6. Directors

Mr. S.V. Venkatesan and Mr. N. Srinivasan retire by rotation and being eligible offer themselves for re-appointment.

Mr. M. Sinivasan was appointed as an Additional Director of the Company on 27.7.2012. He holds Office upto the date of the Annual General Meeting and being eligible offers himself for appointment as Director of the Company.

Brief particulars of the above Directors are given in the Annexure to the Notice of the Annual General Meeting.

7. Directors' Responsibility Statement

Pursuant to the requirements under Section 217 (2 AA) of the Companies Act 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed –

- (i) that in preparation of the Accounts for the financial year from April 1, 2011 to March 31, 2012, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the Profit or Loss of the Company for the financial period under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe-guarding the assets of the Company and for preventing fraud and other irregularities;
and
- (iv) that the Directors prepared the accounts for the financial year ended 31st March 2012 on a 'going concern' basis.

8. Audit Committee

Pursuant to the requirements of Section 292 A of the Companies Act, 1956 and the Listing Agreement entered into with the Stock Exchanges, the Committee comprised of the following Directors:-

Mr. S.V. Venkatesan	-	Chairman
Mr. A. Annamalai	-	Member
Mr. N. Srinivasan	-	Permanent Invitee

9. Corporate Governance

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance, as stipulated by the Listing Agreement with the Stock Exchanges, form part of the Annual Report for the financial year ended March 31, 2012. The Management Discussion and Analysis Report is also enclosed.

10. Auditors

The Auditors, M/s. CNGSN & Associates, Chartered Accountants, Chennai, retire and are eligible for re-appointment for the current year. With reference to the observations in the Audit Report, the relevant financial notes on the accounts are self-explanatory. Undisputed sales tax and tax deducted at source will be remitted after obtaining certain clarifications from the Tax authorities.

11. Personnel

Particulars of Employees

The particulars required pursuant to Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975 as amended forms part of this Report. However, in terms of the provisions of Section 219(1)(b)(iv) of the Act, the Directors' Report (excluding the Statement of Particulars of Employees) is being sent to all the shareholders of the Company. Any shareholder interested in obtaining a copy of the said Statement may write to the Registered Office of the Company.

12. Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and outgo

There is no material development to report relating to conservation of Energy, Research & Development and Technology Absorption, as required under Section 217 (1) (e) of the Companies Act, 1956. Information pertaining to Foreign Exchange Earnings and Outgo are as contained in Item Nos. 33 and 34 of the Notes on Accounts respectively.

13. Acknowledgment

The Board places on record the assistance by the Bankers and their consideration and forbearance shown. The Board also places on record its appreciation for the guidance and support extended by a host of consultants and advisors. The Board acknowledges gratefully the continuing relationship with customers and business partners. Your Directors express their appreciation of the co-operation and assistance extended by the Central Government and the State Governments and the various Governmental Agencies. The tolerance and support of shareholders and the co-operation of employees are gratefully acknowledged.

For and on behalf of
the Board of Directors

Chennai
November 19, 2012

S.V. VENKATESAN
Chairman

Report on Corporate Governance

Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance is to -

- strictly comply with the Code of Business Conduct and Ethics adopted by the Company.
- fair and accurate presentation of Financial Statements.
- ensure, transparency and accountability in all its activities to fulfil its Corporate Responsibilities through prudent financial management backed up by sound business decisions.
- Commitment to enhancement of Shareholders' value.
- be socially responsible.

1. Board of Directors

The present strength of the Board is four, comprising of one Whole Time Director and three Non Executive Directors and is as follows :-

- | | |
|------------------------|---|
| 1. Mr. S.V. Venkatesan | Independent Non Executive Director and Non Executive Chairman |
| 2. Mr. N. Srinivasan | Independent Non Executive Director |
| 3. Mr. A. Annamalai | Independent Non Executive Director |
| 4. Mr. K. Prakash | Whole Time Director |

2. Participation of each Director at the Board Meetings held during the year 2011 – 2012 (April 01, 2011 to March 31, 2012) and at the last Annual General Meeting and details of other Directorships

12 Board Meetings were held during the year 2011 - 2012 (April 1, 2011 to March 31, 2012). The dates on which the Meetings of the Board were held are: 28.04.2011, 23.05.2011, 26.5.2011, 03.08.2011, 10.08.2011, 28.10.2011, 29.10.2011, 15.11.2011, 21.11.2011, 18.01.2012, 14.02.2012 and 15.02.2012.

The participation record and the details of Directorship/Membership of all the Directors during the year are as under :-

Name of the Director	No. of Board Meetings Attended	Last AGM Attended	Directorships in other Companies (excluding Foreign Companies and Private Limited Companies)			
			Director	Chairman	Member	Chairman
Mr. S.V. Venkatesan	12	yes	12	--	7	3
Mr. N. Srinivasan	3	yes	12	--	7	5
Mr. K. Prakash	12	yes	--	--	--	--
Mr. A. Annamalai	12	yes	2	--	--	--

3. Remuneration to Directors

The Sitting Fee of Rs.5,000 each is payable to the Directors for attending the Board Meetings and Audit Committee Meetings.

Disclosure regarding re-appointment/appointment of Directors

At the ensuing Annual General Meeting, Mr. S.V. Venkatesan and Mr. N. Srinivasan retire by rotation and being eligible offer themselves for re-appointment.

Mr. M. Sinivasan was appointed as an Additional Director of the Company on 27.7.2012. He holds Office upto the date of the Annual General Meeting and being eligible offers himself for appointment as Director of the Company.

Profile of Directors seeking re-appointment / appointment at this Annual General Meeting is furnished in the Annexure to the Notice of the Annual General Meeting dated November 19, 2012 published elsewhere in the Annual Report.

4. Audit Committee

The Audit Committee comprises of the following Directors :-

- | | |
|---------------------|---------------------------|
| Mr. S.V. Venkatesan | Chairman of the Committee |
| Mr. A. Annamalai | Member |
| Mr. N. Srinivasan | Permanent Invitee |

9 Audit Committee Meetings were held during the year 2011 - 2012 (April 1, 2011 to March 31, 2012). The dates on which the Meetings of the Audit Committee were held are: 28.04.2011, 26.05.2011, 10.08.2011, 28.10.2011, 29.10.2011, 15.11.2011, 21.11.2011, 14.02.2012 and 15.02.2012.

5. Share Transfer Committee

- | | |
|----------------|----------|
| Mr. K. Prakash | Chairman |
|----------------|----------|

The Committee is authorised to approve the formalities relating to the Share Transfer Process.

During the year 2011-2012, 13 Meetings were held on the following dates and the transfer of shares was approved :-

30.04.2011, 31.05.2011, 30.06.2011, 30.07.2011, 16.08.2011, 30.08.2011, 30.09.2011, 15.11.2011, 31.12.2011, 31.01.2012, 29.02.2012, 15.03.2012 and 30.03.2012.

6. Shareholders'/ Investors' Grievance Committee

The Members of the Shareholders' / Investors' Grievance Committee are :-

- | | |
|---------------------|---------------------------|
| Mr. S.V. Venkatesan | Chairman of the Committee |
| Mr. K. Prakash | Member |

The status of outstanding Investors' Complaints is reported to the Board every quarter.

The Shareholders' / Investors' Grievance Committee has been constituted to monitor the redressal of the Grievances of the Shareholders / Investors. The Website is www.bestcrompton.com and the e-mail ID is investorsgrievance@bestcrompton.com

Mr. V.P. Thirumoorthy, Company Secretary, is the Compliance Officer of the Company.

No Share Transfer was pending as on March 31, 2012.

During the year, the Company received 5 complaints; out of these; 3 pertain to non- receipt of Annual Report, 1 pertains to Issue of Duplicate Share Certificates and 1 pertains to Transfer of Shares. All the grievances were redressed.

7. Remuneration and Compensation Committee

The Members of the Remuneration and Compensation Committee are :-

- | | |
|---------------------|----------|
| Mr. S.V. Venkatesan | Chairman |
| Mr. N. Srinivasan | Member |
| Mr. K. Prakash | Member |

No meeting of the committee was held during the year.

8. Disclosures

a) Related party Transactions

During the year, there were no material transactions with the Promoters, Directors and their relatives, the management and the Company's Subsidiaries that had potential conflict with the interest of the Company.

b) Compliance by the Company

Non-mandatory requirements under Clause 49 of the Listing Agreement have not been opted by the Company for implementation.

- c) As per Clause 49 (V) of the Listing Agreement, the Chairman and the Whole Time Director have certified to the Board on the review of financial statements for the year ended March 31, 2012 in the Form prescribed by Clause 49 of the Listing Agreement.

9. Annual General Meetings

a) Last three Annual General Meetings were held as under:-

Financial Year	Date of Meeting & Time	Venue
2010-2011	19.12.2011 10.00 A.M.	Sri Thyaga Brahma Gana Sabha Vani Mahal (Obul Reddy Hall) 103, G.N. Chetty Road T. Nagar, Chennai - 600 017.
2009 - 2010	20.12.2010 10.00 A.M.	Sri Thyaga Brahma Gana Sabha Vani Mahal (Obul Reddy Hall) 103, G.N. Chetty Road T. Nagar, Chennai - 600 017.
2008-2009	23.12.2009 2.00 P.M.	(Freedom Hall) Hotel Park View 125, Valluvarkottam High Road Nungambakkam Chennai - 600 034

b) Present Annual General Meeting

Date : 17.12.2012

Day : Monday

Time : 10.00 A.M.

Venue : Sri Thyaga Brahma Gana Sabha, Vani Mahal (Obul Reddy Hall), 103, G.N. Chetty Road, T. Nagar, Chennai - 600 017.

Postal Ballot

The provisions relating to Postal Ballot will be complied with as per the provisions of the Companies Act, 1956 as and when situation may arise. No Resolution was passed by Postal Ballot during the financial year 2011 - 12. Similarly, no business is required to be transacted through Postal Ballot at this Annual General Meeting.

10. Means of Communication

Quarterly Results

The Management Discussion and Analysis Report is enclosed.

The Quarterly Results are published in "News Today" (English) and "Maalai Sudar" (Tamil). The Quarterly Results are displayed on the Web site.

Financial Calendar:

Quarterly Results publication in August 2012, November 2012, February 2013 and May 2013.

Date of Book Closure is from December 11, 2012 to December 17, 2012 (both days inclusive).

Listing : The Madras Stock Exchange Limited, Chennai and Bombay Stock Exchange Limited, Mumbai.

Stock Code :

In MSE
BESTCROMPT

In BSE
500046

Market Price in the Financial Year in BSE

Month	High Rs.	Low Rs.	Sensex High	Sensex Low
April 2011	15.83	12.38	19,811.14	18,976.19
May 2011	13.06	11.04	19,253.87	17,786.13
June 2011	11.83	10.06	18,873.39	17,314.38
July 2011	13.90	10.26	19,131.70	18,131.86
August 2011	12.40	9.02	18,440.07	15,765.53
September 2011	10.96	8.86	17,211.80	15,801.01
October 2011	9.57	8.52	17,908.13	15,745.43
November 2011	9.89	7.82	17,702.26	15,478.69
December 2011	8.24	6.80	17,003.71	15,135.86
January 2012	9.00	7.68	17,258.97	15,358.02
February 2012	9.33	7.57	18,523.78	17,061.55
March 2012	11.73	8.30	18,040.69	16,920.61

Shareholding Pattern as on March 31, 2012

Category	No. of Shares held	% to paid up Capital
Foreign Promoters	80344086	64.88
Mutual Funds	24910	0.02
Banks, Fls., Insurance Companies	529400	0.43
Bodies Corporate	18965557	15.31
Resident Indian	8119118	6.56
NRI	320588	0.26
Foreign Companies	15400047	12.44
Others - (Clearing Members & Trust)	136809	0.10
Total	123840515	100.00

Distribution of Shareholding as on March 31, 2012

Category of Shares	No. of Shareholders	% of Shareholders	Shares	% of Shares
Upto 5000	14176	83.04	2080892	1.68
5001 - 10000	1524	8.93	1256107	1.01
10001 - 20000	695	4.07	1089696	0.88
20001 - 30000	212	1.24	551484	0.45
30001 - 40000	119	0.70	424626	0.34
40001 - 50000	91	0.53	398068	0.32
50001 - 100000	152	0.89	1123901	0.91
100001 & above	102	0.60	116915741	94.41
Total	17071	100.00	123840515	100.00

Registrar and Transfer Agent

Integrated Enterprises (India) Limited, Chennai, are the Registrar and Transfer Agent of the Company. All correspondence relating to Share Transfers and other allied matters may please be addressed to:

Integrated Enterprises (India) Limited
II Floor, Kences Towers
No.1, Ramakrishna Street
T.Nagar, Chennai - 600 017.
Phone : 2814 0801 - 2814 0803
Fax : 2814 2479
email : corpseiv@ieplndia.com

Dematerialisation of Shares

The Shares of the Company are in compulsory Demat segment. The Company's Shares are available for Demat with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is INE287A01015.

22.01% of the Paid up Capital has been dematerialised as on March 31, 2012.

Plant Location

Fabrication & Machinery Manufacturing Division

28C, Industrial Estate (North),
Ambattur, Chennai - 600 098.

Foundry Division

28A, Industrial Estate (North),
Ambattur, Chennai - 600 098.

