

Best & Crompton Engg. Limited



**99th Annual Report
2010-11**

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Best & Crompton Engg. Limited

DIRECTORS

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

AUDITORS

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

GROUP CHIEF EXECUTIVE OFFICER

Mr. Kalyan Shankar Bhattacharya

REGISTERED OFFICE :

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

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,
Yedyur, Bangalore - 560 082.

REGIONAL OFFICES:

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

A-15, 3rd Floor,
Common Wealth Society,
V.P. Road,
Andheri (West), Mumbai - 400 058.

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

BEST & CROMPTON ENGG. LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety Ninth Annual General Meeting of the Members of the Company will be held on Monday, December 19, 2011 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, 2011, the Profit and Loss Account for the year ended March 31, 2011 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. K. Prakash, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. Annamalai, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors for the financial year 2011-2012 and fix their remuneration.

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

SPECIAL BUSINESS

5. To re-appoint Mr. K. Prakash as Whole Time Director, designated as Executive Director – Finance.

SPECIAL RESOLUTION

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

“Resolved that pursuant to the provisions of Sections 198, 269, 309 and 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof the consent of the Company be and is hereby accorded, subject to the approval of the Central Government for the re-appointment of Mr. K. Prakash as Whole Time Director designated as Executive Director – Finance of the Company for a period of three years with effect from January 7, 2012, on the same terms and conditions, as approved by the Members at the Annual General Meeting held on December 23, 2009, and approved by the Central Government vide their approval letter Ref.SRN No.A59269407/4/2011-CL VII dated 4th August, 2011, and as detailed in the Explanatory Statement annexed to this Notice.”

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

Chennai
November 21, 2011

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 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 2011 – 2012 to the Stock Exchange.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from December 12, 2011 to December 19, 2011. (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 : corpserv@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.

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

For Item No. 5

1. Mr. K. Prakash was appointed as Whole Time Director designated as Executive Director – Finance for three years effective from January 7, 2009 pursuant to Section 269 of the Companies Act. He has wide experience in Industry with professional expertise in Corporate Finance and thus the Board is of the view that his re-appointment as Whole Time Director, designated as Executive Director – Finance for a further period of three years from January 7, 2012 would be in the interest of the Company.

2. The payment of remuneration to Mr. K. Prakash and the terms and conditions of his re-appointment are the same, as approved by the Members at the Annual General Meeting held on 23.12.2009, and approved by the Central Government vide their approval letter Ref.SRN No.A59269407/4/2011-CL VII Dated 4th August, 2011 and as such there is no enhancement in the remuneration payable to him on his re-appointment as Whole Time Director, designated as Executive Director – Finance for a further period of 3 years w.e.f. January 7, 2012.

3. The particulars of remuneration to Mr. K. Prakash are detailed hereunder:-

(i) Salary:

Rs.1,75,000/- per month in the scale of Rs.1,00,000/- -- Rs.2,50,000/-.

(ii) Perquisites

In addition to the Salary, he will be entitled to the Perquisites and Allowances like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, Medical Reimbursement, Club Fees and Leave Travel Concession, Medical Insurance, Personal Accident Insurance of an amount, the premium of which does not exceed Rs. 4,000/- per annum and such other Perquisites and Allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Whole Time Director. For the purpose of calculating the above ceiling, Perquisites shall be evaluated as per Income tax Rules, wherever applicable. In the absence of any such rules, Perquisites shall be calculated at actual cost.

The reimbursement towards car running, its Repairs & Maintenance, Insurance and Driver Salary is restricted to an amount of Rs.30,000 per month and Telecommunication facilities at residence shall not be considered as Perquisites.

Company's contribution to Provident Fund and Superannuation Fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and Encashment of Leave at the end of the tenure shall not be

included in the computation of limits for the Remuneration or Perquisites aforesaid.

The perquisites and benefits mentioned above shall not exceed at any time 3 times of salary.

Over and above the remuneration, Mr. K. Prakash is eligible for Incentive Remuneration upto a maximum of 200% of the Annual Salary at the discretion of the Board annually based on certain performance criteria.

(iii) Minimum Remuneration

Notwithstanding anything contrary herein contained whether in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of Salary and Perquisites and Allowances as specified above as minimum monthly remuneration.

The Perquisites mentioned above be interchangeable within the Overall Ceiling of the Remuneration of Mr. K. Prakash.

4. The Profile relating to the persons proposed to be appointed as Directors has been given in the Annexure to the Notice. Keeping in view the experience and expertise of these persons, their appointments as Directors of the Company are commended. Each of the Directors may be deemed to be interested in the Resolution relating to his appointment.

5. Mr. K. Prakash is interested in the Resolution relating to his re-appointment. The Board of Directors accordingly commends the Resolutions set out at Item Nos.2 and 5 of the accompanying Notice for your approval.

6. **Inspection of Documents / Resolutions**

The Memorandum and Articles of Association of the Company and copies of Documents referred to in the items hereinabove will be available for inspection by the Members at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on all working days of the Company till the day before the date of the Annual General Meeting and will also be available for inspection at the Meeting.

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

Chennai
November 21, 2011

V.P. THIRUMOORTHY
Company Secretary

Profile of Directors seeking Re-appointment at this Annual General Meeting

Sl. No.	Particulars	
1.	Name	Mr. K. Prakash
2.	Date of Appointment	07.01.2009
3.	Qualifications	F.C.A.
4.	Expertise	Accounting, Banking & Project Finance and Corporate Laws.
5.	Experience in functional area	He is a Chartered Accountant from Institute of Chartered Accountants of India with 30 years of experience in various companies in India and abroad. His experience spreads over core industries including Banking, Information Technology, Textiles & Garments. He has worked with Union Bank of India, Kothari Group, Thakral Kogar Group, Singapore, Mascon Global Limited and Fabindia.
6.	Directorships held in other Public Companies	NIL
7.	Memberships/Chairmanships of Committees of other public Companies (Includes only Audit Committee and Shareholders/Investors Grievance Committee)	NIL
8.	No. of Shares held in the Company	-

Sl. No.	Particulars	
1.	Name	Mr. A. Annamalai
2.	Date of Appointment	17.11.2009
3.	Qualifications	B.Com., Post Graduation in Accounts from California State University, USA.
4.	Expertise	Banking and Industry
5.	Experience in functional area	He is an entrepreneur and financier with diligence and perseverance, having promoted companies, as well as managing a score of companies in diversified business fields across many countries with particular reference to Hong Kong and Dubai. He has been guiding the fortunes of the Companies with which he is associated. He has experience in diverse fields like manufacturing, software, trading, business, stock broking and education. He was the past Chairman of Confederation of Indian Industry (CII), Trichy and Karur Zones. He was instrumental in CII setting up an exclusive Zone in Karur. He is a Member on the Board of Studies of his Alma Mater.
6.	Directorships held in other Public Companies	1. Best & Crompton Green Tech Limited 2. Bestai Precast Buildings Limited 3. B & C Machinery Limited 4. Sundareshwarar Alloy And Stainless Steel Limited 5. Best & Crompton Textiles Limited
7.	Memberships/Chairmanships of Committees of other public Companies (Includes only Audit Committee and Shareholders/Investors Grievance Committee)	NIL
8.	No. of Shares held in the Company	-

Directors' Report

Dear Members,

Your Directors present the 99th Annual Report and the Audited Statement of Accounts of the Company for the Year ended March 31, 2011.

The highlights of the financial performance for the year under review are as below:

1. Financial Highlights

(Rs'000)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Total Income	783,920	641,274
Expenditure	1,163,526	608,460
Gross Profit/(Loss)	(379,606)	32,814
Taxation	(14,285)	20,526
Profit after Tax	(365,321)	12,288
Revaluation Reserve no longer required	-	-
Profit for the year	(365,321)	12,288

In view of the loss for the year and accumulated losses of the previous years, your Directors are unable to recommend any dividend for the year ended March 31, 2011.

2. Performance of various Divisions of the Company

2.1 Pump Division - Chennai

The division has registered impressive performance on all important parameters during the year 2010-11. Both Order inflow and revenue grew marginally when compared to 2009-10, which is commendable considering the overall industrial environment, which was experiencing a slowdown throughout the previous year. The Division has also made significant in-roads in supply of pumps to waste water segment. The division is expected to perform well during the current year.

2.2 Chennai Foundry

The production of the Foundry Unit in this Financial Year has increased when compared to last year's production, which represents a significant growth. We are pleased to report that the Foundry operations have turned around in the current financial year. The production went up by over 50 % from 1476 MT in the year 2009-10 to 2242 MT in the year 2010-11. The revenue of the division almost doubled in the current year. With the improvement in power supply scenario, the Unit is expected to increase production levels and generate increased revenue in the coming years.

2.3 Machinery Manufacturing Division

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

Plug & Socket Unit performed well during the year and achieved a turnover of Rs.1.69 Crore. As the Power Sector unit is on the growth path, the performance of this Unit is expected to improve substantially 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 achieve optimum levels of production in the next few years.

2.5 Bangalore Pump Factory

The Unit has achieved a growth of over 10% in net sales over the last year to reach Rs.4.05 Crore. The division has taken on the manufacture of 1Kw, 3Kw and 5Kw Monoblock Pumps, which would enable the 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 General Circular No.2/2011 dated 8th February, 2011 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. Subsidiary Companies

5.1 Best & Crompton Apparels Limited

This subsidiary is, despite a slump in the domestic as well as international markets and severe liquidity problems faced by it, taking all out efforts to tide over the crisis and bag orders as well as execute orders received from reputed international companies in the fields of premium specialized sportswear. The subsidiary is also effecting cost cutting measures to achieve long term viability.

5.2 B&C Machinery Limited

This wholly owned subsidiary of your Company is setting up a project at Sriperumbudur near Chennai for production of Machinery including CNC Machines, Electrical Motors and Gensets. This Project is nearing completion and will be commissioned during the Current Financial Year 2011-12. Activity for Prototyping of Machinery has commenced and Motors for Indian Navy will be manufactured and supplied during the current financial year.

5.3 Bestai Precast Buildings Limited

This subsidiary has commenced commercial production in October 2010 and has orders on hand. It is expected that the Subsidiary would be able to achieve its target, once working capital is provided during the current year. With the improved liquidity, the Company expects to reach capacity utilisation.

5.4 Best & Crompton Green Tech Limited

This subsidiary has achieved financial closure of its Project for manufacture of CFL and LED lamps during the current year. Presently, construction of its factory and other infrastructural activities are in progress at its Sriperumbudur site. This project is expected to be completed by mid 2012 and commence trial production thereafter.

5.5 B & C Foundry Limited

This subsidiary is in the process of finalizing the purchase of land for the factory and also the type of castings it would make.

5.6 B & C Tech. Services Limited

This subsidiary is in the process of reorganizing its business to ensure its continued viability and profitability.

6. Directors

Mr. K. Prakash and Mr. A. Annamalai retire by rotation and being eligible offer themselves for re-appointment.

Mr. K. Prakash was appointed as Whole Time Director from January 7, 2009 for a period of three years. His tenure comes to an end on 6-1-2012. It is proposed to seek approval for his re-appointment for a further period of three years from 7-1-2012.

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, 2010 to March 31, 2011, 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 from April 1, 2010 to March 31, 2011 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 was reconstituted during the year and 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, 2011. 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.

11. Personnel

Particulars of Employees

The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder would be made available to the Members on request.

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 No. 9 and 10 of Schedule 13 of the Notes on Accounts respectively.

13. Acknowledgment

The Board places on record its appreciation to the Bankers to the Company and its Subsidiaries for their continued support. The Board also places on record its appreciation for the guidance and support extended by 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 forbearance and support of shareholders and the co-operation of employees are gratefully acknowledged.

For and on behalf of
the Board of Directors

Chennai
November 21, 2011

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 2010 – 2011 (April 01, 2010 to March 31, 2011) and at the last Annual General Meeting and details of other Directorships

Six Board Meetings were held during the year 2010 – 2011 (April 1, 2010 to March 31, 2011). The dates on which the Meetings of the Board were held are: 7-5-2010, 9-8-2010, 12-11-2010, 13-11-2010 (two Meetings held) and 24-3-2011.

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)		Committee Membership in other Companies	
			Director	Chairman	Member	Chairman
Mr. S.V. Venkatesan	6	yes	14	--	7	3
Mr. N. Srinivasan	5	yes	13	--	9	5
Mr. K. Prakash	6	yes	--	--	--	--
Mr. A. Annamalai	3	--	5	--	--	--

3. Remuneration to Directors

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

Disclosure regarding re-appointment of Directors

At the ensuing Annual General Meeting, Mr. K. Prakash and Mr. A. Annamalai retire by rotation and being eligible offer themselves for re-appointment.

Profile of Directors seeking re-appointment at this Annual General Meeting is furnished in the Annexure to the Notice of the Annual General Meeting dated November 21, 2011 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 |

Six Audit Committee Meetings were held during the year 2010 – 2011 (April 01, 2010 to March 31, 2011). The dates on which the Meeting of the Audit Committee were held are: 7-5-2010, 9-8-2010, 12-11-2010, 13-11-2010 (two Meetings held) and 24-3-2011.

5. Share Transfer Committee

The Members of the Share Transfer Committee are :-

- | | |
|---------------------|----------|
| Mr. K. Prakash | Chairman |
| Mr. Nalin R. Khanna | Member |

Mr. Nalin R. Khanna was a Member of the Committee upto October 31, 2010.

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

During the year 2010-2011, 24 Meetings were held on the following dates and the transfer of shares was approved :- 30.4.2010, 15.5.2010, 31.5.2010, 15.6.2010, 30.6.2010, 15.7.2010, 30.7.2010, 9.8.2010, 16.8.2010, 30.08.2010, 15.9.2010, 30.9.2010, 15.10.2010, 30.10.2010, 15.11.2010, 30.11.2010, 20.12.2010, 31.12.2010, 17.1.2011, 31.1.2011, 15.2.2011, 28.2.2011, 15.3.2011 and 24.3.2011.

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 email 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, 2011.

During the year, the Company received 8 complaints; out of these; 3 pertain to non-receipt of Annual Report, 3 pertain to Issue of Duplicate Share Certificates, 1 pertains to Transfer of Shares and 1 pertains to Non-Receipt of Share Certificates. 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 |

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 Whole Time Director and the Chairman have certified to the Board on the review of financial statements for the year ended March 31, 2011 in the Form prescribed by Clause 49 of the Listing Agreement.

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

Stock Code :

In MSE

BESTCROMPT

In BSE

500046

9. Annual General Meetings

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

Financial Year	Date of Meeting & Time	Venue
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.
2007-2008	25.09.2008 10.00 A.M	Kasturi Srinivasan (Mini Hall), Music Academy, 168, T.T.K. Road, Royapettah, Chennai - 600 014

b) Present Annual General Meeting

Date : 19.12.2011

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 2010-11. Similarly, no business is required to be transacted through Postal Ballot at this Annual General Meeting.

10. Means of Communication

Quarterly Results

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

The Management Discussion and Analysis Report is enclosed.

Financial Calendar:

Quarterly Results are to be published in August 2011, November 2011, February 2012 and May 2012.

Date of Book Closure is from December 12, 2011 to December 19, 2011 (both days inclusive).

Market Price in the Financial Year in BSE

Month	High Rs.	Low Rs.	Sensex High	Sensex Low
April 2010	23.15	19.50	18047.86	17276.80
May 2010	20.70	15.40	17536.86	15960.15
June 2010	23.50	17.20	17919.62	16318.39
July 2010	22.20	18.00	18237.56	17395.58
August 2010	20.35	16.75	18475.27	17819.99
September 2010	19.95	15.75	20267.98	18027.12
October 2010	19.15	14.05	20854.55	19768.96
November 2010	21.05	15.00	21108.64	18954.82
December 2010	16.60	13.65	20552.03	19074.57
January 2011	16.30	11.35	20664.80	18038.48
February 2011	13.65	10.55	18690.97	17295.62
March 2011	12.59	10.27	19575.16	17792.17

Shareholding Pattern as on March 31, 2011

Category	No. of Shares held	% to paid up Capital
Promoters	80344086	64.87
Mutual Funds	24910	0.02
Banks, FIs, Insurance Companies	529400	0.43
Bodies Corporate	19266913	15.56
Resident Indian	7790993	6.29
NRI	342474	0.28
Foreign Companies	15400047	12.44
Others – (Clearing Members & Trust)	141692	0.11
Total	123840515	100.00

Distribution of Shareholding as on March 31, 2011

Category of Shares	No. of Shareholders	% of Shareholders	Shares	% of Shares
Upto 5000	14302	83.06	2131111	1.72
5001 - 10000	1535	8.92	1269751	1.03
10001 - 20000	695	4.04	1095526	0.88
20001 - 30000	221	1.28	573923	0.46
30001 - 40000	117	0.68	422436	0.34
40001 - 50000	96	0.55	419262	0.34
50001 - 100000	151	0.88	1128691	0.91
100001 & above	101	0.59	116799815	94.32
Total		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@iepindia.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.

21.99% of the Paid up Capital has been dematerialised as on March 31, 2011.

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,
Yediyur, Bangalore - 560 082.

Chennai

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

Address for Correspondence

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

Tel : 044 45514777
E-mail : investorsgrievance@bestcrompton.com
Web : www.bestcrompton.com

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

Chennai
November 21, 2011

K. PRAKASH
Whole Time Director

S.V. VENKATESAN
Chairman

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, 2011 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 instances of significant fraud of which we have become aware and the involvement therein of the Management or an employee.

For Best & Crompton Engg. Limited

Chennai
November 21, 2011

K. PRAKASH
Whole Time Director

S.V. VENKATESAN
Chairman

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, 2011.

For BEST & CROMPTON ENGG. LIMITED

Chennai
November 21, 2011

K. PRAKASH
Whole Time Director

S.V. VENKATESAN
Chairman

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 2011, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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.

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.

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.

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
(Firm Registration No. 004915S)

C.N. GANGADARAN
Partner
M. No: 11205

Chennai
November 21, 2011

Management Discussion and Analysis Report

Industry Structure and Development

The Company, in the context of the growing demand for Pumps and Castings 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.

The new ventures commenced by your Company are in various stages of project implementation and once they commence commercial production it is expected that they will be able to achieve break even and make profits from the third year.

Opportunities and Threats

The Company's plans for improvement of the production facilities involve fund based support from the Bankers.

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 it and

will be adequate to meet the expansion plans of the Company and its Subsidiaries.

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 21, 2011

K. PRAKASH
Whole Time Director

S.V. VENKATESAN
Chairman

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 2011, the Profit and Loss Account for the year ended 31st March 2011 and the Cash Flow Statement for the year ended 31st March 2011. 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, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
- 3) In our opinion, the Profit and Loss Account, Balance Sheet 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 2011, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
- 5) 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 in Schedule 14, 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 2011.
 - ii. In the case of Profit and Loss Account, 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 21, 2011

Annexure to the Auditors' Report

1. (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 material 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 has not disposed off substantial part of the fixed assets.
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 needs 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 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. In our opinion, the internal audit of the accounts of the company are carried out by external firm of Chartered Accountants. The internal audit scope and coverage are commensurate with the size of the company and the nature of its business.
8. We have been informed that Cost Audit is applicable to 2 units in the Pumps Division of the Company. The Cost audit is in progress.
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 Provident fund amounting to Rs. 8,50,609 for the month of March 2011 (since remitted) and Tax deducted at Source amounting Rs. 60,13,049/-.
- (b) The Undisputed sales tax liability amounting to Rs. 1.27 crores were in arrears as on 31st March 2011 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. 26,490 thousands that have not been deposited on account of matters pending before appropriate authorities are as under.

S.No.	Particulars	Forum	Year	Amount Rs. (000')
1	Excise Duty	Commissioner of Excise	1998-99	86
2	Sales Tax	High Court, Tribunal, Additional Deputy Commissioner, Assistant Commissioner, Joint Commissioner, Additional Commissioner	1983-84 to 2003-04	19,755
3	Central Sales Tax	Tribunal, Additional Deputy Commissioner, Assistant Commissioner, Joint Commissioner, Additional Commissioner	1987-88 to 2001-02	6,649
		TOTAL		26,490

- Amount paid under protest on the above disputes is Rs. 8,244 thousands.
10. The Company has accumulated losses as at 31st March 2011. The Company has incurred cash losses in the current financial year and not in the immediately preceding financial year.
 11. The Company has no outstanding debentures; however, amounts to be transferred to Investor Education and Protection Fund on credit of unclaimed debentures and interest is Rs. 3.96 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. The company has given guarantees for Rs.3,860,550 thousands on behalf of its subsidiaries and another company.
 16. 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.
 17. 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.
 18. 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.
 19. On the basis of records and documents examined by us, there is no shortfall in the creation of security.
 20. The Company has not raised any money through public issue during the year.
 21. 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
(Firm Registration No. 004915S)

C.N. GANGADARAN

Partner

M.No.11205

Place: Chennai

Date: November 21, 2011

Balance Sheet as at 31st March, 2011

	Schedule No	Rs. '000	31.03.2011 Rs. '000	31.03.2010 Rs. '000
I. SOURCES OF FUNDS				
1. Shareholders' Funds :	1			
Share Capital		1,610,126		1,610,126
Reserves and Surplus		400,848		400,848
			2,010,974	2,010,974
2. Loan Funds:	2			
Secured Loans		66,539		71,129
Unsecured Loans		70,092		102,765
			136,631	173,894
TOTAL			2,147,605	2,184,868
II. APPLICATION OF FUNDS				
1. Fixed Assets :	3			
Gross Block		443,706		421,422
Less : Depreciation		132,049		122,428
Net Block			311,657	298,994
2. Investments	4		1,193,810	1,478,199
3. Current Assets, Loans and Advances :	5			
Inventories		70,000		246,143
Sundry Debtors		329,051		262,150
Cash and Bank Balances		37,552		225,935
Loans and Advances		852,861		624,643
Other Current Assets		3,758		11,521
		1,293,222		1,370,392
Less : Current Liabilities and Provisions	6			
Liabilities		881,355		843,888
Provisions		221,350		211,734
Deferred Tax Liability (Note No. 6)		5,238		5,238
		1,107,943		1,060,860
Net Current Assets			185,279	309,532
Deferred Tax Asset (Note No. 6)			14,553	268
4. Miscellaneous Expenditure	7		53,353	74,243
5. Profit and Loss Account			388,953	23,632
TOTAL			2,147,605	2,184,868