Pump Division

Bangalore

MM Industrial Estate,
Yedyur, Bangalore - 560 082.

Chennai

28 & 28A, Industrial Estate (North),
Ambattur, Chennai - 600 098.

Address for Correspondence

Secretarial Department,
28-C, Industrial Estate (North),
Ambattur,
Chennai - 600 098.

Tel : 044 45514777

Fax : 044 45514609

e-mail : investorsgrivance@bestcrompton.com

Web : www.bestcrompton.com

For Best & Crompton Engg. Limited
By order of the Board

Chennai
November 19, 2012

K. PRAKASH
Whole Time Director

Certification to the Board of Directors of Best & Crompton Engg. Limited

Dear Sirs,

Sub: Certificate issued in accordance with the provisions of Clause 49 of the Listing Agreement

We have reviewed the financial statements, read with the cash flow statement of Best & Crompton Engg. Limited for the year ended March 31, 2012 and that to the best of our knowledge and belief, we state that :-

- a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
(ii) these statements together present a true and fair view of the company's affairs and are in compliance with the current accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee -
 - (i) No significant changes in accounting policies have been made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (ii) No instance of fraud of which we have become aware and the involvement therein of the Management or an employee.

For Best & Crompton Engg. Limited

Chennai
November 19, 2012

K. PRAKASH
Whole Time Director

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 sub-clause 1 (D) of the Listing Agreement with the Stock Exchanges, we hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2012.

For BEST & CROMPTON ENGG. LIMITED

Chennai
November 19, 2012

K. PRAKASH
Whole Time Director

Auditors' Certificate on Corporate Governance to the Members of Best & Crompton Engg. Limited

We have examined the compliance conditions of Corporate Governance by Best & Crompton Engg. Limited for the year ended 31st March 2012, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The company has maintained a register in which the investor(s) grievances are recorded with the date of disposal. On the basis of such register we note that no investor grievance is pending for a period exceeding one month against the company.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

For CNGSN & Associates
Chartered Accountants

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

Chennai
November 19, 2012

C.N. GANGADARAN
Partner
M. No: 11205

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

The Company with a view to capitalize on the growing demand for Pumps and Castings has by a judicious product mix of various types of pumps and new types of castings expects to achieve better results in terms of productivity and profitability.

Out of the other ventures commenced by your Company, one has commenced commercial production and one is nearing project completion. Once the project is completed and commercial production commences, this venture is expected to break even in the next two years.

The new ventures are facing demands for recovery of loans from their bankers, which has a bearing on your Company. Your Company is addressing this issue and is in the process of submitting concrete revival and restructuring plans to the Bankers of the new ventures and it is hopeful of these proposals being acceptable to the Bankers of the new ventures.

Opportunities and Threats

The Company's plans for improvement of the production facilities involves fund based support from the Bankers. The effect of the Bankers demands on the new ventures also has a bearing on the Company's plans.

Any change in Governmental Policies and Regulations coupled with a volatile Market and soaring prices of raw materials could result in a delay in the completion of the projects, which in turn would affect the projections, as envisaged by the Company.

Internal Control System

The Company has been maintaining adequate internal control systems, which are commensurate with the size of the operations being carried out by the Company and are adequate.

Financial Performance

This is covered in the Directors' Report.

Human Resources

The Company is in the process of finalizing and putting in place its HR Policy to motivate the employees and retain them. The objective is to ensure job satisfaction and a clear career growth at all levels. The Company strives to recruit the best talent in their respective disciplines to utilize their experience and expertise for the benefit and growth of the organization.

For and on behalf of the Board of Directors

Chennai
November 19, 2012

K. PRAKASH
Whole Time Director

Report of the Auditors' to the Members of Best & Crompton Engg. Limited

We have audited the attached Balance Sheet of Best & Crompton Engg. Limited as at 31st March 2012, the Statement of Profit and Loss for the year 31st March 2012 and the Cash Flow Statement for the year ended 31st March 2012. 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 misstatements. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditors' Report) Order, 2003, issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement referred to in this report are in agreement with the books of account.
- 3) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- 4) On the basis of the written representations received from the Directors as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

- 5) *Attention is invited, without qualifying the accounts, to Note No. 40 regarding investments in and advances to three subsidiaries in regard to whom the lending financial institutions have moved the Debts Recovery Tribunal, Chennai and to Note No. 42 regarding unadjusted old advances. Although in the opinion of the Management no provision is called for on these counts for reasons stated, defined business plans and sourcing of additional funds are not yet in place.*
- 6) The said accounts, in our opinion and to the best of our information and according to the explanations given to us and read together with the accounting policies and notes appearing give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view and are in conformity with the accounting principles generally accepted in India:
 - i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2012.
 - ii. In the case of Statement of Profit and Loss, of the loss for the year ended on that date.
 - iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For CNGSN & ASSOCIATES
Chartered Accountants
(Firm Registration No. 004915S)

C.N. GANGADARAN
Partner
M.No.11205

Place : Chennai
Date : November 19, 2012

Annexure to the Auditors' Report

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified during the year by the management and no discrepancies, were noticed on such verification.
- (b) Most of the assets have been physically verified by the management during the year. The Company has a phased programme of verification which in our opinion is reasonable having regard to the size of the Company. No material discrepancies have been noticed on such verification.
- (c) During the year the Company had sold certain land, building and machinery, however disposal of these assets has not affected the company as a "going concern".
2. (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (d) In our opinion and on the basis of our examination of the stock records, the valuation of the stocks is fair and proper and in accordance with normally accepted accounting principles.
3. The Company has certified that no transaction need to be entered in the Register maintained under Section 301 of the Companies Act 1956. Hence the question of loans given or received from such parties does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods and services.
5. (a) In our opinion and according to the information and explanations and based on certifications given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (b) No transactions have been entered at a price exceeding the value of Rs 5,00,000/- in respect of any one party.
6. The company has not accepted any fixed deposits from the public during the year and there are no outstanding fixed deposits.
7. No internal audit of the accounts has been carried out during the year for reason stated in financial Note No. 44
8. Cost accounting records are made and maintained in respect of pump division of this company. We have however not carried out an audit of the above records. The cost audit by an independent firm of cost auditors is in progress for the current year.
9. (a) According to the records of the Company Provident fund, Employees State Insurance, Tax deducted at source and Service tax dues have been deposited with the appropriate authorities with slight delays in certain months except for TDS amounting to Rs. 59.58 lakhs which is still to be remitted.
- (b) The Undisputed sales tax liability amounting to Rs 1.27 crores were in arrears as on 31st March 2012 for a period of more than six months from the date they became payable. The amount relates to the periods 1984 - 85 to 2003 - 04.
- (c) The disputed statutory dues amounting to Rs. 3,564.90/- lakhs that have not been deposited on account of matters pending before appropriate authorities are as under.

S.No.	Particulars	Forum	Year	Amount Rs. (Lakhs)
1	Excise Duty	Commissioner of Excise	1998-99	0.86
2	Sales Tax	High Court, Tribunal, Additional Deputy Commissioner, Assistant Commissioner, Joint Commissioner, Additional Commissioner.	1983-84 to 2003-04	197.55
3	Central Sales Tax	Tribunal, Additional Deputy Commissioner, Assistant Commissioner, Joint Commissioner, Additional Commissioner.	1987-88 to 2001-02	66.49
4	Income Tax			3300.00
		TOTAL		3564.90

10. The Company has accumulated losses as at 31st March 2012. The Company has incurred cash losses in the current financial year and also in the immediately preceding financial year.

11. The Company has no outstanding debentures; however, the amount to be transferred to Investor Education and Protection Fund on credit of unclaimed debentures and interest is Rs 3.96 lakhs.

Default on payments to Financial Institutions is as follows :

Particulars	Principal (Rs.)	Interest (Rs.)
ILFS	4800 lakhs	65.76 lakhs

12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of Companies (Auditors' Report) Order 2003, is not applicable.

15. According to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

16. According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment.

17. During the year the Company has not made any preferential allotment of shares to the parties and the companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (xviii) of Companies (Auditors Report) Order 2003 is not applicable.

18. On the basis of records and documents examined by us, there is no shortfall in the creation of security.

19. The Company has not raised any money through public issue during the year.

20. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For CNGSN & ASSOCIATES
Chartered Accountants
(F. No. 004915S)

C N GANGADARAN
Partner
M.No.11205

Place: Chennai
Date: November 19, 2012

Balance Sheet as at 31st March, 2012

	Note No	31.03.2012 Rs. '000	31.03.2011 Rs. '000
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds :			
a) Share Capital	1	1,610,126	1,610,126
b) Reserves and Surplus	2	(23,774)	11,895
c) Money received against share warrants			
2. Share application money pending allotment			
3. Non-Current Liabilities			
a) Long-term borrowings	3	47,163	97,025
b) Deferred tax liabilities (Refer Note No. 30)		7,667	5,238
c) Other Long-term liabilities		-	-
d) Long-term provisions	4	234,083	237,561
4. Current Liabilities			
a) Short-term borrowings	5	696,128	263,791
b) Trade payables		151,801	162,557
c) Other current liabilities	6	148,777	446,339
d) Short-term provisions	7	34,664	30,025
Total		<u>2,906,635</u>	<u>2,864,557</u>
II. ASSETS			
1. Non-current assets			
a) Fixed assets			
i) Tangible assets	8	127,211	164,322
ii) Intangible assets		-	-
iii) Capital work-in-progress (Machinery awaiting installation at Subsidiary's site (including new project advances)	9	148,149	147,335
iv) Intangible assets under development			
b) Non-current investments	10	1,293,110	1,193,810
c) Deferred tax assets (Refer Note No. 30)		15,490	14,553
d) Long term loans and advances	11	161,965	178,855
e) Other non-current assets	12	28,592	53,353
2. Current assets			
a) Inventories	13	90,815	70,000
b) Trade receivables	14	304,836	329,051
c) Cash and cash equivalents	15	107,421	35,515
d) Short-term loans and advances	16	619,113	674,005
e) Other current assets	17	9,933	3,758
Total		<u>2,906,635</u>	<u>2,864,557</u>

Notes to Balance Sheet annexed

As per our report of even date

For and on behalf of the Board of Directors

For CNGSN & ASSOCIATES

Chartered Accountants

(Firm Registration No. 004915S)

S.V. VENKATESAN

Chairman

K. PRAKASH

Whole Time Director

C.N. GANGADARAN

Partner

Chennai

November 19, 2012

V.P. THIRUMOORTHY

Company Secretary

M.No. 11205

STATEMENT OF PROFIT AND LOSS
for the year ended 31st March, 2012

	Note No.	Year ended 31.3.2012 Rs. '000	Year ended 31.3.2011 Rs. '000
I. Revenue from operations	18	562,797	782,672
II. Other Income	19	30,015	13,795
III. Total Revenue		<u>592,812</u>	<u>796,467</u>
IV. Expenses:			
Cost of materials consumed	20	288,140	338,776
Purchase of Stock-in-Trade			24,694
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(8,388)	173,625
Employee benefit expense	22	177,562	196,442
Financial costs	23	48,468	23,606
Depreciation and amortization expense		12,997	14,254
Other expenses	24	156,130	174,287
Total Expenses		<u>674,909</u>	<u>945,684</u>
V. Loss before exceptional and extraordinary items and tax		(82,097)	(149,217)
VI. Exceptional Items (Note No. 43)		(64,959)	230,389
VII. Loss before extraordinary items and tax		(17,138)	(379,606)
VIII. Extraordinary Items		-	
IX. Loss before tax		<u>(17,138)</u>	<u>(379,606)</u>
X. Tax expense:			
(1) Current tax		-	
(2) Deferred tax		1,492	(14,285)
(3) Taxation relating to earlier years		17,039	-
XI. Loss for the year		<u>(35,669)</u>	<u>(365,321)</u>
XII. Earning per equity share:			
(1) Basic		(0.34)	(3.00)
(2) Diluted		(0.34)	(3.00)

Notes to Statement of Profit and Loss annexed

For and on behalf of the Board of Directors

S.V. VENKATESAN
Chairman

Chennai
November 19, 2012

K. PRAKASH
Whole Time Director

V.P. THIRUMOORTHY
Company Secretary

As per our report of even date
For CNGSN & ASSOCIATES
Chartered Accountants
(Firm Registration No. 004915S)