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 13

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

For and on behalf of the Board of Directors

K. PRAKASH
Whole Time DirectorChennai
November 21, 2011S.V. VENKATESAN
ChairmanV.P. THIRUMOORTHY
Company SecretaryFor CNGSN & ASSOCIATES
Chartered Accountants
(Firm Registration No. 004915S)C.N. GANGADARAN
Partner
M.No. 11205

Profit and Loss Account for the year ended 31st March, 2011

	Schedule No.	Current Year 2010-2011 Rs. '000	Previous Year 2009-2010 Rs. '000
INCOME			
Sales and Services	8	817,005	543,179
Less : Excise duty		<u>34,333</u>	<u>23,105</u>
		782,672	520,074
Other Income	9	<u>1,248</u>	<u>121,200</u>
		783,920	641,274
EXPENDITURE			
Manufacturing, Construction and Operating Expenses	10	698,678	429,202
Employee Cost	11	196,442	162,639
Interest (Net)	12	8,155	1,674
Preliminary and Preoperative Expenses on unviable projects		15,608	1,734
Depreciation		<u>14,254</u>	<u>13,211</u>
		933,137	608,460
Profit/(Loss) before exceptional Item and tax		(149,217)	32,814
Loss on sale of interest in a wholly owned subsidiary (Note No. 2)		<u>(230,389)</u>	<u>-</u>
Profit/(Loss) before tax		(379,606)	32,814
Less:- Provision for Taxes - Income Tax (Minimum Alternate Tax)		-	(5,500)
- Transaction relating to earlier year		-	(11,960)
- Deferred Tax		<u>14,285</u>	<u>(3,066)</u>
Net Profit/(Loss) for the year		(365,321)	12,288
(Loss) brought forward from Previous Years		<u>(23,632)</u>	<u>(35,920)</u>
(Loss) carried to Balance Sheet		(388,953)	(23,632)
Earnings per Share in Rs. (face value Rs.10)		(3.00)	0.05

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 13

This is the Profit & Loss Account referred to in our report of even date.

For and on behalf of the Board of Directors

K. PRAKASH
Whole Time Director

Chennai
November 21, 2011

S.V. VENKATESAN
Chairman

V.P. THIRUMOORTHY
Company Secretary

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

C.N. GANGADARAN
Partner
M.No. 11205

Schedules forming Part of the Accounts

	31.03.2011 Rs. '000	31.03.2010 Rs. '000		31.03.2011 Rs. '000	31.03.2010 Rs. '000
1. SHAREHOLDERS' FUNDS			RESERVES AND SURPLUS		
SHARE CAPITAL			Share Premium	389,073	389,073
Authorised :			Immovable Property Revaluation Reserve	389	389
15,00,00,000 Equity Shares of Rs.10 each	1,500,000	1,500,000	General Reserve	11,386	11,386
5,50,000 Cumulative Redeemable Preference Shares of Rs. 100 each	55,000	55,000		<u>400,848</u>	<u>400,848</u>
32,00,000 Non Cumulative Redeemable Preference Shares of Rs.100 each	320,000	320,000	2. LOAN FUNDS		
	<u>1,875,000</u>	<u>1,875,000</u>	Secured Loans		
Issued:			From Banks		
12,38,41,540 Equity Shares of Rs. 10 each	1,238,415	1,238,415	(i) Cash Credit *	31,186	27,695
5,50,000 Cumulative Redeemable Preference Shares of Rs. 100 each	55,000	55,000	(ii) Term Loan **	26,933	43,434
32,00,000 Non - Cumulative Redeemable Preference Shares of Rs.100 each	320,000	320,000	(iii) Loan against Fixed Deposit ***	8,420	-
	<u>1,613,415</u>	<u>1,613,415</u>		<u>66,539</u>	<u>71,129</u>
Subscribed:			Unsecured Loans		
12,38,40,515 Equity Shares of Rs. 10 each	1,238,405	1,238,405	From Companies ****	70,092	102,765
5,41,509 Cumulative Redeemable Preference Shares of Rs.100 each*	54,151	54,151		<u>70,092</u>	<u>102,765</u>
31,75,706 Non Cumulative Redeemable Preference Shares of Rs.100 each**	317,570	317,570			
	<u>1,610,126</u>	<u>1,610,126</u>			
Of the above					
60,900 Equity Shares were allotted as fully paid-up, pursuant to Contracts without payments being received in cash, and			* Secured by equitable Mortgage of Immovable Property (Land and Buildings of the Company) on a 'Pari Passu' Charge on all current assets.		
1,879,359 Equity Shares were allotted as fully paid-up by way of Bonus Shares through the Capitalisation of Reserves and Share Premium Account.			** Secured by equitable Mortgage on Immovable Property (Land and Buildings of the Company) on a 'Pari Passu' Charge.		
Of the above 79,576,200 Shares are held by Indo Asian Holdings Limited (formerly known as B&C Holdings Limited), British Virgin Islands, the Holding Company.			*** Loan against Fixed Deposits with the Bank.		
			**** Unsecured Loan includes Short Term Loan.		
* 10% cumulative redeemable shares; Redeemable at the end of 20 years (Date of Allotment 30.06.2000)					
* 10% 1,52,509 Cumulative redeemable shares; Redeemable at the end of 20 years (Date of Allotment 29.06.2005)					
** 11,75,706 Non-Cumulative Preference Shares Allotted in September 29, 2005					
** 20,00,000 Non-Cumulative Preference Shares are held by Indo Asian Holdings Limited (formerly known as B&C Holdings Limited), British Virgin Islands, the Holding Company.					

3. FIXED ASSETS

Rs. '000

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.04.2010 At cost/ Revaluation	Additions	Deletions	As at 31.03.2011 At cost/ Revaluation	Upto 1.04.2010	For the Year	Deletions	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Freehold Land	23,613	-	-	23,613	-	-	-	-	23,613	23,613
Buildings	78,740	15,134	5,158	88,716	17,745	1,644	748	18,641	70,075	60,995
Plant and Machinery	162,710	8,374	2,940	168,144	97,425	9,681	1,972	105,134	63,010	65,285
Furniture and Fittings	7,684	3,062	1,389	9,357	4,000	1,920	427	5,493	3,864	3,684
Vehicles	10,898	-	4,357	6,541	3,258	1,009	1,486	2,781	3,760	7,640
	283,645	26,570	13,844	296,371	122,428	14,254	4,633	132,049	164,322	161,217
Capital Work in Progress	10,406		10,406	-						10,406
Machinery awaiting installation at Subsidiary's site (including new project advances)	127,371	19,964	-	147,335	-	-	-	-	147,335	127,371
	421,422	46,534	24,250	443,706	122,428	14,254	4,633	132,049	311,657	298,994

4. INVESTMENTS (Unquoted)

(a) Subsidiary Companies : (At Directors' valuation, unless and otherwise specified)

Fully Paid Equity Shares:		31.03.2011 Rs. '000	31.03.2010 Rs. '000	31.03.2011 Rs. '000		31.03.2010 Rs. '000	
(i) Best & Crompton Engineering Projects Limited (At cost) (Sold during the year) Note No. 2	28,438,871 Shares of Rs. 10 each		284,389				
(ii) Best & Crompton Apparels Limited	1,80,00,000 shares of Rs. 10 each	180,000	180,000		3,758		3,758
(iii) Best & Crompton Green Tech Limited	50,000 shares of Rs. 10 each	500	500				
(iv) Bestai Precaset Buildings Ltd.	2,90,84,500 shares of Rs. 10 each	290,845	290,845				
(v) B&C Machinery Ltd.	7,17,70,000 shares of Rs. 10 each	717,700	717,700			5	5
(vi) B&C Tech. Services Limited	50,000 shares of Rs. 10 each	500	500			2	2
(vii) B&C Foundry Limited	50,000 shares of Rs. 10 each	500	500				
(viii) Beacon Pumps (India) Limited@	4,091,006 shares of Rs. 10 each	-	-				
(ix) Beacon Tileman Limited@	180,000 shares of Rs. 10 each	-	-				
(x) Beacon Neyrpc Limited*	600,000 shares of Rs. 10 each	-	-				
(xi) Beacon Carbons & Electricals (India) Limited @	999,980 Shares of Rs. 10 each	-	-				
(xii) Three 'C' Systems Limited @	25,502 Shares of Rs. 10 each	-	-				
					1,193,810		1,478,199

(b) Trade Investments : At Directors valuation/cost whichever is lower Fully Paid Equity Shares :

(i) AMBC - Transmission SDN.BHD 400,000 Shares of MR 1 each

(c) Non-Trade Investments : (At cost) Fully Paid Equity Shares:

(i) Best & Crompton Engineering Employees Co-operative Stores Ltd. 500 Shares of Rs. 10 each

(ii) Binny Limited (At Directors Valuation) 600 Shares of Rs. 5 each

@ Under Liquidation

* Under 'Simplified Exit Scheme - 2005'

	31.03.11 Rs. '000	31.03.10 Rs. '000		31.03.11 Rs. '000	31.03.10 Rs. '000
5. CURRENT ASSETS, LOANS AND ADVANCES					
Inventories: (As valued and certified by the Management)			Interest accrued but not yet due on Unsecured Loan	1,296	751
Stores and Spares	2,784	4,203	Due to a director	2,978	379
Raw Materials	26,125	27,224		<u>881,355</u>	<u>843,888</u>
Work-in-Progress	23,962	20,579	Provisions :		
Finished Goods and Trading Stocks	9,176	5,649	Retirement Benefits	60,024	50,408
Stock in Trade - Land	7,953	188,488	Taxation	161,326	161,326
	<u>70,000</u>	<u>246,143</u>		<u>221,350</u>	<u>211,734</u>
Sundry Debtors (Unsecured)			7. MISCELLANEOUS EXPENDITURE (to the extent not written-off)		
Over six Months			Advance towards new projects	53,353	58,635
- Considered good	64,610	104,998	Preliminary Expenses	359	399
- Considered doubtful	9,018	6,090	Preoperative Expenses	15,249	16,943
Others - Considered good	264,441	157,152		<u>15,608</u>	<u>17,342</u>
	<u>338,069</u>	<u>268,240</u>	Less : Written off during the year	15,608	1,734
Less: Provision	9,018	6,090		<u>-</u>	<u>15,608</u>
	<u>329,051</u>	<u>262,150</u>		<u>53,353</u>	<u>74,243</u>
Cash and Bank Balances:			Schedules forming part of Profit & Loss Account		
Cash on hand and in Transit	101	218		2010-2011 (12 Months)	2009-2010 (12 Months)
Balances with Scheduled Banks:			Unit	Quantity	Rs. '000
Current Accounts	6,587	138,491	8. SALES AND SERVICES		
Term Deposit Account (Under lien to Banks)	30,864	87,226	Sales:		
	<u>37,552</u>	<u>225,935</u>	Pumps	Nos.	3,463 247,448
Loans and Advances: (Unsecured and considered good unless otherwise stated)			Castings	Tonnes	2,416 127,822
Advances Recoverable in cash or in kind or for value to be received			Machinery Manufacturing Division		- 6,668
Considered Good	233,337	237,848	- Train Lighting Generators & spindle motors	Nos.	126 8,557
Due by Subsidiary Companies			- Manufacturing Mother Machine		52,415 -
Considered Good	431,521	251,586	Fabrication		19,778 20,916
Deposits	8,109	5,772	- Plugs & sockets	Nos.	7,230 7,888
Balance with Customs and Excise Authorities	2,594	1,792	Spares		169,938 127,754
Income Tax			Accessories		30,152 70,207
Tax deducted at source	24,104	22,707	Export Sales		- 18,693
Advance Income Tax	153,196	104,938	Others		8,729 7,227
	<u>852,861</u>	<u>624,643</u>	Sale of Stock in Trade (Land)		150,000 -
Other Current Assets:			Income from Services rendered		2,166 8,855
Interest Accrued on Bank Deposits & Others	3,758	11,521		<u>817,005</u>	<u>543,179</u>
	<u>3,758</u>	<u>11,521</u>		2010-2011 Rs. '000	2009-2010 Rs. '000
6. CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities:			9. OTHER INCOME		
Sundry Creditors	584,653	479,859	Provision for wealth tax no longer required		- 37
Sales Tax Payable	22,674	24,558	Provision for Expenses no longer required	552	7,461
Sundry Deposits	5,963	5,299	Creditors written back		- 558
Trade Advance against future supply	241,004	182,191	Exchange Gain	73	12
Advance received towards sale of Investments	15,000	150,000	Profit on Sale of Fixed Assets to wholly owned subsidiary (net)		- 113,920
Advance received for sale of land	7,787	851			

	2010-2011 Rs. '000	2009-2010 Rs. '000
Profit on Sale of Fixed Assets (net)	87	(1,132)
Bad debts recovered	200	
Claims received - Insurance	-	297
Miscellaneous Receipts	336	47
	<u>1,248</u>	<u>121,200</u>
10. MANUFACTURING, CONSTRUCTION AND OPERATING EXPENSES		
Consumption of Raw Materials	302,183	224,007
Add/(Less): Decrease/(Increase) in Stocks	(6,910)	35,505
	<u>295,273</u>	<u>259,512</u>
Consumption of Stores and Spares	25,426	21,639
Processing Charges	11,167	12,186
Cost incurred on Land	24,694	-
Cost of Stock in Trade	-	8,396
Add/(Less): Decrease/(Increase) in Stocks	180,535	(8,396)
	<u>537,095</u>	<u>293,337</u>
Operating and other Expenses:		
Power and Fuel	28,761	20,630
Rent & Hire charges	5,070	10,930
Repairs to Buildings	3,205	927
Repairs to Machinery	9,539	6,166
Repairs to Furniture & Other Equipment	1,713	4,443
Insurance	2,864	3,139
Rates & Taxes	3,237	4,482
Selling Expenses	23,228	24,023
Bad debts written off	6,400	11,391
Provision for doubtful debts	2,929	3,123
Investments written off	-	1
Discarded Assets	6,280	-
Other Expenses	68,357	46,610
	<u>161,583</u>	<u>135,865</u>
	<u>698,678</u>	<u>429,202</u>

	Unit	2010-2011 Qty.	2010-2011 Rs. '000	2009-2010 Qty.	2009-2010 Rs. '000
Consumption of Raw Materials					
Steel (Structurals, Rods, Wires, Extrusions, Laminations and Ingots)	Various		12,453		17,672
Copper	Tonnes	14	7,502	9	5,123
Other Metals	Tonnes	3,395	15,659	5,452	7,501
Electrical Equipment and Accessories	Various		5,559		3,519
Components	Various		6,025		4,087
Castings	Nos	13,685	110,568	10,615	115,329
Bought-out Motors and Accessories	Various		103,339		68,872
Others	Various		34,168		37,409
			<u>295,273</u>		<u>259,512</u>
Consumption of Stores and Spares			25,426		21,639
Value of all Raw Materials, Spare Parts and Components consumed:					
Imported			505		1,268
Indigenous			320,194		279,883
			<u>320,699</u>		<u>281,151</u>

	2010-2011 Rs. '000	2009-2010 Rs. '000
Other expenses include:		
Remuneration to Auditors		
Audit Fee	500	500
Tax Audit Fee	55	55
Certification Fee	230	304
Expenses	17	5
Motor car running expenses	551	926
Travelling and conveyance	7,240	9,109
Telephone expenses	2,824	3,544
Bank Charges	2,904	6,721
Consultancy, Legal Charges	49,734	18,653
Printing & Stationery	1,899	1,883
Postage & Telegram	293	542
Subscription & Periodicals	131	154
Seminar and Training	1	4
Decrease/(Increase) in Stocks:	-	-
Opening Stock:	-	-
Work-in-Progress	20,579	50,702
Finished Goods and Trading Stocks	5,649	11,031
	<u>26,228</u>	<u>61,733</u>
Closing Stock		
Work-in-Progress	23,962	20,579
Finished Goods and Trading Stocks	9,176	5,649
	<u>33,138</u>	<u>26,228</u>
	<u>(6,910)</u>	<u>35,505</u>
Decrease/(Increase) in Stock in Trade:		
Opening Stock:	188,488	180,092
Less:- closing Stock	7,953	188,488
	<u>180,535</u>	<u>(8,396)</u>

11. EMPLOYEE COST

Salaries, Wages and Bonus	143,536	115,026
Contribution to Provident and other funds	11,377	11,931
Gratuity	12,452	9,785
Welfare Expenses	22,122	18,230
Remuneration to Whole Time Director	6,955	7,667
	<u>196,442</u>	<u>162,639</u>

12. INTEREST

	2010-2011 Rs. '000	2009-2010 Rs. '000
Cash Credit	3,584	2,670
Term Loan	5,384	21,460
Interest on Unsecured loan	1,438	2,354
Other Accounts	10,369	11,856
	<u>20,775</u>	<u>38,340</u>
Less: Interest Income		
From Banks	2,091	6,791
On Inter Corporate deposit	10,524	29,665
From Others	5	210
	<u>12,620</u>	<u>36,666</u>
	<u>8,155</u>	<u>1,674</u>

13. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS.

1. 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 the 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 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 for 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 basis 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 is 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 Standards. Contingent assets are recognized only upon certainty of realisation.

2. NOTES ON ACCOUNTS

1. Contingent Liabilities

	31.03.2011	31.03.2010
	Rs. '000	Rs. '000
a) Claims against the company not acknowledged as debts	21,115	74,257
b) Guarantees given to Banks on behalf of subsidiaries	3,860,550	3,860,550
c) Counter guarantees to bankers against guarantees issued by them to customers (secured by a charge on current assets)	63,475	71,042

	31.03.2011 Rs. '000	31.03.2010 Rs. '000
d) Disputed Tax demands under appeal		
(i) Income Tax/penalty	127,393	127,393
(ii) Wealth Tax	29,658	29,658
(iii) Sales Tax	16,299	15,847
(iv) Excise Duty	86	86
Total	4,118,576	4,178,833

With regard to above demands under appeal no provision is presently considered necessary based on Counsel's opinion and the Management is of the view that there would not be any significant cash flow on disposal of the appeals.

2. Sale of wholly owned subsidiary:

Pursuant to the decision of the Board of Directors of the Company to exit from the business engaged by its wholly owned subsidiary Best and Crompton Engineering Projects Limited, the Company's entire equity holdings in the said subsidiary was sold with effect from 1.4.2010 and to have the charge of Company's major fixed assets released by bank and substitution of significant guarantees given by the Company both of which when accomplished would facilitate Company's further borrowings and augment the other more profitable activities of the Company. Following the above disinvestment Best and Crompton Engineering Projects Limited has ceased to be the subsidiary of the Company. The Loss on sale on the above investment of Rs. 24.29 Crores and income from trade mark rights of Rs. 1.25 Crores net has been accounted in the profit and Loss Account.

Satisfaction of the charge has been filed by the lender on 24th October 2011.

3. Arrears of cumulative preference dividend and tax thereon - Rs.59,211 thousands (as of 31.03.2010-Rs. 52,875 thousands).

4. Rs. 8,544 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)
S.R. Enterprises	178
Sri Vignesh Enterprises	427
Tac Products	330
Dominion Tools	144
Hi Tech Castings	617
Ultimate Alloys	4,011
Saravakshmi Foundries	629
Maruthi Cast Products	2,065
Raj Patterns	114

The above dues have been since settled.

5. 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.

6. Deferred Tax Liability comprises of Rs. '000

	As at 31st March 2011		As at 31st March 2010	
	Asset	Liability	Asset	Liability
Timing differences on account of Depreciation	608	5,238	-	5,238
Provision for Inadmissible Expenses	13,945	-	268	-
Total	14,553	5,238	268	5,238

7. The remuneration paid to Whole Time Directors (minimum remuneration):

	31.3.2011 Rs. '000	31.3.2010 Rs. '000
Salary and Allowances	6,376	7,040
Contribution to Provident Fund and other funds	567	567
Money Value of Perquisites	12	60
Total	6,955	7,667

8. Capacities and Production :

	Capacity Per annum Unit	Installed	Production	
			2010-2011	2009-2010
Power Driven Pumps Electric Motors and/or Electric Components Such as Stator/Rotor Unit upto 10 H.P	Nos.	15,000	2,310	1,856
Stator/Rotor sets	Nos	12,000	2,310	1,856
Water Pumps	Nos	2,200	858	644
Process Pumps	Nos	4,800	74	105
Marine Pumps & Turbines	Nos	50	137	199
Ferrous SG Iron castings	Tonnes	4,200	2,358	1,479
Train Lighting Generators/Alternators	Nos.	400	126	73
Metal Clad Sockets and Plugs	Nos	#	7,230	7,888
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 31.03.2011 Rs.'000	Year ended 31.03.2010 Rs.'000
9. Expenditure in Foreign Currency		
Travel Expense	110	-
10. Earnings in Foreign Exchange (on accrual basis)		
Export of Goods (FOB)	72,406	19,839
11. Value of Imports calculated on CIF basis.		
Raw Materials	66	1,001
Components and Spare parts	344	31

12. Segment Information for the year ended 31st March 2011

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	18,484	114,450	437,882	61,754	150,000	102		782,672
Inter-segment Sales		57,959					(57,959)	
Total Revenue	18,484	172,409	437,882	61,754	150,000	102	(57,959)	782,672
Segment result	(14,582)	(223)	69,875	(9,004)	(55,243)	(2,073)		(11,250)
Unallocated corporate expenses								(115,452)
Operating (Loss)								(126,702)
Interest (Net)								(8,155)
Dividend and other Income								1,248
Preoperative/Preliminary Expenses written off								(15,608)
(Loss) from ordinary Activities								(149,217)
Loss on sale of interest in a wholly owned subsidiary								(230,389)
Taxation – Deferred Tax asset								14,285
Net (loss) after Tax								(365,321)
Other Information								
Segment assets	14,293	38,886	352,912	140,417	59,183	1,143		606,834
Unallocated corporate assets								2,259,762
Total assets								2,866,596
Segment liabilities	10,838	48,391	189,068	78,083	268	3,115		329,763
Unallocated corporate liabilities								914,812
Total liabilities								1,244,575
Capital expenditure			11,855					11,855
Depreciation	89	1,541	7,131	147	12			8,920
Non-cash expenses – other than depreciation								

(Unallocated Corporate Assets include Fixed Assets, 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 India	Total
Revenue by Geographical Market	782,672		782,672
Other Income	1,248		1,248
Segment Assets	606,834		606,834
Capital Expenditure	11,855		11,855

Key Management Personnel

K. Prakash – Whole Time Director

Related Party Transactions:

Rs. in Thousands

Particulars	Holding Company	SUBSIDIARY						Total	Key Management Personnel
		B&C Foundry Limited	Best & Crompton Apparels Limited	B&C Tech. Services Limited	Bestai Precast Buildings Limited	Best & Crompton Green Tech Limited	B&C Machinery Limited		
Guarantees and Collaterals as on 31.3.2011	63,475							63,475	
Corporate Guarantees as on 31.3.2011	3,860,550							3,860,550	
Managerial Remuneration									6,955
Loans and Advances as on 31.3.2011		2,507	203,775	21,529	48,950	154,760		431,521	
Debtors as on 31.3.2011					7,660			7,660	
Creditors as on 31.3.2011				143			321,244	321,387	

14. Earnings Per Share

	31.03.2011 (12 Months) Rs. '000	31.03.2010 (12 Months) Rs. '000
Profit/(Loss) after tax	(365,321)	12,288
Preference Dividend and dividend tax payable	6,335	6,335
Profit / (Loss) after preference dividend	(371,656)	5,953
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 share	(3.00)	0.05

15. 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.