C.N. GANGADARAN
Partner
M.No. 11205

NOTES TO ACCOUNTS

	31.03.2012 Rs. '000	31.03.2011 Rs. '000		
1. SHARE CAPITAL			Subscribed and Paid up share capital	
Authorised share capital			12,38,40,515 Equity share of Rs 10 each	1,238,405
15,00,00,000 Equity share of Rs 10 each	<u>1,500,000</u>	<u>1,500,000</u>	(Previous year:12,38,40,515 equity share of Rs 10 each)	1,238,405
(Previous year 15,00,00,000 equity share of Rs 10 each)			5,41,509 Cumulative redeemable preference share of Rs 100 each	54,151
5,50,000 Cumulative redeemable preference share of Rs 100 each	55,000	55,000	(PY:5,41,509 Cumulative redeemable preference share of Rs 100 each)	54,151
(PY:5,50,000 Cumulative redemable preference share of Rs 100 each)			31,75,706 Non Cumulative redeemable preference share of Rs 100 each	317,570
32,00,000 Non Cumulative redeemable preference share of Rs 100 each	320,000	320,000	(PY:31,75,706 Non Cumulative redeemable preference share of Rs 100 each)	317,570
(PY:32,00,000 Non Cumulative redeemable preference share of Rs 100 each)				
	<u>1,875,000</u>	<u>1,875,000</u>		
Issued share capital			Reconciliation of no of shares outstanding	
12,38,41,540 Equity share of Rs 10 each	1,238,415	1,238,415	Number of equity share outstanding at the beginning of the year	
(Previous year 12,38,41,540 equity share of Rs 10 each)			Add:	
5,50,000 Cumulative redeemable preference share of Rs 100 each	55,000	55,000	Number of shares allotted as fully paid bonus shares	
(PY:550000 Cumulative redeemable preference share of Rs 100 each)			Number of shares allotted pursuant to ESOP	
32,00,000 Non-Cumulative Redeemable Preference Shares of Rs.100 each	320,000	320,000	Number of shares allotted for cash pursuant to public issue	
(PY:32,00,000 Non Cumulative redeemable preference share of Rs 100 each)			Less:	
	<u>1,613,415</u>	<u>1,613,415</u>	Number of share bought back during the year	
			Number of equity share outstanding at the end of the year	
			Total	<u>1,610,126</u>
				<u>1,610,126</u>

Details of share holding more than 5% of the company	2011-12		2010-11	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Name of the Share holders				
Indo Asian Holdings Limited	79,576,200	64.26%	79,576,200	64.26%
Siva Projects Engineering and Enterprises Limited	18,276,157	14.76%	18,276,157	14.76%
Delah Tradings Limited	7,876,225	6.36%	7,876,225	6.36%
Konka Holdings Limited	7,323,522	5.91%	7,323,522	5.91%

	31.03.2012 Rs. '000	31.03.2011 Rs. '000		31.03.2012 Rs. '000	31.03.2011 Rs. '000
2. RESERVES AND SURPLUS			3. LONG-TERM BORROWINGS		
Securities Premium Reserves	389,073	389,073	Secured		
Revaluation Reserves	389	389	Term Loans	-	26,933
Other Reserves	11,386	11,386	Deferred payment liabilities	492	
Deficit			Unsecured		
Brought forward loss from previous years	(388,953)	(23,632)	Term Loans	46,671	70,092
Loss for the year	(35,669)	(365,321)	Term loan from SBBJ bank secured by mortgage on Vehicle repayable in 36 instalment starting from 10.09.2011 and last instalment falling due on 10.09.2014		
Deficit to date	(424,622)	(388,953)	Unsecured term loan includes loan from Future Tech of Rs 4 cr and 67 lakh from Crombes Holdings Limited		
Total	<u>(23,774)</u>	<u>11,895</u>	Total	<u>47,163</u>	<u>97,025</u>

	31.03.2012	31.03.2011		31.03.2012	31.03.2011
	Rs. '000	Rs. '000		Rs. '000	Rs. '000
4. LONG-TERM PROVISIONS			6. OTHER CURRENT LIABILITIES		
Provision for employee benefits			Current maturities of long term debt	-	31,186
Gratuity	48,084	43,070	Loan against Fixed Deposit		8,420
Leave Encashment	8,282	8,667	Current maturities of finance lease obligation	462	
Superannuation	2,959	1,824	Interest accrued but not due on borrowings	6,726	1,296
Others	174,758	184,000	Employee benefits	-	
Total	234,083	237,561	Gratuity	9,096	4,898
Long term provision includes provision for taxation during earlier years and provision for sales tax to the extent of Rs 2.17 cr.			Leave Encashment	2,955	1,565
			Sundry deposits and other customer credit balances	2,550	5,963
5. SHORT-TERM BORROWINGS			Other payables	126,988	393,011
Secured			Total	148,777	446,339
Term Loan	480,000	-	Other current liabilities includes interest on loan from IL&FS to the extent of Rs 67 lakh and provision for gratuity and leave encashment of Rs 90 lakh and 30 lakh respectively		
Unsecured			7. SHORT-TERM PROVISIONS		
Other loan and advances	216,128	263,791	Others	34,664	30,025
Total	696,128	263,791	Total	34,664	30,025
Short term borrowing includes loan taken for working capital purpose from IL&FS Financial Services Limited secured by equitable Mortgage of immovable property (land and building of the Company) on 'Pari Passu' Charge on all Current Assets and Fixed Assets.					

Rs. '000

DESCRIPTION OF ASSETS	GROSS BLOCK			As at 31.03.2012 At cost/ Revaluation	Upto 1.04.2011	DEPRECIATION			NET BLOCK	
	As at 1.04.2011	Additions	Deletions			For the Year	Deletions	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	At cost/ Revaluation									
8. Tangible Assets										
Freehold land	23,613	-	23,332	281	-	-	-	-	281	23,613
Buildings	88,716	700	10,405	79,011	18,641	1,532	66	20,107	58,904	70,075
Plant and Machinery	168,144	7,490	2,885	172,749	105,134	10,452	2,620	112,966	59,783	63,010
Furniture and Fittings	9,357	94	-	9,451	5,493	321	-	5,814	3,637	3,864
Vehicles	6,541	1,538	-	8,079	2,781	692	-	3,473	4,606	3,760
	296,371	9,822	36,622	269,571	132,049	12,997	2,686	142,360	127,211	164,322
9. Capital Work in Progress										
Machinery awaiting installation at Subsidiary's site (including new project advances)	147,335	814		148,149					148,149	147,335

Best & Crompton Engg. Limited

	31.03.2012	31.03.2011		31.03.2012	31.03.2011
	Rs. '000	Rs. '000		Rs. '000	Rs. '000
10. Other non-current investments			12. Other non-current assets		
INVESTMENTS (Unquoted)			Others	28,592	53,353
(a) Subsidiary Companies: (At Cost)			Total	28,592	53,353
Fully Paid Equity Shares:			13. Inventories		
(i) Best & Crompton Apparels Limited 1,80,00,000 shares of Rs. 10 each	180,000	180,000	Raw materials	38,007	26,125
(ii) Best & Crompton Green Tech Limited 50,000 shares of Rs. 10 each Add:-additions made during the year 9980000 shares of Rs.10 each	500 99,800	500	Work in progress	26,258	23,962
(iii) Bestai Precaset Buildings Ltd 2,90,84,500 shares of Rs. 10 each	290,845	290,845	Finished goods	22,820	9,176
(iv) B&C Machinery Ltd. 7,17,70,000 shares of Rs. 10 each	717,700	717,700	Stock in trade	400	7,953
(v) B&C Tech Services Limited 50,000 shares of Rs. 10 each	500	500	Stores and spares	1,257	876
(vi) B&C Foundry Limited * 50,000 shares of Rs. 10 each Less:- written off during the year 50,000 shares of Rs. 10 each	500 (500)	500	Loose Tools	2,073	1,908
(vii) Beacon Pumps (India) Limited @ 4,091,006 Shares of Rs.10 Each	-	-	Total	90,815	70,000
(viii) Beacon Tileman Limited @ 180,000 Shares of Rs.10 each	-	-	Raw material,store & spares and loose tool are valued at cost		
(ix) Beacon Carbons & Electricals (India) Limited @ 999,980 Shares of Rs. 10 each	-	-	Work in progress is valued at cost or market price which ever is lower		
(x) Three 'C' Systems Limited @ 25,502 Shares of Rs. 10 each	-	-	14. Trade receivables (Unsecured)		
(b) Trade Investments: At Cost			Over six months		
Fully Paid Equity Shares:			- Considered good	108,831	64,610
AMBC - Transmission SDN.BHD 4,00,000 Shares of MR I Each	3,758	3,758	- Considered doubtful	9,018	9,018
(c) Non-Trade Investments: (At cost)			Others - Considered good	196,005	264,441
Fully Paid Equity Shares:			Less: Provisions for Bad debts	9,018	9,018
(i) Best & Crompton Engineering Employees Co-operative stores Ltd, 500 Shares of Rs. 10 each	5	5	Total	304,836	329,051
(ii) Binny Limited (At Directors Valuation) 600 Shares of Rs. 5 each	2	2			
	1,293,110	1,193,810			
@ Under liquidation					
* No longer in existence					
11. LONG TERM LOANS AND ADVANCES			15. Cash and cash equivalents		
Secured considered good			Balances with banks	5,405	4,550
Capital Advances	-	700	Term Deposit Account (Under Lien to Banks)	101,880	30,864
Sub Total	-	700	Cash on hand	136	101
Unsecured considered good			Total	107,421	35,515
Security Deposits	855	855	16. Short term loans and advances		
Income Tax-Tax deducted at source & Advance Tax	161,110	177,300	Loans and advances to related parties (Unsecured and considered good)	299,585	431,521
Other loans and advances	-	-	Doubtful Advance	21,523	-
Sub Total	161,965	178,155	Less Provision for Doubtful Advance	21,523	-
Doubtful	-	-		299,585	431,521
Sub Total	-	-	Advance towards Investments	15	-
Total	161,965	178,855	Deposits	6,566	7,254
			Balance with Customs and Excise Authorities	1,726	2,594
			Others	311,221	232,636
			Total	619,113	674,005
			17. Other Current Assets		
			Interest Accrued on Bank Deposits and others	9,933	3,758
			Total	9,933	3,758

	Current Year 2011-2012 Rs. '000	Previous Year 2010-2011 Rs. '000		Current Year 2011-2012 Rs. '000	Previous Year 2010-2011 Rs. '000
18. Revenue from Operations			23. Finance Costs		
Revenue from - Sale of products	585,240	652,800	Interest expenses	35,413	20,775
Sale of services	1,490	2,166	Other borrowing costs	13,070	2,904
Sale of stock in trade	6,935	150,000	Applicable net gain/ loss on foreign currency transactions/ translation	(15)	(73)
Other operating revenues	7,976	12,039	Total	48,468	23,606
Less: Excise Duty	(38,844)	(34,333)			
Total	562,797	782,672	24. Other Expenses		
19. Other Income			Power and fuel	28,381	28,761
Interest income	8,162	12,620	Rent	2,516	5,070
Other non-operating income (net of expenses directly attributable to such income)	21,853	1,175	Repairs to buildings	2,044	3,205
Total	30,015	13,795	Repairs to machinery	7,517	9,539
20. Consumption of Raw material			Repairs to Furniture & Other Equipments	1,306	1,713
Consumption of Raw Materials	250,023	302,183	Insurance	2,888	2,864
Consumption of Stores and Spares	25,615	25,426	Rates and Taxes, excluding taxes on income	8,273	6,083
Processing Charges	12,502	11,167	Selling Expenses	18,584	20,382
Total	288,140	338,776	Bad debts written off	3,375	6,400
21. Changes in Inventories of finished goods , Work-in-progress and Stock-in-trade			Provision for doubtful debts	-	2,929
Decrease/(Increase) in Stocks			Discarded Assets	265	6,280
Opening Stock:			Advances written off	6,599	-
Work-in-Progress	23,962	20,579	Investments written off	500	-
Finished Goods and Trading Stocks	9,176	5,649	Provision for doubtful advances	21,523	-
	33,138	26,228	Other expenses	336	1,478
Closing Stock			Hire charges	161	-
Work-in-Progress	26,258	23,962	Audit fee	500	500
Finished Goods and Trading Stocks	22,820	9,176	General services	225	501
	49,078	33,138	Land development Charges	2,200	-
Sub total	(15,940)	(6,910)	Travelling & Conveyance	8,054	7,233
Decrease/(Increase) in Stock in Trade:			Telephone Expenses	1,827	2,825
Opening Stock:	7,952	188,488	Consultancy, Legal Charges	21,025	49,199
Less:- closing Stock	400	7,953	Legal Charges	500	534
Sub total	7,552	180,535	Printing & Stationery	1,687	1,899
Total	(8,388)	173,625	Postage & Telegram	272	293
22. Employee Benefits Expenses			Subscription & Periodicals	927	131
Salaries and wages	131,052	143,536	Preliminary & preoperative Expenses written off	12,579	15,608
Contribution to provident and other funds	8,771	11,377	Miscellaneous expenses	2,066	860
Gratuity Fund contribution	13,193	12,452	Total	156,130	174,287
Staff welfare expenses	17,022	22,122			
Directors Remuneration	7,524	6,955			
Total	177,562	196,442			

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

25. SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Convention: The Financial Statements are presented under historical cost convention, and applicable Accounting Standards.

B. Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the date of the Balance Sheet. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual amounts could differ from these estimates.

C. Fixed Assets

- i) Fixed Assets other than land are stated at cost, including interest beyond the period after commencement of commercial production capitalised in case of certain Plant & Machinery acquired up to 1985 under deferred and hire purchase schemes.
- ii) Additional cost on account of foreign currency translation for acquisition of fixed assets is added to cost of such fixed assets upto the date of Commissioning of such assets.
- iii) Assets acquired under hire purchase agreements are capitalised and finance charges thereon are expended when due.

D. Investments

Investment in certain subsidiaries and certain Trade Investments which are meant to be long term and are valued either at cost or in appropriate cases at Directors' valuation taking into consideration permanent diminution in value.

E. Depreciation

Fixed Assets are depreciated on straight line method in accordance with Schedule XIV to the Companies Act, 1956.