16. The company has substantial investments in its wholly owned / substantial subsidiaries and has also made significant interest free advances to them from time to time. These subsidiaries have embarked upon / commissioned projects which upon capacity utilization would generate continuous income streams. These strategic investments are meant to be long term and advances to a large measure could be converted into Equity/Preference/ Debentures. These subsidiaries have unique business models which when implemented would earn revenues which would also result in dividend distribution to the company. In the opinion of the Management there is therefore no impairment in the carrying value of these long term investments nor any provision needs to be made for the aforesaid advances.

17. 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 2011.

	Rs. Lacs	
	Gratuity	Leave Encashment
A Expenses recognised in Profit & Loss account for the year ended 31.3.2011		
1 Current service cost	22.08	13.23
2 Interest cost	35.69	3.79
3 Expected return on plan assets	5.23	0
4 Net actuarial (gain)/Losses recognized during the year	19.47	57.34
5 Settlement cost	0.00	0
6 Net expense	72.01	74.36

	Gratuity	Leave Encashment
B Net asset/(liability) recognized in Balance sheet		
1 Present value of obligation	485.80	86.66
2 Fair value of plan assets	55.09	0
3 Funded status surplus (deficit)	(430.71)	(86.66)
4 Recognized past service cost	0.00	0
5 Net asset/(liability) recognized in balance sheet	(430.71)	(86.66)

C Change in present value of obligations During the year		
1 Present value of obligation at beginning of the year	482.10	81.17
2 Current service cost	22.08	13.23
3 Interest cost	35.69	3.79
4 Benefits paid	73.29	68.87
5 Actuarial (gain)/loss on obligation	19.20	57.34
6 Present value of obligation as at end of the year	485.78	86.66

D Change in assets during the year		
1 Fair value of plan assets as at beginning of the year	63.96	0
2 Expected return on plan assets	5.23	0
3 Contributions	8.44	0
4 Benefits paid	22.27	0
5 Actuarial Gain /(Loss) on plan assets	(0.27)	0
6 Fair value of plan assets as at end of the Year	55.09	0

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%	8.0%
2 Salary escalation	5.0%	4-5 %

18. As in the Balance sheet, the figures in the Profit and Loss Account have been expressed in terms of Rupees in thousands.

19. Previous year figures have been regrouped, rearranged or reclassified where necessary.

For and on behalf of the Board of Directors

S.V. VENKATESAN
Chairman

K. PRAKASH
Whole Time Director

Chennai
November 21, 2011

V.P. THIRUMOORTHY
Company Secretary

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

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

Cash Flow statement for the year ended 31.03.2011

	2010-2011 (12 Months) Rs. '000	2009-2010 (12 Months) Rs. '000
A. Cash flow from operating activities		
Net Profit/(Loss) before tax :	(149,217)	32,814
Adjustments for:		
Depreciation	14,254	13,211
Interest and financial charges paid	20,775	38,340
Provision for doubtful debts	2,929	3,123
Bad debts written off	6,400	11,391
Exchange Rate Variation	(73)	–
Discarded / Write off of fixed assets	6,280	–
Investments written off	–	1
Loss/(Profit) on sale of fixed assets	(87)	(112,788)
Bad debts recovered	(200)	–
Provision for Expenses no longer required	(552)	(7,461)
Miscellaneous Expenditure written off	15,608	1,734
Provision for Taxation no longer required	–	(37)
Interest Income	(12,620)	(36,666)
	<u>52,714</u>	<u>(89,152)</u>
Operating profit before working capital changes	(96,503)	(56,338)
Adjustments for:		
Trade and other receivables	(76,030)	(37,338)
Inventories (includes Stock in Trade)	176,143	25,245
Trade payables	(88,050)	351,640
	<u>12,063</u>	<u>339,547</u>
Cash generated from operations		
Direct Taxes paid	(48,258)	(141,541)
Indirect tax paid	(1,884)	(1,000)
Cash generated from operations	<u>(50,142)</u>	<u>(142,541)</u>
Net Cash from operating activities	(134,582)	140,668
B. Cash Flow from investing activities		
Purchase of fixed assets	(16,164)	(3,716)
Purchase/Sale of Capital WIP	40,492	(17,657)
Purchase of Investments	–	(369,521)
Loans & advances	(179,887)	473,882
Sale of fixed assets	3,018	3,688
Sale of Investments	41,500	–
Advance Received	76,569	–
Interest Received	20,383	31,158
Miscellaneous Expenditure	5,282	–
Assignment of Trade Mark User Rights	12,500	–
Net cash used in investing activities	3,693	117,834

Cash Flow statement for the year ended 31.03.2011 (Contd.)

	2010-2011 (12 Months) Rs. '000	2009-2010 (12 Months) Rs. '000
C. Cash Flow from financing activities		
Equity Share Capital	-	-
Preference Share Capital	-	-
Proceeds / (Repayment) Advance towards Share Capital	-	-
Proceeds / (Repayment) from long term borrowings	(29,999)	70,000
Repayment of finance liabilities	(1)	(4)
Loan Received/(Repaid)	(4,590)	(211,454)
Interest paid	(22,904)	(34,915)
Net cash used in financing activities	(57,494)	(176,373)
Net Decrease (-) / Increase (+) in cash and cash equivalents	(188,383)	82,129
Cash and cash equivalents as at March 31, 2010 (opening balance)	225,935	143,806
Cash and cash equivalents as at March 31, 2011 (closing balance)	37,552	225,935

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

V. P. THIRUMOORTHY

Company Secretary

C.N. GANGADARAN

Partner
(Membership No. 11205)

Chennai
November 21, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT, 1956

I Registration Details

Registration No.			2	0	4	State Code	1	8
Balance Sheet Date	3	1	0	3	2	0	1	1

II Capital Raised During the year (Amount in Rs. Thousands)

Public Issue	N	I	L	Rights Issue	N	I	L			
Bonus Issue	N	I	L	Private Placement	N	I	L			

III Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities	2	1	4	7	6	0	5	Total Assets	2	1	4	7	6	0	5
Sources of Funds								Reserves and Surplus		4	0	0	8	4	8
Paid-up Capital	1	6	1	0	1	2	6	Unsecured Loans			7	0	0	9	2
Secured Loans			6	6	5	3	9	Application of Funds							
Net Fixed Assets		3	1	1	6	5	7	Investments	1	1	9	3	8	1	0
Net Current Assets		1	8	5	2	7	9	Miscellaneous Expenditure	5	3	3	5	3		
Accumulated Losses		3	8	8	9	5	3								

IV Performance of the Company (Amount in Rs. Thousands)

Turnover (Other Income)		7	8	3	9	2	0	Total Expenditure		9	3	3	1	3	7
Profit/Loss Before Tax		3	7	9	6	0	6	Profit/Loss After Tax		3	6	5	3	2	1
(Please tick appropriate box + for Profit, - for Loss)															
Earnings per Share in Rs.	-	3	.	0	0	Dividend Rate %	0	0	0						

V Generic Names of Two Principal Products/Services of the Company

(As per Monetary Terms)

Item Code No. (ITC Code)	0	3	5	6	4	0	1	0	0	6							
Product Description	P	O	W	E	R	D	R	I	V	E	N						
	C	E	N	T	R	I	F	U	G	A	L	P	U	M	P	S	
Item Code No. (ITC Code)	8	4	.	0	5												
Product Description	E	L	E	C	.	M	O	T	O	R	S						
	&	A	L	T	E	R	N	A	T	O	R						

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 21, 2011

**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	Best & Crompton Green Tech Limited	B&C Machinery Limited	Bestai Precast Buildings Limited	B&C Tech. Services Ltd	B&C Foundry Limited
1. Financial year of the Subsidiary Company ended on	31.3.2011	31.3.2011	31.3.2011	31.3.2011	31.3.2011	31.3.2011
2. Holding Company's Interest						
– No.of Shares (Rs.10 each)	18,000,000	50,000	71,770,000	29,084,500	50,000	50,000
Extent of holding (%)	76.20	100	100	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	(141,584)	NIL	NIL	(32,107)	(9,578)	NIL
ii) for its previous financial years	(165,507)	NIL	NIL	NIL	(20,189)	NIL
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	NIL	NIL
ii) for its previous financial years	NIL	NIL	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 21, 2011

**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, Best & Crompton Green Tech Ltd., Bestai Precast Buildings Ltd., B & C Machinery Ltd., B & C Tech. Services Ltd. and B & C Foundry Ltd. as at 31st March 2011 and the Consolidated Profit & Loss account for the year ended 31.03.2011.

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.3,870,568 thousands as at 31st March 2011 and total revenues of Rs.100,874 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, Best & Crompton Green Tech Ltd., Bestai

Precast Buildings Ltd., B & C Machinery Ltd., B & C Tech. Services Ltd and B & C Foundry 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.

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 state of affairs of Best & Crompton Engg. Limited and its subsidiaries as at 31st March 2011.
- II. In the case of the Consolidated Profit and Loss Account of the Consolidated loss for the year ended and
- III. In the case of the consolidated summarized Cash flow statement for the year ended 31st March 2011.