F. Inventories

- (i) Work - in - Progress on Contracts is valued at direct cost after deducting therefrom 'Proportionate Costs', for which progressive bills have so far been raised.
- (ii) Stores and spare parts, Raw Materials, Work-in-Progress on manufacturing, Finished Goods and Trading Stocks are valued at the lower of cost (Weighted Average Method) and net realisable value.
- (iii) Land converted into stock in trade meant for disposal are valued at fair market value on the date of conversion.

G. Revenue recognition

- (i) Revenue from Sales is recognised on delivery of goods.
- (ii) Revenue from Contracts is recognised individually on each Contract, as and when progressive bills/claims are raised based on customers acceptance and terms of the Contract.

(iii) Income from service activities is accounted on accrual as per terms of agreement.

(iv) MODVAT / CENVAT Credits are carried forward in respect of inputs not consumed.

(v) Export incentives, income from investments, interest income and Technical Service Fees from Joint Ventures abroad are accounted on accrual basis.

(vi) Sale of land converted into stock in trade is recognised on legal transfer of title to the land.

H. Retirement Benefits

- (i) Contribution to Provident fund and Family Pension fund are charged to Profit and Loss Account on accrual basis;
- (ii) The liability for gratuity has been actuarially ascertained and provided for and are being progressively funded through an insurer;
- (iii) Leave encashment liability has been actuarially ascertained and provided for.
- (iv) Early retirement payments are absorbed in the year of payment.
- (v) Compensation under Voluntary Retirement Scheme is amortised over a period of 5 years commencing from the month of retirement.
- (vi) Sickness benefit is covered by medical insurance.

I. Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction and outstanding balances at the end of the accounting period are translated at the rate of exchange prevailing on that date and the resultant difference other than those that relating to fixed assets is recognised in the Profit & Loss Account. Difference in exchange due to translation of foreign currency relating to fixed assets are adjusted to the cost of the fixed assets.

J. Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the company with the following additional policies.

- (i) Inter segment transfers have been accounted on the basis of prices charged to the external customers for limited purpose of computing segment revenue.
- (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".

K. Impairment of Assets

The Company has a policy of annually comparing the Net Realisable Value with carrying cost and providing for Impairment wherever required.

L. Provisions for Contingent Liabilities and Contingent Assets

All Contingent Liabilities are recognized in accordance with the Accounting Standard. Contingent assets are recognized only upon certainty of realisation.

NOTES ON ACCOUNTS
26. Contingent Liabilities

Particulars	31.03.2012 Rs. '000	31.03.2011 Rs. '000
a) Claims against the company not acknowledged as debts	31,443	21,115
b) Guarantees given to Banks on behalf of subsidiaries & others	4,183,550	3,860,550
c) Counter guarantees to bankers against guarantees issued by them to customers (secured by a charge on Current Assets).	68,240	63,475
d) Disputed Tax demands under appeal		
(i) Income Tax/penalty	328,000	127,393
(ii) Wealth Tax	Nil	29,658
(iii) Sales Tax	17,251	16,299
(iv) Excise Duty	86	86
Total	4,628,570	4,118,576

27. Arrears of cumulative preference dividend and tax thereon - Rs.65,542 thousands (as of 31.03.2011-Rs.59,211 thousands).

28. Rs.12,356 Thousands are due to small scale and ancillary undertakings to the extent such parties have been identified and confirmed by the management. Amounts overdue exceeding Rs.1.00 Lac. are given below:

Name of the party	Amount (in Rs. Thousands.)
Babu Enterprises	259
Janani Plastics	152
Reliable Electric Company (P) Limited	216
Sai Traders	216
Sri Krishna Cartons	226
VSV Polymers	138
Transformer India	104
Sri Vignesh Enterprises	301
Tac Products	704
Hi Tech Castings	1,533
Ultimate Alloys	5,204
Saravalakshmi Foundries	1,241
Maruthi Cast Products	1,338

The above amounts have since been paid.

29. The Company has not been informed by any supplier of their being a Micro and Small Enterprise and as defined under the Micro Small and Medium Enterprises Development Act 2006 and hence no disclosure has been made in respect of dues to such units if any outstanding for more than 45 days.

30. Deferred Tax Liability comprises of

Rs. '000

	As at 31st March 2012		As at 31st March 2011	
	Asset	Liability	Asset	Liability
Timing differences on account of				
Depreciation	784	5,238	608	5,238
Provision for Inadmissible Expenses	14,706	2,429	13,945	-
Total	15,490	7,667	14,553	5,238

31. Remuneration paid to a Wholtime Director (Minimum Remuneration).

	31.3.2012 Rs. '000	31.3.2011 Rs. '000
Salary and Allowances	6,926	6,376
Contribution to Provident Fund and other funds	583	567
Money Value of Perquisites	15	12
Total	7,524	6,955

The remuneration for the period from 7th January to 31st March 2012 amounting to Rs.1,744 thousands is subject to the approval of the Central Government for which an application has already been made.

32. Capacities and Production

	Capacity Per annum Unit	Installed	Production	
			2011-2012	2010-2011
Power Driven Pumps Electric Motors and/or Electric Components Such as Stator/Rotor Unit upto 10 H.P	Nos.	15,000	1,609	2,310
Stator/Rotor sets	Nos	12,000	1,609	2,310
Water Pumps	Nos	2,200	657	858
Process Pumps	Nos	4,800	191	74
Marine Pumps & Turbines	Nos	50	54	137
Ferrous SG Iron castings	Tonnes	4,200	2,358	2,358
Train Lighting Generators/Alternators	Nos.	400	80	126
Metal Clad Sockets And Plugs	Nos	#	6,505	7,230
Busduct (All Types)	Metres	5,200	-	-

Through Small Scale Industries

(As Certified by the management and relied upon by the Auditors being Technical matter)

Year ended 31.03.2012 Rs.'000	Year ended 31.03.2011 Rs.'000
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33. Expenditure in Foreign Currency travel Expense

	-	110
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34. Earnings in Foreign Exchange (on accrual basis)

Export of Goods (FOB)	3,082	2,773
Advance received towards Export of Goods	1,53,402	69,633

35. Value of Imports calculated on CIF basis.

Raw Materials	1,442	66
Components and Spare parts	24	344

Best & Crompton Engg. Limited

36. Segment Information for the period ended 31st March 2012

Information about Primary Business Segments

Rs. '000s

Business Segments	Fabrication	Castings	Pumps	Machinery Manufacturing Division	Sale of Real Estate held as stock in trade	Others	Elimination	Total
External Sales	23,512	106,193	417,401	8,245	6,935	511		562,797
Inter-segment Sales	5,856	2,060	2,588			79	(10,583)	
Total Revenue	29,368	108,253	419,989	8,245	6,935	590	(10583)	562,797
Segment result	(7,262)	(8,158)	89,031	(12,571)	(626)	(3,462)		56,952
Finance Costs								(48,468)
Unallocable Corporate Expenses								(120,596)
Non Operating Income								30,015
Profit / (Loss) before exceptional and extraordinary Items								(82,097)
Exceptional Items								64,959
Profit / (Loss) before extraordinary Items								(17,138)
Extraordinary Items								-
Profit before Tax								(17,138)
Tax Expenses								
- Current Tax								-
- Deferred Tax								(1,492)
- Transaction relating to earlier years								(17,039)
Profit/(Loss) for the year								(35,669)
Other Information								
Segment assets	23,897	38,167	367,028	8,675	45,793	2,637		486197
Unallocated corporate assets								2,420,438
Total assets								2,906,635
Segment liabilities	12,778	48,423	138,240	4,922	-	3,178		207,541
Unallocated corporate liabilities								1,112,743
Total liabilities								1,320,284
Capital expenditure		294	8,199					8,493
Unallocable Capital expenditure								1,329
Depreciation	28	1,347	6,622	135	80			8,212
Unallocable Depreciation								4,785
Non-cash expenses - other than depreciation								

(Unallocated Corporate Assets include Fixed Assets(Revalued), Investments, Fixed Deposits with banks and Loans and Advances given to Subsidiaries and other new Projects)

Information about Secondary Business Segments

(Rs. '000s)

Description	India	Outside	Total
Revenue by Geographical Market	562,797		562,797
Other non operating Income	30,015		30,015
Segment Assets	486,197		486,197
Capital Expenditure	9,822		9,822

Key Management Personnel

Mr. K. Prakash – Whole Time Director

37. Related party disclosure

Related parties where control exists:

a) Holding Company

Indo Asian Holdings Limited (formerly known as B&C Holdings Limited)

b) Subsidiaries

Three C Systems Limited #	Beacon Carbons & Electricals (India) Ltd.#
Beacon Tileman Limited #	Beacon Pumps (India) Limited#
Best & Crompton Apparels Limited	Best & Crompton Green Tech Limited (upto 16th March 2012)
Bestai Precast Buildings Limited	B&C Machinery Limited
B&C Tech. Services Limited	

Under liquidation

c) Associate Company

Best & Crompton Green Tech Limited.
(From 17th March 2012)

Related Party Transactions:
SUBSIDIARY

Rs. in Thousands

Particulars	Holding Company	Best & Crompton Apparels Limited	B&C Tech. Services Limited	Bestai Precast Buildings Limited	B & C Machinery Limited	Total	Associate Company	Key Management Personnel
Guarantees and Collaterals as on 31.03.2012	68,240					68,240		
Corporate Guarantees as on 31.03.2012	4,183,550					4,183,550		
Managerial Remuneration								7,524
Loans and Advances as on 31.03.2012		226,336	21,522	73,194		321,052	55	
Debtors as on 31.03.2012				7,660		7,660		
Other Current Liabilities as on 31.03.2012					74,494	74,637		

38. Earnings Per Share

	31.03.2012	31.03.2011
	(12 Months)	(12 Months)
	Rs. '000	Rs. '000
Profit / (Loss) after tax	(35,669)	(365,321)
Preference Dividend and dividend tax payable	6,335	6,335
Profit / (Loss) after preference dividend	(42,004)	(371,656)
Weighted average No. of ordinary shares for calculating EPS	12,38,40,515	12,38,40,515
Nominal value of ordinary shares	Rs.10	Rs.10
Basic / Diluted Earnings per ordinary shares	(0.34)	(3.00)

39. The Company has an outstanding export obligation of Rs.1,563 Lakhs on account of imported machinery to be fulfilled within 8 years after commencement of production of machinery division.

40. The Company has made significant strategic investments of Rs. 11,890.45 Lakhs in and advances aggregating to Rs. 2,995.30 Lakhs to four Wholly Owned Subsidiaries besides furnishing corporate guarantees to the lending Institutions. One of the above subsidiaries has discontinued its operations subsequent to the close of the financial year, while another subsidiary has suspended its operations throughout the financial year. The lending Institutions of the above subsidiaries have, due to non repayment of dues, referred the matter to Debts Recovery Tribunal, Chennai. There has however, been no invocation of guarantees against the Company.

The Company is reviewing its future business plans and strategies in consultation with the Promoter group including infusion of significant funds into the company and subsidiaries and in the opinion of the Management, it would be premature to consider diminution in the value of investments in these subsidiaries or the possible non recovery of advances to them. In view of the forgoing, the financial statements are presented on principles applicable to "Going Concern".

41. Best & Crompton Green Tech Limited ceased to be a Wholly Owned Subsidiary and became an Associate Company with effect from 17th March 2012.

42. Loans and Advances include Rs. 24.97Cr. given in earlier years towards project advances of Rs. 21.67 Cr. and procurement of land of Rs. 3.30 Cr. These advances would be adjusted upon commencement of the project and completion of the acquisition of land. In the opinion of the Management, these advances though unsecured are good and no provision is necessary.

43. Exceptional item for the year represents capital profit on sale of land and building to a subsidiary.

44. No internal audit assignment was given to external firm of auditors during the year in view of reduced/subsuspension of operation in certain divisions, however adequate internal control audit system exist in the organisation. The Company has since appointed an external audit firm to carry out the internal audit for the financial year now current, the scope of which will be commensurate with the nature of business and size of the operation.

45. Retirement Benefits:-

- (a) Contribution to provident fund, family pension fund and superannuation fund are recognised in profit and loss account on accrual basis.
- (b) Gratuity and Leave encashment - As per Actuarial Valuation as on 31st March 2012.

Rs. Lacs

	Gratuity	Leave Encashment
A Expenses recognised in Profit & Loss account for the year ended 31.3.2012		
1 Current service cost	24.90	7.61
2 Interest cost	37.19	6.12
3 Expected return on plan assets	4.38	-
4 Net actuarial (gain) / Loss recognised during the year	20.70	3.28
5 Settlement cost	-	-
6 Net expense	78.41	17.01
B Net asset /(liability) recognised in Balance sheet		
1 Present value of obligation	486.09	86.66
2 Fair value of plan assets	44.79	-
3 Funded status surplus (deficit)	441.30	86.66
4 Unrecognised past service cost	-	-
5 Net asset /(liability recognised in balance sheet	441.30	86.66
C Change in present value of obligations During the year		
1 Present value of obligation at beginning of the year	485.80	86.66
2 Current service cost	24.91	7.61
3 Interest cost	37.19	6.12
4 Benefits paid	42.77	20.86
5 Actuarial (gain) loss on obligation	20.50	3.28
6 Present value of obligation as at end of year	525.63	82.81

Best & Crompton Engg. Limited

<p>D Change in assets during the year</p> <p>1 Fair value of plan assets as at beginning of the year 55.10 –</p> <p>2 Expected return on plan assets 4.38 –</p> <p>3 Contributions 8.89 –</p> <p>4 Benefits paid 23.71 –</p> <p>5 Actuarial Gain / (Loss) on plan assets 0.13 –</p> <p>6 Fair value of plan assets as at end of the year 44.79 –</p>	<p>E Major categories of plan assets as a percentage of total plan</p> <p>F Actuarial assumptions</p> <p>1 Discount rate 8.0% 8.0%</p> <p>2 salary escalation 5.0% 4-5 %</p>	<p>Partly funded thro an insurance policy</p> <p>thro an insurance policy</p>
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46. As in the Balance sheet, the figures in the Statement of Profit and Loss have been expressed in terms of Rupees in thousands.

47. Previous year figures have been regrouped, rearranged or reclassified to conform to schedule VI (as annexed) of the Companies Act 1956.

For and on behalf of the Board of Directors

S.V. VENKATESAN
Chairman

For CNGSN & ASSOCIATES
Chartered Accountants
(Firm Registration No.004915S)

K. PRAKASH
Whole Time Director

V.P. THIRUMOORTHY
Company Secretary

C.N. GANGADARAN
Partner
(Membership No. 11205)

Chennai
November 19, 2012

Cash Flow statement for the year ended 31.03.2012

	2011-2012 (12 Months) Rs. '000	2010-2011 (12 Months) Rs. '000
A. Cash flow from operating activities		
Net Profit/(Loss) before tax :	(82,097)	(149,217)
Adjustments for		
Depreciation	12,997	14,254
Interest and financial charges paid	48,483	20,775
Provision for doubtful debts	-	2,929
Provision for doubtful advances	21,523	-
Bad debts written off	3,375	6,400
Advances written off	6,599	-
Exchange Rate Variation	(15)	(73)
Discarded / Write off of fixed assets	265	6,280
Investments written off	500	-
Loss/(Profit) on sale of fixed assets	(154)	(87)
Bad debts recovered	(4,696)	(200)
Provision for Expenses no longer required	(16,817)	(552)
Miscellaneous Expenditure written off	12,579	15,608
Interest Income	(8,162)	(12,620)
	<u>76,477</u>	<u>52,714</u>
Operating profit before working capital changes	(5,620)	(96,503)
Adjustments for:		
Trade and other receivables	25,536	(76,030)
Inventories (includes Stock in Trade)	(20,815)	176,143
Trade payables	(328,287)	(90,087)
	<u>(323,566)</u>	<u>10,026</u>
Cash generated from operations		
Direct Taxes paid	(8,301)	(48,258)
Indirect tax Paid	(952)	(1,884)
Cash generated from operations	<u>(9,253)</u>	<u>(50,142)</u>
Net Cash from operating activities	(338,439)	(136,619)
B. Cash Flow from investing activities		
Purchase of fixed assets	(9,822)	(16,164)
Change in Capital WIP	60,004	40,492
Purchase of Investments	(2,907)	
Loans & advances	(232,322)	(179,887)
Sale of fixed assets	98,785	3,018
Sale of Investments		41,500
Advance Received	135,451	76,569
Interest received	1,987	20,383
Miscellaneous Expenditure	12,182	5,282
Assignment of Trade Mark Use rights	-	12,500
Net cash used in investing activities	<u>63,358</u>	<u>3,693</u>

Best & Crompton Engg. Limited

	2011-2012 (12 Months) Rs. '000	2010-2011 (12 Months) Rs. '000
C. Cash Flow from financing activities		
Proceeds/(Repayment) from long term borrowings	(20,747)	(29,999)
Repayment of finance liabilities	-	(1)
Loan Received/(Repaid)	413,461	(4,590)
Interest paid	(45,727)	(22,904)
Net cash used in financing activities	346,987	(57,494)
Net Decrease (-) / Increase (+) in cash and cash equivalents	71,906	(190,420)
Cash and cash equivalents as at March 31, 2011 (opening balance)	35,515	225,935
Opening Balance of Erstwhile Subsidiary		
Cash and cash equivalents as at March 31, 2012 (closing balance)	107,421	35,515

For and on behalf of the Board of Directors

S.V. VENKATESAN
Chairman

Chennai
November 19, 2012

K. PRAKASH
Whole Time Director

V.P. THIRUMOORTHY
Company Secretary

As per our report of even date
For CNGSN & ASSOCIATES
Chartered Accountants
(Firm Registration No. 004915S)

C.N. GANGADARAN
Partner
M.No. 11205

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956,
RELATING TO THE HOLDING COMPANY'S
INTEREST IN THE SUBSIDIARY COMPANIES**

	Best & Crompton Apparels Limited	B&C Machinery Limited	Bestai Precast Buildings	B&C Tech. Services Limited
1. Financial year of the Subsidiary Company ended on	31.3.2012	31.3.2012	31.3.2012	31.3.2012
2. Holding Company's Interest				
– No.of Shares (Rs.10 each)	18,000,000	71,770,000	29,084,500	50,000
Extent of holding (%)	76.20	100	100	100
3. Net aggregate amount of the subsidiary's Profit/(Losses) not dealt with in the Holding Company's accounts (Rs.'000).				
i) for the financial year	(127,945)	NIL	(173,207)	(4,394)
ii) for its previous financial years	(234,003)	NIL	(32,107)	(29,767)
4. Net aggregate amount of the subsidiary's Profit/(Losses) dealt with in the Holding Company's accounts (Rs. '000).				
i) for the financial year	NIL	NIL	NIL	NIL
ii) for its previous financial years	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

S.V. VENKATESAN
Chairman

K. PRAKASH
Whole Time Director

V.P. THIRUMOORTHY
Company Secretary

Chennai
November 19, 2012

**CONSOLIDATED FINANCIAL
STATEMENTS**

Auditors' Report to the Board of Directors on the Consolidated Financial Statements of Best & Crompton Engg. Limited

We have examined the attached consolidated Balance Sheet of **Best & Crompton Engg. Limited** and its subsidiaries Best & Crompton Apparels Limited, Bestai Precast Buildings Ltd, B&C Machinery Ltd, B&C Tech. Services Ltd and its associate Best & Crompton Green Tech. Ltd, as at 31st March 2012 and the Consolidated Statement of Profit & Loss for the year then ended 31.03.2012.

The financial statements are the responsibility of the management of Best & Crompton Engg. Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on 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 the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of any of the subsidiaries whose financial statements reflect total assets of Rs.3,156,907 thousands as at 31st March 2012 and total revenues of Rs.700,58 thousands for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion so far, as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors. The Consolidated financial statements have been prepared based on the audited financial statements of the subsidiaries, Best & Crompton Apparels Limited, Bestai Precast Buildings Ltd, B&C Machinery Ltd, B&C Tech. Services Ltd and its associate Best & Crompton Green Tech. Ltd.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Best & Crompton Engg. Limited, and its subsidiaries included in the consolidated financial statement.

Attention is invited without qualifying the Accounts to Note No. 40 regarding the lending Financial Institutions of three subsidiaries having referred the dues to Debts Recovery Tribunal, Chennai in regard to which the Company is taking appropriate steps to resolve the issues, including where appropriate infusion of funds, in view of which the accounts are prepared on principles applicable to a Going Concern.

On the basis of the information and explanation given to us, and on the consideration of separate audit reports on individual audited financial statements of aforesaid subsidiaries, the consolidated accounts in our opinion show a true and fair view

- I. In the case of the consolidated Balance Sheet, of the state of affairs of Best & Crompton Engg. Limited and its subsidiaries as at 31st March 2012.
- II. In the case of the Consolidated Statement of Profit and Loss of the Consolidated loss for the year ended 31st March 2012 and
- III. In the case of the consolidated summarized Cash flow statement of the Cash flows for the year ended 31st March 2012.

For CNGSN & ASSOCIATES
Chartered Accountants
(F. No. 004915S)

C.N. GANGADARAN

Partner

Memb. No.11205

Place: Chennai

Date: November 19, 2012

Consolidated Balance Sheet as at 31st March, 2012

	Schedule No	31.03.2012 Rs. '000	31.03.2011 Rs. '000
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds :			
(a) Share Capital	1	1,610,126	1,610,126
(b) Reserves and Surplus	2	(762,548)	(401,884)
(c) Minority Interest		-	-
2. Share application money pending allotment		5	-
3. Non-Current Liabilities			
(a) Long-term-borrowings	3	928,313	1,612,875
(b) Deferred tax liabilities (Net) (Refer Note No 33)		130,075	30,579
(c) Other Long term liabilities	4	101,360	123,990
(d) Long-term provisions	5	236,891	215,769
4. Current Liabilities			
(a) Short-term borrowings	6	777,058	368,810
(b) Trade payables		179,684	210,931
(c) Other current liabilities	7	1,545,925	620,991
(d) Short-term provisions	8	34,835	73,371
TOTAL		4,781,724	4,465,558
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	1,681,690	1,719,515
(ii) Intangible assets	10	4,858	241
(iii) Capital work-in-progress	11	1,634,494	1,451,796
(iv) Intangible assets under development			
(b) Non-Current Investments	12	3,765	3,765
(c) Deferred tax assets (Refer Note No 33)		137,898	54,214
(d) Long term loans and advances	13	291,116	331,686
(e) Other Non-current assets	14	30,548	55,351
2. Current assets			
(a) Current investments			
(b) Inventories	15	119,047	112,257
(c) Trade receivables	16	309,483	335,198
(d) Cash and cash equivalents	17	123,946	51,742
(e) Short-term loans and advances	18	415,051	321,683
(f) Other current assets	19	29,828	28,110
TOTAL		4,781,724	4,465,558

Notes to Balance Sheet annexed

For and on behalf of the Board of Directors

As per our report of even date
For CNGSN & ASSOCIATES
Chartered Accountants
(Firm Registration No. 004915S)

S.V. VENKATESAN
Chairman

K. PRAKASH
Whole Time Director

C.N. GANGADARAN
Partner
M.No. 11205

Chennai
November 19, 2012

V.P. THIRUMOORTHY
Company Secretary

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2012

	Schedule No.	Current Year 31.03.2012 Rs. '000	Previous Year 31.03.2011 Rs. '000
INCOME			
I. Revenue from operations	20	629,286	880,588
II. Other Income	21	33,584	17,873
III. Total Revenue		<u>662,870</u>	<u>898,461</u>
IV. Expenses:			
Cost of materials consumed		311,629	353,567
Purchase of Stock-in-Trade			24,694
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		1,645	187,301
Manufacturing Expenses		759	8,287
Employee benefit expense	22	242,010	272,666
Financial costs	23	196,249	121,067
Depreciation and amortization expense		69,085	56,169
Other expenses	24	230,056	236,963
Total Expenses		<u>1,051,433</u>	<u>1,260,714</u>
V. Loss before exceptional and extraordinary items and tax		(388,563)	(362,253)
VI. Exceptional Items		(864)	230,389
VII. Loss before extraordinary items and tax		(387,699)	(592,642)
VIII. Extraordinary Items			(15,448)
IX. Loss before tax		<u>(387,699)</u>	<u>(577,194)</u>
X. Tax expense:			
(1) Current tax		-	
(2) Deferred tax		15,812	(28,605)
(3) Taxation relating to earlier years		17,039	
XI. Loss from the year from continuing operations		(420,550)	(548,589)
XII. Loss from discontinuing operations		(3,199)	
XIII. Tax expense of discounting operations		-	
XIV. Loss from Discontinuing operations		(3,199)	-
XV. Loss for the year		<u>(423,749)</u>	<u>(548,589)</u>
XVI. Earning per equity share:			
(1) Basic		(3.47)	(4.48)
(2) Diluted		(3.47)	(4.48)
Notes to Statement of Profit and Loss annexed			

For and on behalf of the Board of Directors

As per our report of even date

For CNGSN & ASSOCIATES
Chartered Accountants
(Firm Registration No. 004915S)

S.V. VENKATESAN

Chairman

K. PRAKASH

Whole Time Director

C.N. GANGADARAN

Partner

M.No. 11205

Chennai

November 19, 2012

V.P. THIRUMOORTHY

Company Secretary

Notes to Accounts

	31.03.2012 Rs. '000	31.03.2011 Rs. '000			
1. SHARE CAPITAL			Subscribed and Paid up share capital		
Authorised share capital			12,38,40,515 Equity share of Rs 10 each	1,238,405	1,238,405
15,00,00,000 Equity share of Rs 10 each	<u>1,500,000</u>	<u>1,500,000</u>	(Previous year:12,38,40,515 equity share of Rs 10 each)		
5,50,000 Cumulative redeemable preference share of Rs 100 each (PY:5,50,000 Cumulative redeemable preference share of Rs 100 each)	55,000	55,000	5,41,509 Cumulative redeemable preference share of Rs 100 each (PY:5,41,509 Cumulative redeemable preference share of Rs 100 each)	54,151	54,151
32,00,000 Non Cumulative redeemable preference share of Rs 100 each (PY:32,00,000 Non Cumulative redeemable preference share of Rs 100 each)	320,000	320,000	31,75,706 Non Cumulative redeemable preference share of Rs 100 each (PY:31,75,706 Non Cumulative redeemable preference share of Rs 100 each)	317,570	317,570
	<u>1,875,000</u>	<u>1,875,000</u>		<u>1,610,126</u>	<u>1,610,126</u>
Issued share capital			Reconciliation of no of shares outstanding		
12,38,41,540 Equity share of Rs 10 each (Previous year 12,38,41,540 equity share of Rs 10 each)	1,238,415	1,238,415	Number of equity share outstanding at the begining of the year		
5,50,000 Cumulative redeemable preference share of Rs 100 each (PY:550000 Cumulative redeemable preference share of Rs 100 each)	55,000	55,000	Add:		
32,00,000 Non-Cumulative Redeemable Preference Shares of Rs.100 each (PY:32,00,000 Non Cumulative redeemable preference share of Rs 100 each)	320,000	320,000	Numberof shares allotted as fully piad bonus shares		
	<u>1,613,415</u>	<u>1,613,415</u>	Numberof shares allotted pursuant to ESOP		
			Numberof shares allotted for cash pursuant to public issue		
			Less:		
			Number of share bought back during the year		
			Number of equity share outstanding at the end of the year		
			Total	<u>1,610,126</u>	<u>1,610,126</u>