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

C.N. GANGADARAN

Partner

Membership No.11205

Place: Chennai

Date: November 21, 2011

Consolidated Balance Sheet as at 31st March, 2011

	Schedule No	Rs. '000	31.03.2011 Rs. '000	31.03.2010 Rs. '000
I. SOURCES OF FUNDS				
1. Shareholders' Funds :				
Share Capital	1(a)	1,610,126		1,610,126
Reserves and Surplus	1(b)	422,048		422,048
			2,032,174	2,032,174
Advance Received towards share capital			-	200,000
2. Loan Funds:				
Secured Loans	2(a)	2,116,505		2,040,176
Unsecured Loans	2(b)	80,818		111,167
			2,197,323	2,151,343
3. Deferred tax liability (Note No. 8)			30,579	15,145
4. Minority Interest			-	194,679
TOTAL			4,260,076	4,593,341
II. APPLICATION OF FUNDS				
1. Fixed Assets				
Gross Block	3	3,399,756		3,239,171
Less: Depreciation		219,915		385,445
Net Block			3,179,841	2,853,726
2. Investments	4		3,765	5,265
3. Deferred tax Asset (Note No. 8)			54,214	2,477
4. Current Assets, Loans and advances :				
(a) Inventories	5	112,257		621,534
(b) Sundry Debtors		335,199		1,557,798
(c) Cash and Bank Balances		54,852		455,437
(d) Loans and Advances		646,724		740,247
(e) Other Current Assets		28,014		53,553
		1,177,046		3,428,569
Less : Current Liabilities and Provisions	6			
(a) Liabilities		810,214		1,877,031
(b) Provisions		222,168		240,463
		1,032,382		2,117,494
Net Current Assets			144,664	1,311,075
5. Miscellaneous Expenditure (to the extent not written-off)	7		53,660	16,173
6. Profit and Loss Account			823,932	404,625
TOTAL			4,260,076	4,593,341
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	13			

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

For and on behalf of the Board of Directors

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

K. PRAKASH
Whole Time Director

S.V. VENKATESAN
Chairman

C.N. GANGADARAN
Partner
M.No. 11205

Chennai
November 21, 2011

V.P. THIRUMOORTHY
Company Secretary

Consolidated Profit and Loss account for the Year ended 31st March, 2011

	Schedule No.	Current Year 31.03.2011 Rs. '000	Previous Year 31.03.2010 Rs. '000
INCOME			
Sales and Services	8	914,169	2,434,107
Less : Excise duty		<u>34,333</u>	<u>23,105</u>
		879,836	2,411,002
Other Income	9	<u>4,871</u>	<u>24,543</u>
TOTAL		<u><u>884,707</u></u>	<u><u>2,435,545</u></u>
EXPENDITURE			
Manufacturing, Construction and Operating Expenses	10	799,499	2,207,667
Employee Cost	11	272,790	286,130
Interest	12	102,891	78,022
Depreciation & Impairment loss		56,169	25,219
Amortisation of intangible assets		-	22,654
		<u>1,231,349</u>	<u>2,619,692</u>
OPERATING PROFIT/ (LOSS)		(346,642)	(184,147)
Interest Subsidy receivable		15,448	29,369
Prior Period Adjustments		-	687
Miscellaneous Expenditure and Others written off		<u>(15,611)</u>	<u>(1,942)</u>
		(346,805)	(156,033)
Loss on sale of interest in a wholly owned subsidiary (Note No. 4)		(230,389)	-
Provision for Taxes			
- Current taxes		-	(24,960)
- Fringe Benefit Tax		-	-
- Deferred taxes		<u>28,605</u>	<u>(10,310)</u>
Profit/(Loss) after tax		(548,589)	(191,303)
Transfer from Revaluation Reserve		-	-
Profit/(Loss) after Transfer from Revaluation Reserve		<u>(548,589)</u>	<u>(191,303)</u>
Profit / (Loss) for the year		<u>(548,589)</u>	<u>(191,303)</u>
Brought forward loss from previous years	(404,625)		
Less : Profit on erstwhile Subsidiary and Others	<u>129,282</u>		
Brought forward loss from previous years		<u>(275,343)</u>	<u>(213,322)</u>
Balance carried to Balance Sheet		<u>(823,932)</u>	<u>(404,625)</u>
Earnings per Share in Rs.		(4.48)	(1.73)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	13		
This is the Profit & Loss Account referred to in our report of even date.			

For and on behalf of the Board of Directors

For CNGSN & ASSOCIATES
Chartered Accountants
(Firm Registration No. 04915S)

K. PRAKASH
Whole Time Director

S.V. VENKATESAN
Chairman

C.N. GANGADARAN
Partner
M.No. 11205

Chennai
November 21, 2011

V.P. THIRUMOORTHY
Company Secretary

Schedules forming part of Balance Sheet

	31.03.2011 Rs. '000	31.03.2010 Rs. '000	(b) RESERVES AND SURPLUS			Rs. '000
			1.4.2010	Additions	Deletions	31.3.2011
1. SHAREHOLDERS' FUNDS						
(a) SHARE CAPITAL						
Authorised :						
15,00,00,000 Equity Shares of Rs.10 each	1,500,000	1,500,000				
5,50,000 Cumulative Redeemable Preference Shares of Rs.100 each	55,000	55,000				
32,00,000 Non Cumulative Redeemable Preference Shares of Rs.100 each	320,000	320,000				
	1,875,000	1,875,000				
Issued:						
12,38,41,540 Equity Shares of Rs.10 each	1,238,415	1,238,415				
5,50,000 Cumulative Redeemable Preference Shares of Rs.100 each	55,000	55,000				
32,00,000 Non Cumulative Redeemable Preference Shares of Rs.100 each	320,000	320,000				
	1,613,415	1,613,415				
Subscribed:						
12,38,40,515 Equity Shares of Rs.10 each	1,238,405	1,238,405				
5,41,509 Cumulative Redeemable Preference Shares of Rs.100 each*	54,151	54,151				
31,75,706 Non Cumulative Redeemable Preference Shares of Rs.100 each**	317,570	317,570				
	1,610,126	1,610,126				
Of the above						
60,900 Equity Shares were allotted as fully paid-up, pursuant to Contracts without payments being received in cash, and						
1,879,359 Equity Shares were allotted as fully paid-up by way of Bonus Shares through the Capitalisation of Reserves and Share Premium Account.						
Of the above 79,576,200 shares are held by Indo Asian Holdings Limited (formerly known as B&C Holdings Limited), British Virgin Islands, the holding Company.						
* 10% 3,89,000 Cumulative Redeemable Preference Shares; Redeemable at the end of 20 years. (Date of Allotment 30.06.2000)						
* 10% 1,52,509 Cumulative Redeemable Preference Shares; Redeemable at the end of 20 years. (Date of Allotment 29.06.2005)						
** 11,75,706 Non-Cumulative Redeemable Preference Shares; Redeemable at the end of 20 years. (Date of Allotment 29.09.2005)						
** 20,00,000 Non-Cumulative Redeemable Preference Shares; Redeemable at the end of 20 years. (Date of Allotment 30.09.2005)						
(b) RESERVES AND SURPLUS						
Share Premium			389,073	-	-	389,073
Immovable Property Revaluation Reserve			389	-	-	389
Capital Subsidy			21,200	-	-	21,200
General Reserve			11,386	-	-	11,386
Total Reserves			422,048	-	-	422,048
				31.03.2011		31.03.2010
				Rs. '000		Rs. '000
2. LOAN FUNDS						
(a) Secured Loans:						
From Banks						
Cash Credit *				31,186		27,695
Term Loan **				1,994,808		1,881,128
Short Term Loan ***				26,933		59,120
Working Capital Term Loan				55,158		71,987
Loan against Fixed Deposit****				8,420		-
From Others				-		246
				2,116,505		2,040,176
(b) Unsecured Loans						
Others*****						
				80,818		111,167
				80,818		111,167
* Secured by equitable Mortgage of Immovable Property (land and buildings of the Company) on a 'Pari Passu' Charge on all current assets.						
** Hypothecation of Plant & machinery (save and except specified machinery under (ii) and on deferred payment terms), stores and spare parts, Raw materials, Work-in-Progress, Finished Goods, Book debts, Deposits with Bankers						
*** Secured by equitable Mortgage of Immovable Property (land and buildings of the Company) on a 'Pari Passu' Charge						
**** Loan against Fixed Deposits with the Bank						
***** Unsecured Loan includes Short Term Loan						

3. FIXED ASSETS

Rs. '000

DESCRIPTION OF ASSETS	GROSS BLOCK			Balance as on 31.03.2011	Balance as on 1.4.2010	For the year	DEPRECIATION		NET BLOCK	
	Balance as on 1.04.2010	Additions	Deletions				Deletions	Balance as on 31.03.2011	As at 31.03.2011	As at 31.03.2010
(A) Tangible Assets										
Freehold land	353,110	61,670	-	414,780	-	-	-	-	414,780	353,110
Buildings	252,974	38,080	5,158	285,896	24,327	5,085	748	28,664	257,232	228,647
Plant & machinery	750,784	529,309	76,117	1,203,976	150,719	49,253	20,594	179,378	1,024,598	600,065
Furniture & Fittings	25,197	3,337	6,587	21,947	6,172	2,736	1,411	7,497	14,450	19,025
Vehicles	19,525	-	6,711	12,814	6,002	1,618	3,261	4,359	8,455	13,523
(B) Intangible Assets										
Computer Software	-	258	-	258	-	17	-	17	241	-
Prequalification Rights	126,543	-	126,543	-	110,725	-	110,725	-	-	15,818
Technical Proprietary Information	100,000	-	100,000	-	87,500	-	87,500	-	-	12,500
Total	1,628,133	632,654	321,116	1,939,671	385,445	58,709	224,239	219,915	1,719,756	1,242,688
Machinery awaiting installation at Subsidiary's site (including new projects advances)	1,611,038		150,953	1,460,085					1,460,085	1,611,038
	3,239,171			3,399,756					3,179,841	2,853,726

Rs. '000

Depreciation as above	58,709
Less : Transferred to Proportional Expenses	(2,540)
Depreciation as shown in the Profit & Loss Account	<u>56,169</u>

	31.03.2011 Rs. '000	31.03.2010 Rs. '000		31.03.2011 Rs. '000	31.03.2010 Rs. '000
4. INVESTMENTS (Unquoted at Cost)					
A Trade Investments at costs: Unquoted :					
	-	-	(b) Beacon Tileman Limited (180,000 Equity shares of Rs. 10 each)	-	-
	-	-	(c) Beacon Carbons & Electricals (India) Limited (999,980 Equity shares of Rs. 10 each)	-	-
	-	-	(d) Beacon Pumps (India) Limited (4,091,006 Equity shares of Rs. 10 each)	-	-
	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>
B Non-Trade Investments					
(a) Best & Crompton Engineering Employees Co-operative Stores Ltd. (500 shares of Rs.10 each)	5	5	D Other Investments		
(b) Binny Limited (600 shares of Rs.5 each (Quoted))	2	2	L 144D SBI Capital Protection Fund - I (dividend option) (50,000 units @ Rs. 10/- each)	-	500
	<u>7</u>	<u>7</u>	L154G SBI - Capital Protection Oriented Fund Series I (Dividend Option) 50,000 units @ Rs. 10/- each (market Value - 11.50/- each)	-	1,000
C Investments in un-consolidated subsidiaries (vide note no. 2 Fully written off)					
(a) Three 'C' Systems Ltd. (12,250 Equity Shares of Rs. 10 each fully paid-up)	-	-	AMBC - Transmission SDN.BHD 4,00,000 shares of MR 1 Each	3,758	3,758
				<u>3,758</u>	<u>5,258</u>
			Total	<u>3,765</u>	<u>5,265</u>