Details of share holding more than 5% of the company	2011-12		2010-11	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Indo Asian Holdings Limited	79,576,200	64.26%	79,576,200	64.26%
Siva Projects Engineering and Enterprises Limited	18,276,157	14.76%	18,276,157	14.76%
Delah Tradings Limited	7,876,225	6.36%	7,876,225	6.36%
Konka Holdings Limited	7,323,522	5.91%	7,323,522	5.91%

Notes to Accounts

	31.03.2012	31.03.2011		31.03.2012	31.03.2011
	Rs. '000	Rs. '000		Rs. '000	Rs. '000
2. Reserves and Surplus			6. Short-term borrowings		
Capital Reserves	63,085	-	Secured		
Securities Premium Account	389,073	389,073	Loans repayable on demand	66,940	86,344
Capital Subsidy	21,200	21,200	Term Loan	480,000	-
Revaluation Reserves	389	389	Deposits	-	8,420
Other Reserve / fund	11,386	11,386	Unsecured		
Surplus / (Deficit)			Deposits	-	5,963
Brought forward loss from previous years	(823,932)	(275,343)	Other loans and advances	230,118	268,083
Loss for the year	(423,749)	(548,589)	Total	777,058	368,810
(Deficit)	(1,247,681)	(823,932)			
Total	(762,548)	(401,884)			
3. Long-term borrowings					
Secured					
Term Loans	881,150	1,542,783			
Deferred payment liabilities	492				
Unsecured					
Term Loans	46,671	70,092			
Total	928,313	1,612,875			
Term Loan from Banks are secured by					
i) 1st mortgage and charge on the immovable properties and assets both present and future of Company's Machinery & Motors Manufacturing project.					
ii) First charge by way of Hypothecation of all the moveable assets (including moveable plant & machinery, machinery spares, tools and accessories), both present & future					
iii) Pledge of 51% Equity shares in B&C Machinery Limited.					
iv) Corporate Guarantee of the Holding Company.					
v) Unsecured loan from Best & Crompton Apparels Limited is interest free and the date of repayment is to be mutually agreed between parties.					
vi) Repayment schedule of Secured Long term Borrowings					
4. Other long term liabilities			7. Other current liabilities		
Trade payables	101,360	101,316	Current maturities of long term debt	1,130,105	437,361
Others	-	22,674	Current maturities - Finance obligation	462	
Total	101,360	123,990	Interest accrued in default	84,206	17,843
			Interest accrued but not due on borrowings	7,216	1,296
			Interest accrued and due on borrowings	148,253	41,596
			Sundry deposits and other customer credit balances	2,550	-
			Gratuity	9,096	-
			Leave Encashment	2,955	-
			Other payables	161,082	122,895
			Total	1,545,925	620,991
5. Long-term provisions					
Provision for employee benefits					
Gratuity	49,565	43,805			
Leave encashment	9,543	8,749			
Superannuation	2,959	1,824			
Others	174,824	161,391			
Total	236,891	215,769			
			8. Short-term provisions		
			Provision for employee benefits		-
			Leave encashment	171	6,463
			Others	34,664	66,908
			Total	34,835	73,371

Short term borrowing include loan taken for working capital purpose from IL&FS Financial Services Limited secured by equitable Mortgage immovable property (land and building of the Company) on 'Pari Passu' Charge on all Current Assets and Fixed Assets.

Current maturities of long term debt includes Term Loans from banks are secured by first charge on the movable and immovable assets of the company both present and future and rank pari passu among the lending banks and by a second charge on the Fixed and current assets and guaranteed by the Holding Company.

Best & Crompton Engg. Limited

FIXED ASSETS

Rs. '000

DESCRIPTION OF ASSETS	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	Balance as on 1.04.2011	Internal Transfer	Additions	Deletions	Deletions on Unconsolidated	Balance as on 31.03.2012	Balance as on 1.4.2011	Internal Transfer	For the year	Deletions on Unconsolidated	Deletions	Balance as on 31.03.2012	As at 31.03.2012	As at 31.03.2011
(9) Tangible Assets														
Freehold land	409,827		12,716	1,737		420,806	-		-		-	420,806	409,827	
Buildings	290,849		700	-		291,549	28,664		5,383		0	34,047	257,502	262,185
Plant & machinery	1,203,977	(12,763)	30,342	4,541	113	1,216,902	179,378	(4,716)	62,428	63	3,159	233,868	983,034	1,024,599
Furniture & Fittings	21,947		94	221		21,820	7,497		1,003		55	8,445	13,375	14,450
Vehicles	12,814		1,695	2,513		11,996	4,360		1,392		729	5,023	6,973	8,454
Total	1,939,414	(12,763)	45,547	9,012	113	1,963,073	219,899	(4716)	70,206	63	3,943	281,383	1,681,690	1,719,515
(10) Intangible Assets														
Computer Software	258	12,763	73	3,380		9,714	17	4,716	2,118		1,959	4,892	4,822	241
Miscellaneous Expenditure	-	36	-	-		36	-		-		-	-	36	-
Prequalification Rights														
Total	258	12,799	73	3,380	-	9,750	17	-	2,118	-	1,959	4,892	4,858	241
Grand Total	1,939,672	36	45,620	12,392	113	1,972,823	219,916	-	72,324	63	5,902	286,275	1,686,548	1,719,756
(11).Capital WIP	1,451,796	(36)	313,413	49,260	81,419	1,634,494	-	-	-	-	-	-	1,634,494	1,451,796

Rs. '000

Depreciation as above

72,324

Less:- Transferred to Preoperative Expenses

(3,239)

Depreciation as shown in the Profit & Loss Account

69,085

	31.03.2012	31.03.2011		31.03.2012	31.03.2011
	Rs. '000	Rs. '000		Rs. '000	Rs. '000
12. Non-current investments					
Investments in Equity instruments					
Trade Investments			Other loans and advances	1,808	1,726
Investments in Trade Investments :-			Less:- Provision for doubtful advances	(1,725)	-
At Directors valuation whichever is lower				83	1,726
Paid Equity Shares:			Sub Total	291,116	330,986
Best & Crompton Green Tech Limited			Total	291,116	331,686
10,03,000 shares of Rs. 10 each					
AMBC - Transaction SDN BHD	3,758	3,758			
4,00,000 shares of MR 1 Each					
Non Trade Investments:- (At Cost)			14. Other non-current assets		
Best & Crompton Engineering			Long term trade receivables	-	-
Employees Co-operative stores Ltd.			Others	30,548	55,351
(500 shares of Rs. 10 each)	5	5	Total	30,548	55,351
Binny Limited (600 shares of					
Rs. 5 each quoted)	2	2			
Total	3,765	3,765			
13. Long Term Loans and Advances			15. Inventories		
Secured considered good			Raw materials	39,177	30,842
Capital Advances	-	700	Work in progress	52,658	51,636
Sub Total	-	700	Finished goods	22,820	18,249
Unsecured considered good			Stock in trade	713	7,953
Capital Advances	123,759	145,404	Stores and spares	1,606	1,669
Security Deposits	4,978	5,376	Loose Tools	2,073	1,908
Balance with Government Authorities	162,296	178,480	Total	119,047	112,257

Notes to accounts (contd.)

	31.03.2012	31.03.2011		31.03.2012	31.03.2011
	Rs. '000	Rs. '000		Rs. '000	Rs. '000
16. Trade receivables (Unsecured)			22. Employee Benefits Expense		
Over six months			Salaries and wages	188,423	210,049
- Considered good	101,347	59,118	Contribution to provident and other funds	13,535	18,259
- Considered doubtful	16,322	13,182	Gratuity Fund contribution	13,193	12,452
Others - Considered good	208,136	276,080	Staff welfare expenses	19,335	24,951
	<u>325,805</u>	<u>348,380</u>	Directors Remuneration	7,524	6,955
Less: Allowance for Bad debts	16,322	13,182	Total	<u>242,010</u>	<u>272,666</u>
Total	<u>309,483</u>	<u>335,198</u>			
17. Cash and cash equivalents			23. Finance Costs		
Balances with banks	7,414	8,167	Interest expenses	182,399	115,860
Cash on hand	196	229	Other borrowing costs	13,477	4,595
Fixed Deposits	2,228		Applicable net gain / loss on foreign currency transactions / translation	373	612
Term Deposit Account (Under Lien to Banks) (Maturities over 12 Months)	4,312	4,567	Total	<u>196,249</u>	<u>121,067</u>
Term Deposit Account (Under Lien to Banks) (Maturities within 12 Months)	109,796	38,779			
Total	<u>123,946</u>	<u>51,742</u>	24. Other Expenses		
18. Short term loans and advances			Cost incurred on Land	-	24,694
Advance towards Investments	15		Power and fuel	35,307	35,408
Deposits	6,566	7,255	Rent	3,063	5,491
Balance with Customs and Excise Authorities	1,726	2,594	Repairs to buildings	2,044	3,401
Income Tax-Tax deducted at source & Advance Tax	1,119	1,003	Repairs to machinery	9,160	10,854
Others	407,311	310,831	Repairs to Furniture & Other Equipments	2,041	2,970
Less-Doubtful Advance	(1,686)	-	Insurance	3,603	3,907
	<u>405,625</u>	<u>310,831</u>	Rates and Taxes, excluding taxes on income	9,497	6,994
Total	<u>415,051</u>	<u>321,683</u>	Selling Expenses	18,793	21,729
19. Other Current Assets			Bad debts written off	3,999	6,524
Balance with Customs and Excise Authorities	8,132	4,667	Provision for doubtful debts	3,140	7,093
Income Tax-Tax deducted at source & Advance Tax	50		Provision for doubtful advances	3,411	
Interest subsidy receivable	10,252	23,347	Discarded Assets	265	6,280
Interest Accrued	11,368		Advances written off	6,599	
Others	26	96	Investments written off	500	
Total	<u>29,828</u>	<u>28,110</u>	Loss on sale of Fixed assets	47,608	6,552
20. Revenue from Operations			Other expenses	380	65,518
Revenue from - Sale of products	631,493	709,385	Audit fee	1,521	1,397
Sale of services	21,726	36,842	General Services	225	
Sale of stock in trade	6,935	150,000	Project Expenses	441	
Other operating revenues	7,976	18,694	Land development charges	2,200	
Less: Excise Duty	(38,844)	(34,333)	Service Charges	1,533	2,101
Total	<u>629,286</u>	<u>880,588</u>	Travelling & Conveyance	8,845	2,022
21. Other Income			Telephone Expenses	2,036	1,031
Interest income	8,750	13,740	Consultancy	24,711	2,403
Other non-operating income (net of expenses directly attributable to such income)	24,834	4,133	Legal Fee	500	
Total	<u>33,584</u>	<u>17,873</u>	Printing & Stationery	1,909	461
			Postage & Telegram	650	175
			Subscription & Periodicals	927	
			Transport Charges	5,601	682
			Vehicle Hire Charges	4,249	736
			Penalties and damages	9,518	759
			Security Charges	532	294
			Preliminary & preoperative Expenses written off	12,579	15,608
			Miscellaneous expenses	2,669	1,879
			Total	<u>230,056</u>	<u>236,963</u>

25. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Convention:

The Consolidated Financial Statements of Best & Crompton Engg. Limited., and its subsidiaries have been prepared under historical cost convention, and applicable mandatory Accounting Standards and on a going concern basis.

B. Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the date of the Balance Sheet. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual amounts could differ from these estimates.

C. Basis of Consolidation:

The Financial Statements are prepared in accordance with the principles and procedures for preparation and presentation of consolidated financial statements as laid down under Accounting Standards 21 and 27 issued by The Institute of Chartered Accountants of India.

Consolidated Financial Statements are prepared using uniform accounting policies.

The financial statements of the Parent Company and the subsidiaries have been combined on a line by line basis by adding together the book values of items like assets, liabilities, income and expenses after eliminating intra-group balances/ transactions.

D. Fixed Assets:

- (i) Fixed Assets other than land, Building and certain Plant & Machinery in the Parent Company are stated at cost.
- (ii) Land and Buildings, other than Land and Building assigned, by State Government agencies, which are stated at cost, are stated at valuation.
- (iii) Additional cost on account of foreign currency translation for acquisition of fixed assets is added to cost of such fixed assets upto the date of commissioning of such assets.
- (iv) Assets acquired under hire purchase agreements are capitalised and finance charges thereon are expended over the period of agreements.
- (v) Lease rentals paid under financial leases prior to 30.06.2001 are expensed without allocation to capital.
- (vi) Fixed Assets includes purchased software capitalised in certain cases.

E. Depreciation:

Fixed Assets are depreciated on straight line/written down value method in accordance with Schedule XIV to the Companies Act, 1956.

Additions to leasehold property are written off over the primary period of the lease.

Assets costing less than Rs.5,000/- per unit are depreciated at 100% in the year of acquisition

Capitalised software has been depreciated over a period of 24 months.

F. Accounting of Product Development Expenses:

Fixed Assets are depreciated on straight line/written down value method in accordance with Schedule XIV to the Companies Act, 1956.

Additions to leasehold property are written off over the primary period of the lease.

Assets costing less than Rs.5,000/- per unit are depreciated at 100% in the year of acquisition

Capitalised software has been depreciated over a period of 24 months.

G. Investments:

Investments are meant to be long term and are valued either at cost or in appropriate cases at Directors' valuation.

H. Pre-operative Expenses:

Preliminary and pre-operative expenses are being written off over a period of twenty four months / thirty six months / ten years from the date of commencement of commercial operations.

I. Inventories

- (i) Work - in - Progress:
 - (a) On Contracts is valued at direct cost after deducting therefrom 'Proportionate Costs', for which progressive bills have so far been raised.
 - (b) Other work in progress is valued at cost, which includes material cost direct labour and applicable factory overheads or at net realisable value, whichever is lower.
- (ii) Software work in progress in respect of projects are valued at cost or net realisable value whichever is lower.
- (iii) Stores and spare parts, Raw Materials, Finished Goods and Trading Stocks are valued at the lower of cost (Weighted Average Method) and net realisable value.
- (iv) Land converted into stock in trade meant for disposal are valued at converted value which is fair market realisable value.

J. Revenue recognition

- (i) Revenue from Sales is recognised on delivery of goods.
- (ii) Revenue from Long Term Contracts are recognised on the percentage of completion method. Corresponding contract costs are recognised in a manner such that the profit recognised is the lower of actual cumulative profit realised and the overall expected contract margin based on technical and other estimates.
- (iii) Revenue from Contracts/Software related services are recognised individually on each Contract/client, as and when progressive bills/ claims are raised based on customers acceptance and terms of the Contract.
- (iv) Income from deputation of employees on overseas assignments is recognised net of related expenses incurred outside India.
- (v) Income from service activities is accounted on accrual basis as per the terms of agreement.
- (vi) CENVAT Credits are carried forward in respect of inputs not consumed.
- (vii) Export incentives, income from investments, interest income and Technical Service Fees from Joint Ventures abroad are accounted on accrual basis.
- (viii) Warranty claims are recognised on acceptance.
- (ix) Sale of land converted into stock in trade is recognised on legal transfer of title to the land.

K. Retirement Benefits

- (i) Contribution to Provident fund and Family Pension fund are charged to Profit and Loss Account on accrual basis;
- (ii) The liability for gratuity has been actuarially ascertained and provided for, and being progressively funded.
- (iii) Contribution to Superannuation for eligible category of employees under "Defined Contribution Scheme" has been provided on accrual basis and funded.

- (iv) Leave encashment liability has been provided on actuarial basis, as per the rules of the company to the extent of monetary value of unavailed leave remaining to the credit of the employees as at the balance sheet date and unfunded.
- (v) Early retirement payments are absorbed in the year of payment.
- (vi) Compensation under Voluntary Retirement Scheme is amortised over a period of 5 years commencing with the month of retirement.

L. Research and Development

Expenditure as and when incurred for development of products / processes is capitalised.

M. Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction and outstanding balances at the end of the accounting period are translated at the rate of exchange prevailing on that date and the resultant difference other than those that relating to fixed assets is recognised in the Profit & Loss Account. Difference in exchange due to translation of foreign currency relating to fixed assets are adjusted to the cost of the fixed assets.

N. Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the company with the following additional policies.

- (i) Inter segment transfers have been accounted on the basis of prices charged to the external customers for limited purpose of computing segment revenue.
- (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".

O. Impairment of Assets

The Company has the policy of annually comparing the recoverable amount of assets to its carrying amount of assets and providing for Impairment loss wherever necessary.

P. Provisions for Contingent Liabilities and Contingent Assets

All Contingent Liabilities are recognized in accordance with the Accounting Standards. Contingent assets are recognized only upon certainty of realisation.

26. NOTES ON ACCOUNTS

Information on Consolidated Financial Statements as per Accounting Standard 21 and 27.

List of Subsidiaries and Associate Companies included in the consolidated financial statements

Name of the Subsidiary	Country of Incorporation	Share in ownership and voting power (2011-2012)	Share in ownership and voting power (2010-2011)	Shares held by
B&C Tech Services Limited	India	100%	100%	B&C
Best & Crompton Apparels Limited	India	76.20 %	76.20%	B&C
B & C Machinery Limited	India	100%	100%	B&C
Bestai Precast Buildings Limited	India	100%	100%	B&C
B&C Foundry Limited *	India	-	100%	B&C
Best & Crompton Green Tech Limited (Upto 16th March 2012)	India	100%	100%	B&C

*Closed under fast tract scheme.

Name of the Associate	Country of Incorporation	Share in ownership and voting power (2011-2012)	Share in ownership and voting power (2010-2011)	Shares held by
Best & Crompton Green Tech Limited (Effective from March 17, 2012.)	India	34.27%		B&C

27. Four subsidiaries namely Three 'C' Systems Limited, Beacon Carbons & Electricals (India) Limited, Beacon Tileman Limited and Beacon Pumps (India) Limited are under liquidation and are not considered in the consolidation.

28. Best & Crompton Green Tech Limited ceased to be a Wholly Owned Subsidiary and became an Associate Company with effect from 17th March 2012.

29. Contingent Liabilities

Rs. In '000's

Particulars	31.3.2012	31.3.2011
a) Claims against the company not acknowledged as debts	31,443	21,115
b) Guarantees given to Banks on behalf of subsidiaries	4,183,550	3,860,550
c) Counter guarantees to bankers against guarantees issued by them to customers (secured by a charge on Current Assets).	11,320	106,555
d) Letter of Credit	-	927
e) Estimated amounts of contracts remaining to be executed on account of capital account	258,512	-
f) Disputed Tax demands under appeal		
(i) Income Tax/penalty	328,000	127,393
(ii) Wealth Tax	-	29,658
(iii) Sales Tax and Works Contract Tax (excluding penalties)	17,251	14,415
(iv) Excise Duty	86	86

No Provision is presently made as the management hopes that it will succeed in appeals.

30. Arrears of cumulative preference dividend and tax thereon - Rs.65,542 thousands (as of 31.03.2011-Rs.59,211 thousands).

31. Rs.12,356 Thousands. are due to small scale and ancillary undertakings to the extent such parties have been identified and confirmed by the management. Amounts overdue exceeding Rs.1.00 Lac. are given below:

Name of the party	Amount (in Rs. Thousands)
Babu Eterprises	259
Janani Plastics	152
Reliable Electric Company (P) Limited	216
Sai Traders	216
Sri Krishna Cartons	226
VSV Polymers	138
Transformer India	104
Sri Vignesh Enterprises	301
Tac Products	704
Hi Tech Castings	1,533

Best & Crompton Engg. Limited

Name of the party	Amount (in Rs. Thousands)
Ultimate Alloys	5,204
Saravalakshmi Foundries	1,241
Maruthi Cast Products	1,338

The above amounts have since been paid.

32. The Company has not been informed by any supplier of their being a Micro and Small Enterprise and as defined under the Micro Small and Medium Enterprises Development Act 2006 and hence no disclosure has been made in respect of dues to such units if any outstanding for more than 45 days.

33. Taxation

Rs. '000

Deferred Tax Asset / Liability recognised in the accounts	As at 31st March 2012		As at 31st March 2011	
	Assets	Liabilities	Assets	Liabilities
Timing differences on account of				
Depreciation & Preliminary Expenses	784	127,646	608	30,579
Provision for Inadmissible Expenses	91,289	2,429	13,945	-
Carry Forward business loss & Unabsorbed Depreciation	45,825	-	39,661	-
Total	137,898	130,075	54,214	30,579

Deferred Tax Asset / Liability recognised in the accounts	As at 31st March 2012		As at 31st March 2011	
	Assets	Liabilities	Assets	Liabilities
Timing differences on account of				
Depreciation & Preliminary Expenses		46,879	829	47,725
Provision for Inadmissible Expenses	18,898	-	3,647	-
Carry Forward business loss & Unabsorbed Depreciation	153,683	-	122,156	-
Total	172,581	46,879	126,632	47,725

34. The remuneration paid to Wholetime Director

	31.3.2012 Rs. '000	31.3.2011 Rs. '000
Salary and Allowances	6,926	6,376
Contribution to Provident Fund and other funds	583	567
Money Value of Perquisites	15	12
Total	7,524	6,955

The remuneration for the period from 7th January to 31st March 2012 amounting to Rs.1,744 thousands is subject to the approval of the Central Government for which an application has already been made.

35. Segment Information for the year ended 31st March 2012
Information about primary Business Segments

Rs. '000s

Business Segments	Property Development	Bestai Precast	Pumps	Castings	Garments	Machinery Manufacturing Division	Others	Consolidated Total	Eliminations	Total
External Sales	6,935	35,416	417,401	106,193	30,849	8,245	24,247	629,286		629,286
Inter-segment Sales			2,588	2,060			5,935	10,583	(10,583)	-
Total Revenue	6,935	35,416	419,989	108,253	30,849	8,245	30,182	639,869	(10,583)	629,286
RESULT										
Segment result	(626)	(94,892)	89,031	(8,158)	(87,673)	(12,571)	4,443	(110,446)		(110,446)
Unallocated corporate expenses										(115,452)
Finance cost										(196,249)
Dividend and other Income										33,584
Profit / (Loss) from ordinary Activities										(388,563)
Exceptional Item										864
Profit / (Loss) before tax										(387,699)
Provision for tax - Current Tax										(17,039)
- Deferred tax										(15,812)
Profit/(Loss) after tax										(420,550)
Profit/(Loss) From Discontinuing Operation										(3,199)
Net Profit / (Loss)										(423,749)
OTHER INFORMATION										
Segment assets	45,793	977,302	367,028	38,167	608,827	1,475,376	130,611	3,643,104		3,643,104
Unallocated corporate assets										1,138,620
Total assets										4,781,724
Segment liabilities	-	492,063	138,240	48,423	267,029	1,226,269	30,601	2,202,625		2,202,625
Unallocated corporate liabilities										2,579,099
Total liabilities										4,781,724
Capital expenditure	-	23,078	8,199	294	158	-	13,891	45,620		
Depreciation	80	27,021	6,622	1,347	26,756	3,337	7,161	72,324		
Amortisation	-	-	-	-	-	-	-	-		

Information about Secondary Business Segments

(Rs. '000s)

Particulars	India	Outside India	Total
Revenue by Geographical Market	629,286		629,286
Segment Assets	3,643,104		3,643,104
Capital Expenditure	45,620		45,620

36. Related parties where control exists:

- a) Holding Company
 - (i) Indo Asian Holdings Limited (Formerly known as B&C Holdings Limited).
- b) Key Management Personnel

Mr. K.Prakash - Whole Time Director

Related Party Transactions:

Rs. In Thousands

Particulars	Key Management Personnel
Managerial Remuneration	7,524 (6,955)