Schedules forming part of balance sheet (contd.)			31.03.2011	31.03.2010
	31.03.2011	31.03.2010	Rs. '000	Rs. '000
5. CURRENT ASSETS, LOANS AND ADVANCES				
Inventories (as Certified and valued by the Management)				
Stores and Spares	2,784	4,203		
Raw Materials	31,635	41,103		
Work-in-Progress	51,636	359,261		
Finished Goods and Trading Stocks	18,249	28,479		
Stock in Trade Land	7,953	188,488		
	<u>112,257</u>	<u>621,534</u>		
Sundry Debtors				
Secured/Unsecured				
Over six Months	59,118	154,744		
Others	285,099	1,409,144		
	<u>344,217</u>	<u>1,563,888</u>		
Less : Provision for doubtful debts	9,018	6,090		
	<u>335,199</u>	<u>1,557,798</u>		
Cash and Bank Balances:				
Cash on hand and in Transit	229	521		
Balances with Scheduled Banks:				
Current accounts	8,218	311,524		
Term Deposit account	46,405	143,392		
Margin Money with Bankers				
	<u>54,852</u>	<u>455,437</u>		
Loans and Advances : (Unsecured and considered good unless otherwise stated)				
Advances Recoverable in cash or in kind or for value to be received				
Considered Good	453,279	593,021		
Considered Doubtful	-	-		
	<u>453,279</u>	<u>593,021</u>		
Less : Provisions	-	-		
	<u>453,279</u>	<u>593,021</u>		
Deposits				
Considered Good	11,395	16,704		
Considered Doubtful	-	-		
	<u>11,395</u>	<u>16,704</u>		
Less : Provisions	-	-		
	<u>11,395</u>	<u>16,704</u>		
Balance with Customs and Excise Authorities	2,594	1,575		
Income Tax				
(i) Tax deducted at source	24,104	22,707		
(ii) Advance Tax/Amounts against pending assessments	155,352	106,240		
	<u>646,724</u>	<u>740,247</u>		
Other Current Assets :				
Interest Accrued on Bank Deposits	28,014	53,553		
	<u>28,014</u>	<u>53,553</u>		
6. CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Sundry Creditors	463,354	974,178		
Sales tax payable	22,674	24,558		
Provision for Cost/Expenses	-	21,111		
Advance Received from Customers	1,511	507,846		
Sundry Deposits and Customers Credit Balances	5,963	5,299		
Interest accrued but not due on loans	1,296	751		
Trade Advance against future supply	241,004	162,076		
Advance received against sale of Investments	15,000	150,000		
Advance against Sale of Land	7,787	851		
Due to a Director	2,978	379		
Other Liabilities	48,647	29,982		
	<u>810,214</u>	<u>1,877,031</u>		
Provisions				
Provision for Retirement Benefits	60,841	70,021		
Provision for Taxations	161,327	170,442		
	<u>222,168</u>	<u>240,463</u>		
7. MISCELLANEOUS EXPENDITURE (to the extent not written off)				
Advance towards new projects	53,353	-		
Product development expenses	-	-		
Preliminary Expenses and Preoperative Expenses	15,915	19,699		
Less : Written off during the year	(15,608)	(3,526)		
	<u>307</u>	<u>16,173</u>		
	<u>53,660</u>	<u>16,173</u>		
Schedules forming part of Profit & Loss Account				
8. SALES AND SERVICES				
(a) Sales				
(i) Manufactured Goods				
Pumps	417,386	358,905		
Castings	127,822	51,708		
Train Lighting Generators/Alternators and Winding Units	8,557	6,668		
Accessories	30,152	70,207		
Plugs & Sockets	19,778	20,916		
Export Sales	-	18,693		
Machinery Manufacturing unit	52,415	-		
Garments	52,079	93,500		
Stock in Trade	150,000	-		
(ii) Contracts :				
Electrical	4,506	1,777,911		
(iii) Trading Goods :				
Others	8,729	7,227		
(b) Income from services rendered	42,745	28,372		
	<u>914,169</u>	<u>2,434,107</u>		

	31.03.2011 Rs. '000	31.03.2010 Rs. '000		31.03.2011 Rs. '000	31.03.2010 Rs. '000
9. OTHER INCOME			11. EMPLOYEE COST		
Gain on Foreign Exchange Transactions	73	4,083	Salaries, Wages and Bonus	210,049	227,556
Credit Balances written back	200	558	Contribution to Provident and other funds	18,259	20,691
Export incentive	752	5,359	Gratuity	12,452	9,811
Claims received - Insurance	-	297	Welfare Expenses	25,075	20,405
Provision for Doubtful debts no longer required	-	7,461	Remuneration to Directors	6,955	7,667
Provision for Taxes no longer required	-	37		<u>272,790</u>	<u>286,130</u>
Provision for Expenses/taxes no longer required	831	286	12. INTEREST		
Service Income	-	465	Cash Credit	3,584	29,866
Training on Development	385	-	On Term Loan a/c	90,797	68,635
Scrap Sales	-	4,918	Interest on Unsecured loan	1,438	2,354
Miscellaneous Receipts	2,630	1,032	Other Accounts	20,812	20,544
Others	-	47		<u>116,631</u>	<u>121,399</u>
	<u>4,871</u>	<u>24,543</u>	Less : Interest Income		
10. MANUFACTURING, CONSTRUCTION AND OPERATING EXPENSES			From Banks	3,211	13,502
Consumption of Raw Materials	340,739	1,705,937	On Inter Corporate deposit	10,524	29,665
Consumption of Stores and Spares	25,426	21,639	From Others	5	210
Cost incurred on land	24,694	141,190		<u>13,740</u>	<u>43,377</u>
Outside Processing Charges	13,404	12,186	Net	<u>102,891</u>	<u>78,022</u>
Operating and other Expenses					
Power and Fuel	34,954	28,283			
Rent	5,579	13,683			
Repairs to Buildings	3,401	1,375			
Repairs to Machinery	10,114	6,656			
Repairs to Furniture & Other Equipment	2,861	11,502			
Factory maintenance	973	-			
Insurance	3,631	5,908			
Rates & Taxes	4,117	9,475			
Selling Expenses	24,535	28,519			
Discarded Assets Written off	6,280	-			
Bad debts written off	6,524	11,391			
Other Expenses	90,723	175,913			
Provision for doubtful debts	7,093	3,123			
Loss on Foreign exchange fluctuation	685	-			
Loss on sale of Assets	6,465	1,432			
Investments written off	-	1			
Add/(Less) : Decrease/(Increase) in Stocks	187,301	29,454			
	<u>799,499</u>	<u>2,207,667</u>			

13. 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:

Expenses incurred on software product development have been treated as deferred revenue expenditure. The total expenses are to be amortised

over 24 months commencing from the year of completion of the product development or in fixed proportion of 10% per unit sold during the year, whichever is higher.

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.

II. NOTES ON ACCOUNTS

1. Information on Consolidated Financial Statements of Best & Crompton Engg. Limited and its subsidiaries as per Accounting Standards 21 and 27.

List of Subsidiaries included in the consolidated financial statements

Name of the Subsidiary	Country of Incorporation	Share in ownership and voting power (2010-2011)	Share in ownership and voting power (2009-2010)	Shares held by
B&C Tech. Services Limited	India	100%	100%	B&C
B&C Foundry 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
Best & Crompton Green Tech Limited	India	100%	100%	B&C

2. 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.

3. Contingent Liabilities

Rs. In '000's

Particulars	31.3.11	31.3.10
(a) Claims against the company not acknowledged as debts	21,115	74,257
(b) Guarantees given to Banks on behalf of subsidiaries	3,860,550	3,860,550
(c) Counter Guarantees to bankers against guarantees issued by them to customers (secured by a charge on Current Assets)	106,555	743,755
(d) Letter of Credit	927	-
(e) Disputed Tax demands under appeal		
(i) Income Tax/penalty	127,393	127,393
(ii) Wealth Tax	29,658	29,658
(iii) Sales Tax and Works Contract Tax (excluding penalties)	14,415	51,090
(iv) Excise Duty	86	86

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

4. Sale of wholly owned subsidiary :

Pursuant to the decision of the Board of Directors of the Company to exit from the business engaged by its wholly owned subsidiary Best and Crompton Engineering Projects Limited, the Company's entire equity holdings in the said subsidiary was sold with effect from 1.4.2010 and to have the charge of Company's major fixed assets released by bank and substitution of significant guarantees given by the Company both of which when accomplished would facilitate Company's further borrowings and augment the other more profitable activities of the Company. Following the above disinvestment, Best and Crompton Engineering Projects Limited has ceased to be the subsidiary of the Company. The Loss on sale on the above investment of Rs. 24.29 Crores and income from its trade mark rights of Rs. 1.25 Crores net has been accounted in the profit and Loss Account.

Satisfaction of the charge has been filed by the lender on 24th October 2011.

5. Arrears of cumulative preference dividend and tax thereon - Rs.59,211 thousands (as of 31.03.2010 - Rs.52,875 thousands).
6. Rs.8,544 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)
S.R. Enterprises	178
Sri Vignesh Enterprises	427
Tac Products	330
Dominion Tools	144
Hi Tech Castings	617
Ultimate Alloys	4,011
Saravalakshmi Foundries	629
Maruthi Cast Products	2,065
Raj Patterns	114

The above dues have been since settled.

7. 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.

8. Taxation Rs. '000

Deferred Tax Asset / Liability recognised in the accounts	As at 31st March 2011		As at 31st March 2010	
	Assets	Liabilities	Assets	Liabilities
Timing differences on account of				
Depreciation & Preliminary Expenses	608	30,579	-	15,145
Provision for Inadmissible expenses	13,945	-	2,477	-
Carry Forward business loss & Unabsorbed Depreciation	39,661	-	-	-
Total	54,214	30,579	2,477	15,145

Deferred Tax Asset / Liability not recognised in the accounts	As at 31st March 2011		As at 31st March 2010	
	Assets	Liabilities	Assets	Liabilities
Timing differences on account of				
Depreciation & Preliminary Expenses	829	47,725	-	26,606
Provision for Inadmissible expenses	3,647	-	-	-
Carry Forward business loss & Unabsorbed Depreciation	122,156	-	31,329	-
Total	126,632	47,725	31,329	26,606

9. The remuneration paid to Whole Time Director

	31.3.2011	31.3.2010
	Rs. '000	Rs. '000
Salary and Allowances	6,376	7,040
Contribution to Provident Fund and other funds	567	567
Money Value of Perquisites	12	60
Total	<u>6,955</u>	<u>7,667</u>

10. Segment Information for the year ended 31st March 2011

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	150,000	14,528	437,882	114,450	80,054	61,754	21,168	879,836		879,836
Inter-segment Sales								-	-	-
Total Revenue	150,000	14,528	437,882	114,450	80,054	61,754	21,168	879,836	-	879,836
RESULT										
Segment result	(55,243)	(16,591)	69,875	(223)	(95,281)	(9,004)	(26,703)	(133,170)		(133,170)
Unallocated corporate expenses										(115,452)
Interest expenses										(102,891)
Dividend and other Income										4,871
Profit/(Loss) from ordinary Activities										(346,642)
Amortisation of Intangible Assets										-
Interest Subsidy										15,448
Prior period Items										-
Loss on sale of interest in a wholly owned subsidiary										(230,389)
Miscellaneous expenditure w/o										(15,611)
Goodwill w/o										-
Profit/(Loss) before tax										(577,194)
Provision for tax - Current Tax										-
- Fringe Benefit Tax										-
- Deferred tax										28,605
Profit/(Loss) after tax										(548,589)
Transfer From Revaluation Reserve										-
Net Profit / (Loss)										(548,589)
OTHER INFORMATION										
Segment assets	59,183	922,248	352,912	38,886	669,547	140,417	25,571	2,208,764		2,208,764
Unallocated corporate assets										2,259,762
Total assets										4,468,526
Segment liabilities	268	503,335	189,068	48,391	636,202	78,083	890,125	2,345,472		2,345,472
Unallocated corporate liabilities										914,812
Total liabilities										3,260,284
Capital expenditure	-	579,551	11,885		3,650		37,310	632,396		
Depreciation	12	12,954	7,131	1,541	28,250	147	8,657	58,692		
Amortisation	-	-	-				-	-		

Information about Secondary Business Segments

(Rs. '000s)

Particulars	India	Outside India	Total
Revenue by Geographical Market	879,836		879,836
Segment Assets	2,208,764		2,208,764
Capital Expenditure	632,396		632,396

11. Related parties where control exists:

a) Holding Company

- 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. '000s)

Particulars	Key Management Personnel
Managerial Remuneration	6,955 (7,667)

Note : Amount shown in the bracket represents previous year figure.