Note - Amount shown in the bracket represents previous year figure

Best & Crompton Engg. Limited

37. Foreign Currency Transaction	31.03.2012	31.03.2011	46. Retirement benefits:-	
	(12 Months)	(12 Months)	a) Contribution to Provident fund, family pension fund and superannuation fund are recognised in profit and loss account on accrual basis.	
Earnings in Foreign Currency			b) Gratuity and Leave encashment - As per Actuarial Valuation as on 31st March 2012.	
Export of Goods	3,082	9,696		
Advance Received towards Exports	1,53,402	69,633		
Expenditure in Foreign Currency	651	69,422		
38. Value of Imports Calculated on CIF basis				Rs. Lakhs
Raw Material and spares	1,466	610	A Expenses recognised in Profit & loss account for the year ended 31.03.12	Gratuity
39. Earnings Per Share	31.3.2011	31.3.2011	1 Current service cost	38.40
	(12 Months)	(12 Months)	2 Interest cost	37.19
	Rs. '000	Rs. '000	3 Expected return on plan assets	4.38
Profit / (Loss) after tax as per Profit & loss account Less Minority Interest	(423,749)	(548,589)	4 Net actuarial (gain) /Loss recognised during the year	20.70
Preference Dividend for the Year & Dividend tax	6,335	6,335	5 Settlement cost	0.00
Weighted average No. of ordinary shares for calculating EPS	12,38,40,515	12,38,40,515	6 Net expense	91.91
Nominal value of ordinary shares	Rs.10	Rs.10	B Net asset / (liability) recognised in Balance Sheet	
Basic / Diluted Earnings per ordinary shares Rs/share	(3.47)	(4.48)	1 present value of obligation	486.09
40. The lending institutions of the three subsidiaries have, due to non-repayment of dues, referred the matter to Debts Recovery Tribunal, Chennai. There has however, been no invocation of guarantees against the Company.			2 Fair value of plan assets	44.79
41. Loans and Advances include Rs. 24.97Cr. given in earlier years towards project advances of Rs. 21.67 Cr. and procurement of land of Rs. 3.30 Cr. These advances would be adjusted upon commencement of the project and completion of the acquisition of land. In the opinion of the Management, these advances though unsecured are good and no provision is necessary.			3 Funded status surplus (deficit)	(441.30)
42. The Company has an outstanding export obligation of Rs.1,563 Lakhs on account of imported machinery to be fulfilled within 8 years after commencement of production in a manufacturing unit.			4 unrecognised past service cost	0.00
43. Certain Subsidiary Companies have not appointed the Managerial personnel as stipulated under Section 269 of the Companies Act, 1956.			5 net asset/(liability recognised in balance sheet	(441.30)
44. Capital Subsidy and Interest Subsidy have been accounted based on the claims made by the company in terms of the Technology and Upgradation fund scheme of the ministry of textiles. Capital subsidiary has been fully received..			C Change in present value of obligations During the year	
45. Capital Work in Progress:- The Company has imported machineries valued at Rs. 8,56,57,500/- in respect of the 'Dyeing Unit' project which are lying in Customs warehouse for more than three years. The company has received Demand Notice for the payment of Duty. Interest and storage costs which aggregates to Rs. 2,55,99,880/- till 31st March 2011. Duty, Interest and Storage costs for the year ended 31st March 2012 of Rs. 45,95,817/- has been provided. The aggregate amount of Rs. 11,58,53,197/- is being carried over as Capital Work in Progress.			1 present value of obligation at beginning of the year	485.80
			2 current service cost	38.41
			3 Interest cost	37.19
			4 benefits paid	42.77
			5 Actuarial (gain) loss on obligation	20.50
			6 Present value of obligation as at end of year	539.13
			D Change in assets during the year	
			1 Fair value of plan assets as at beginning of the year	55.10
			2 Expected return on plan assets	4.38
			3 contributions	8.89
			4 Benefits paid	23.71
			5 Actuarial Gain /(Loss) on plan assets	0.13
			6 Fair value of plan assets as at end of the Year	44.79
			E Major categories of plan assets as a percentage of total plan	
				Partly funded thro an insurance policy
			F Actuarial assumptions	
			1 Discount rate	8.0%
			2 Salary escalation	5.0%
			47. Previous year figures have been regrouped, reclassified and rearranged wherever necessary.	4-5%

For and on behalf of the Board of Directors

S.V. VENKATESAN
Chairman

K. PRAKASH
Whole Time Director

Chennai
November 19, 2012

V.P. THIRUMOORTHY
Company Secretary

For CNGSN & ASSOCIATES
Chartered Accountants
(Firm Registration No.004915S)

C.N. GANGADARAN
Partner
(Membership No. 11205)

Consolidated Cash Flow statement for the year ended 31.03.2012

	2011-2012 (12 Months) (Rs. '000s)	2010-2011 (12 Months) (Rs. '000s)
A. Cash flow from operating activities		
Net Profit/(Loss) before tax :	(413,286)	(346,765)
Adjustments for		
Depreciation	69,083	56,531
Interest and financial charges paid	195,826	118,365
Bad debts recovered	(4,696)	(200)
Provision for doubtful debts	-	2,929
Bad debts written off	3,816	6,400
Advances written off	6,916	-
Exchange Rate Variation	(15)	(73)
Loss/(Profit) on sale Investments	-	5,839
Investments written off	500	-
Loss/(Profit) on sale of fixed assets	190	626
Discarded Assets	3,147	6,280
Provision for expenses no longer required	(16,817)	(552)
Miscellaneous Expenditure written off	12,658	15,571
Interest Subsidy	-	(15,448)
Interest Income	(8,750)	(13,741)
	<u>261,858</u>	<u>182,527</u>
Operating profit before working capital changes	(151,428)	(164,238)
Adjustments for:		
Trade and other receivables	387,049	380,364
Inventories(includes Stock in Trade)	(6,791)	171,788
Loans & Advances	310,926	292,043
Other Current Assets	(8,167)	-
Trade payables	111,580	(347,920)
	<u>794,597</u>	<u>496,275</u>
Cash generated from operations		
Direct Tax Paid	(8,444)	(49,111)
Indirect tax Paid	(952)	(1,884)
Extra Ordinary items - Interest subsidy	-	23,681
	<u>(9,396)</u>	<u>(27,314)</u>
Net Cash from operating activities	633,773	304,723
B. Cash Flow from investing activities		
Purchase of fixed assets	(41,325)	(62,282)
Change in Capital WIP	(204,443)	(415,418)
Sale of fixed assets	100,046	6,032
Sale/(Purchase) of Investments	(2,907)	41,500
Loans & Advances	(232,322)	(179,887)
Interest received	2,576	21,022
Advance received	135,451	76,569
Miscellaneous Expenditure	12,182	5,282
Assignment of trade mark use rights	-	12,500
Net cash used in investing activities	(230,742)	(494,682)

Consolidated Cash Flow Statement for the year ended March 31, 2012 (Contd.)

	2011-2012	2010-2011
	(12 Months)	(12 Months)
	(Rs. '000s)	(Rs. '000s)
C. Cash Flow from financing activities		
Receipt of Capital Subsidy	-	10,023
Increase/(Decrease in Term Loan and HP Loan	(382,180)	-
Advance towards Share Capital	5	-
Increase in Share Capital	67,227	-
Repayment of Long term Borrowings	(120,030)	(31,166)
Long term borrowings received	(196,775)	(289,094)
Repayment of Finance Liabilities	-	(1)
Loan Received/(Repaid)	413,461	270,168
Interest paid	(112,535)	(120,493)
Cash credit account/Overdraft	-	-
Net cash used in financing activities	(330,827)	(160,563)
Net Dcrease(-)/Increase(+) in cash and cash equivalents	72,204	(350,522)
Cash and cash equivalents as at March 31, 2011		
(opening balance)	51,742	455,437
Erstwhile Subsidiary balance	-	(53,173)
Cash and cash equivalents as at March 31, 2012		
(closing balance)	123,946	51,742

Note 1: Previous period figures are reclassified wherever necessary.

For and on behalf of the Board of Directors

S.V. VENKATESAN

Chairman

Chennai

November 19, 2012

K. PRAKASH

Whole Time Director

V.P. THIRUMOORTHY

Company Secretary

As per our report of even date

For CNGSN & ASSOCIATES

Chartered Accountants

(Firm Registration No. 004915S)

C.N. GANGADARAN

Partner

M.No. 11205

STATEMENT SHOWING THE FINANCIAL DETAILS OF THE SUBSIDIARIES AS AT 31ST MARCH 2012

(Rs. '000)

PARTICULARS	Best & Crompton Apparels Limited	B&C Tech. Services Limited	B&C Machinery Limited	Bestai Precast Buildings Limited
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	236,209	500	717,700	290,845
(b) Reserves and Surplus	(453,798)	(34,162)		(205,314)
(c) Minority Interest				
(2) Share application money pending allotment				
(3) Non-Current Liabilities				
(a) Long-term borrowings	226,336	65	879,070	
(b) Deferred tax liabilities (Net)				
(c) Other Long term liabilities	101,360			
(d) Long-term provisions	817		1,925	
(4) Current Liabilities				
(a) Short-term borrowings	70,093			194,394
(b) Trade payables	3,736	496	3,450	20,201
(c) Other current liabilities	544,822	34,288	368,931	554,768
(d) Short-term provisions			171	
TOTAL	729,575	1,187	1,971,247	854,894
II. ASSETS				
(1) Non-current assets				
(a) Fixed assets				
(i) Tangible assets	502,289		390,217	673,186
(ii) Intangible assets	4,558		36	264
(iii) Capital work-in-progress	115,853		1,354,674	41,954
(iv) Intangible assets under development				
(b) Non-current investments				
(c) Deferred tax assets (net)				
(d) Long term loans and advances	84,352	1,186	216,190	
(e) Other non-current assets				1,912
(2) Current assets				
(a) Current investments				
(b) Inventories	1,832			26,400
(c) Trade receivables	1,452		1,473	9,382
(d) Cash and cash equivalents	4,778	1	473	9,035
(e) Short-term loans and advances	1,812			92,621
(f) Other current assets	12,649		8,184	140
TOTAL	729,575	1,187	1,971,247	854,894

For and on behalf of the Board of Directors

S.V. VENKATESAN
 Chairman

 Chennai
 November 19, 2012

K. PRAKASH
 Whole Time Director

V.P. THIRUMOORTHY
 Company Secretary

 As per our report of even date
 For CNGSN & ASSOCIATES
 Chartered Accountants
 (Firm Registration No. 004915S)

C.N. GANGADARAN
 Partner
 M.No. 11205

STATEMENT SHOWING THE FINANCIAL DETAILS OF THE SUBSIDIARIES AS AT 31st MARCH 2012

(Rs. '000)

	Best & Crompton Apparels Limited	B&C Tech. Services Limited	B&C Machinery Limited	Bestai Precast Buildings Limited
I. Revenue from operations	30,849	225		35,416
II. Other Income	689	18		2,862
III. Total Revenue	31,538	243	-	38,278
IV. Expenses:				
Cost of materials consumed	5,107			18,383
Purchase of Stock-in-Trade				
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	10,033			
Manufacturing Expenses	759			
Employee benefit expense	48,898	35		15,515
Financial costs	80,535	1		66,808
Depreciation and amortization expense	28,280	738		27,071
Other expenses	25,833	664		69,389
Total Expenses	199,445	1,438	-	197,166
V. Profit before exceptional and extraordinary items and tax	(167,907)	(1,195)	-	(158,888)
VI. Exceptional Items				
VII. Profit before extraordinary items and tax	(167,907)	(1,195)	-	(158,888)
VIII. Extraordinary Items				
IX. Profit before tax	(167,907)	(1,195)	-	(158,888)
X. Tax expense:				
(1) Current tax				
(2) Deferred tax				14,319
(3) Transaction relating to earlier years				
XI. Profit/(Loss) from the period from continuing operations (VII - VIII)	(167,907)	(1,195)	-	(173,207)
XII. Profit/(Loss) from discontinuing operations	-	(3,199)		
XIII. Tax expense of discounting operations	-			
XIV. Profit/(Loss) from Discontinuing operations	-	(3,199)	-	-
XV. Profit/(Loss) for the year	(167,907)	(4,394)	-	(173,207)

For and on behalf of the Board of Directors

S.V. VENKATESAN

Chairman

Chennai

November 19, 2012

K. PRAKASH

Whole Time Director

V.P. THIRUMOORTHY

Company Secretary

As per our report of even date

For CNGSN & ASSOCIATES

Chartered Accountants

(Firm Registration No. 004915S)

C.N. GANGADARAN

Partner

M.No. 11205

BEST & CROMPTON ENGG. LIMITED

Registered Office : 28-A, Industrial Estate (North),
Ambattur, Chennai-600 098.

PROXY FORM

I/We of
being a Member/Members of BEST & CROMPTON ENGG. LIMITED do hereby appoint
.....of.....in the district of or failing him
.....of.....in the district of..... as my/our
proxy and to vote for me/us on my/our behalf at the 100th Annual General Meeting of the Company to be held on Monday,
December 17, 2012 at 10.00 A.M. and at any adjournment or adjournments thereof.

Signed this day of 2012.

Signature

Name

Folio Number

* DP. ID. No.

* CLIENT ID. No.

No. of Shares

Affix
1 Rupee
Revenue
Stamp

Note: The proxy form duly completed must be deposited so as to reach the Registered Office of the company not less than 48 hours before the time for holding the aforesaid Meeting. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member.

BEST & CROMPTON ENGG. LIMITED

Regd. Office: 28-A, Industrial Estate (North)
Ambattur, Chennai-600 098.

100th Annual General Meeting
Monday, December 17, 2012 at 10.00 A.M.

Venue :

Sri Thyaga Brahma Gana Sabha
'Vani Mahal (Obul Reddy Hall)'
103, G.N. Chetty Road, T. Nagar, Chennai - 600 017.

ADMISSION SLIP			
PLEASE HAND OVER THIS ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL, DULY COMPLETED			
FOLIO No.	*DP. ID. No.	No. of Shares.....	
*CLIENT ID. No.			
Pl. tick <input type="checkbox"/> MEMBER OR <input type="checkbox"/> PROXY			
NAME OF THE MEMBER/PROXY ATTENDING (IN CAPITAL LETTERS)			

Name & Address of Member
.....
.....
.....

I hereby register my presence at the Meeting.

Signature of the Member/Proxy

Notes:

1. The Meeting is for Members of the Company only. Members are requested not to bring non-Members or children.
 2. The Company will accept only the attendance slip of a person personally attending the Meeting as a Member or as a valid proxy duly registered in time with the Company. The Company will not accept attendance slip from any other person even if signed by a Member.
 3. Copies of the Notice and Annual Report will not be distributed at the Meeting. Members are requested to bring their own copies.
- * Applicable only in cases where the Members hold the Shares in Electronic Form.

BOOK POST



If undelivered please return to

Best & Crompton Engg. Limited

Secretarial Department

Registered Office : 28-A, Industrial Estate (North),
Ambattur, Chennai 600 098.