	Rs. in thousands			
12. Foreign Currency Transaction	31.03.2011	31.03.2010	20. 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 2011.	
Export of Goods	79,329	122,652		
Expenditure in Foreign Currency	69,422	49,562		
13. Value of Imports Calculated on CIF basis			A Expenses recognised in Profit & loss account for the year ended 31.3.11	Rs. Lacs
Raw Material and spares	610	26,798		Gratuity
Traded Goods	-	45,854	1 Current service cost	25.34
Capital Goods	-	114,370	2 Interest cost	36.27
			3 Expected return on plans assets	5.47
			4 Net actuarial (gain) /Loss recognised during the year	18.97
14. Earnings Per Share			5 Settlement cost	0.00
Profit / (Loss) after tax as per Profit & loss account Less			6 Net expense	75.11
Minority Interest	(548,589)	(191,303)		
Preference Dividend for the Year & Dividend tax	6,335	22,535	B Net asset / (liability) recognised in Balance Sheet	Leave Encashment
Weighted average No. of ordinary shares for calculating EPS	12,38,40,515	12,38,40,515	1 Present value of obligation	86.66
Nominal value of ordinary shares	Rs.10	Rs.10	2 Fair value of plan assets	58.17
Basic / Diluted Earnings per ordinary shares Rs/share	(4.48)	(1.73)	3 Funded status surplus/(deficit)	(438.05)
			4 Unrecognised past service cost	0.00
15. 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.			5 Net asset/(liability) recognised in balance sheet	(438.05)
16. Certain Subsidiary Companies have not appointed the Managerial personnel as stipulated under Section 269 of the Companies Act, 1956.				(86.66)
17. 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 Subsidy has been fully received during the year. The amount outstanding towards interest Subsidy is Rs. 2,33,47,429/-.			C Change in present value of obligations During the year	
18. 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. The company has received Demand Notice for the payment of Duty. Interest and storage costs which aggregates to Rs. 2,55,99,880/-. The said amount has also been capitalized.			1 Present value of obligation at beginning of the year	489.30
19. The company has substantial investments in its wholly owned / substantial subsidiaries and has also made significant interest free advances to them from time to time. These subsidiaries have embarked upon / commissioned projects which upon capacity utilization would generate continuous income streams. These strategic investments are meant to be long term and advances to a large measure could be converted into Equity / Preference / Debentures. These subsidiaries have unique business models which when implemented would earn revenues which would also result in dividend distribution to the company. In the opinion of the Management there is therefore no impairment in the carrying value of these long term investments nor any provision needs to be made for the aforesaid advances.			2 Current service cost	25.34
			3 Interest cost	36.27
			4 Benefits paid	73.29
			5 Actuarial (gain) / loss on obligation	18.58
			6 Present value of obligation as at end of the year	496.20
				86.66
			D Change in assets during the year	
			1 Fair value of plan assets as at beginning of the year	66.92
			2 Expected return on plan assets	5.47
			3 Contributions	8.44
			4 Benefits paid	22.27
			5 Actuarial Gain/(Loss) on plan assets	(0.39)
			6 Fair value of plan assets as at end of the Year	58.17
				0.00
				Partly funded thro an insurance policy
			E Major categories of plan assets as a percentage of total plan	0.00
			F Actuarial assumptions	
			1 Discount rate	8.0%
			2 Salary escalation	5.0%
			21. Previous year figures have been regrouped, reclassified or rearranged wherever necessary.	

For and on behalf of the Board of Directors

For CNGSN & ASSOCIATES
Chartered Accountants
(Firm Registration No. 04915S)

S.V. VENKATESAN
Chairman
Chennai
November 21, 2011

K. PRAKASH
Whole Time Director

V.P. THIRUMOORTHY
Company Secretary

C.N. GANGADARAN
Partner
M.No. 11205

Consolidated Cash Flow Statement for the year ended March 31, 2011

	2010-2011 (Rs. '000s)	2009-2010 (Rs. '000s)
A. Cash flow from operating activities		
Net Profit/(Loss) before tax :	(346,765)	(42,800)
Adjustments for		
Depreciation	56,531	25,219
Prior Period Item	-	686
Amortisation of Intangible Assets	-	22,654
Interest and financial charges paid	118,365	124,957
Bad debts recovered	(200)	-
Provision for doubtful debts	2,929	3,123
Bad debts written off	6,400	11,391
Exchange Rate Variation	(73)	
Loss/(Profit) on sale of Investments	5,839	61
Investments written off	-	1
Loss/(Profit) on sale of fixed assets	626	1,431
Discarded Assets	6,280	
Provision for expenses no longer required	(552)	(7,747)
Provision for Taxation no longer required	-	37
Miscellaneous Expenditure written off	15,571	1,942
Interest Subsidy	(15,448)	(29,369)
Interest Income	(13,741)	(43,377)
	<u>182,527</u>	<u>111,009</u>
Operating profit before working capital changes	(164,238)	68,209
Adjustments for:		
Trade and other receivables	380,364	(801,187)
Inventories (include Stock in Trade)	171,788	(52,791)
Loans & Advances	292,043	(175,920)
Other Current Assets	-	(77)
Trade payables	(347,920)	1,028,880
	<u>496,275</u>	<u>(1,095)</u>
Cash generated from operations		
Direct Tax Paid	(49,111)	(143,478)
Indirect tax Paid	(1,884)	(1,000)
Extra Ordinary items - Interest subsidy	23,681	2,069
	<u>(27,314)</u>	<u>(142,409)</u>
Net Cash from operating activities	304,723	(75,295)
B. Cash Flow from investing activities		
Purchase of fixed assets	(62,282)	(264,198)
Purchase of Capital WIP	(415,418)	(459,425)
Sale of fixed assets	6,032	4,264
Sale/(Purchase) of Investments	41,500	(237)
Loans & Advances	(179,887)	473,882
Interest received	21,022	37,704
Advance received	76,569	
Miscellaneous Expenditure	5,282	
Assignment of trade mark user rights	12,500	
	<u>(494,682)</u>	<u>(208,010)</u>
Net cash used in investing activities	(494,682)	(208,010)

Consolidated Cash Flow Statement for the year ended March 31, 2011 (Contd.)

	2010-2011 (Rs. '000s)	2009-2010 (Rs. '000s)
C. Cash Flow from financing activities		
Receipt of Capital Subsidy	10,023	11,177
Advance towards Share Capital	-	200,000
Repayment of Long term Borrowings	(31,166)	(421,950)
Long term borrowings received	(289,094)	138,308
Repayment of Finance Liabilities	(1)	(4)
Loan Received/(Repaid)	270,168	695,572
Interest paid	(120,493)	(121,532)
Net cash used in financing activities	(160,563)	501,571
Net Decrease(-)/Increase(+) in cash and cash equivalents	(350,522)	218,266
Cash and cash equivalents as at March 31, 2010 (opening balance)	455,437	237,353
Erstwhile Subsidiary balance	(50,063)	(182)
Cash and cash equivalents as at March 31, 2011 (closing balance)	54,852	455,437

Note 1: Previous period figures are reclassified wherever necessary.

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

V.P. THIRUMOORTHY
Company Secretary

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

Chennai
November 21, 2011

STATEMENT SHOWING THE FINANCIAL DETAILS OF THE SUBSIDIARIES AS AT 31ST MARCH 2011

(Rs. '000)

PARTICULARS	Best & Crompton Apparels Limited	B&C Tech. Services Limited	B&C Machinery Limited	Bestai Precast Buildings Limited	Best & Crompton Green Tech Limited	B&C Foundry Limited
I. SOURCES OF FUNDS						
1. Shareholders' Funds :						
Share Capital	236,209	500	717,700	290,845	500	500
Advance Received towards share capital						
Reserves and Surplus	21,200					
2. Loan Funds :						
Secured Loans	460,591	-	1,162,195	427,180		
Unsecured Loans	203,775	32,255	32,200		154,760	2,508
TOTAL	921,775	32,755	1,912,095	718,025	155,260	3,008
II. APPLICATION OF FUNDS						
1. Fixed Assets:						
Gross Block	602,874	5,517	395,782	692,858	172	
Less: Depreciation/Amortisation	67,908	1,897	2,363	13,882	96	
Net Block	534,966	3,620	393,419	678,976	76	-
Capital Work in progress	111,257		1,050,762	85,871	129,900	1,561
Total	646,223	3,620	1,444,181	764,847	129,976	1,561
2. Intangible Assets						
Gross Block						
Less: Amortised up to 31.3.2011						
Total						
3. Investments						
4. Deferred Tax Asset				14,320		
5. Current Assets, Loans and advances :						
Stock in trade						
Inventories	15,856			26,400		
Sundry Debtors	9,527	395		4,028		
Cash and Bank Balances	5,349	47	3,467	8,312	125	
Loans and Advances	89,063	1,510	485,528	78,924	25,860	1,510
Other Current Assets	24,256					
	144,051	1,952	488,995	117,664	25,985	1,510
Less: Current Liabilities and Provisions	175,610	2,584	21,117	210,989	828	110
Net Current Assets	(31,559)	(632)	467,878	(93,325)	25,157	1,400
6. Deferred Tax Liability						
7. Miscellaneous Expenditure (to the extent not written-off)	20		36	76	127	47
8. Profit and Loss Account	307,091	29,767	-	32,107	-	-
TOTAL	921,775	32,755	1,912,095	718,025	155,260	3,008

S.V. VENKATESAN
 Chairman

 Chennai
 November 21, 2011

V. P. THIRUMOORTHY
 Company Secretary

K. PRAKASH
 Whole Time Director

STATEMENT SHOWING THE FINANCIAL DETAILS OF THE SUBSIDIARIES as at 31st MARCH 2011

(Rs. '000)

	Best & Crompton Apparels Limited	B&C Tech. Services Limited	B&C Machinery Limited	Bestai Precast Buildings Limited	Best & Crompton Green Tech Limited	B&C Foundry Limited
INCOME						
Sales and Services	52,079	2,582		14,528		
Less:- Excise Duty	-	-	-	-	-	-
	52,079	2,582		14,528	-	-
Other Income	31,095	587				
Total	83,174	3,169	-	14,528	-	-
EXPENDITURE						
Manufacturing, Construction and Operating Expenses	74,713	7,888		18,304		
Employee Cost	70,639	3,774				
Interest (Net)	66,600	30		30,042		
Depreciation	28,251	1,055		12,609		
Amortisation of Intangible Assets	3					
Operating Profit / (Loss)	(157,032)	(9,578)	-	(46,427)	-	-
Extraordinary Items	(15,448)					
Miscellaneous Expenditure written off						
Charges relating to prior period items						
Profit / (Loss) before tax	(141,584)	(9,578)	-	(46,427)	-	-
Provision for Taxes - Current taxes						
- Deferred taxes				(14,320)		
Profit / (Loss) after tax	(141,584)	(9,578)	-	(32,107)	-	-
Brought forward from previous year	(165,507)	(20,189)				
Balance carried to Balance Sheet	(307,091)	(29,767)	-	(32,107)	-	-

S.V. VENKATESAN
Chairman

Chennai
November 21, 2011

V.P. THIRUMOORTHY
Company Secretary

K. PRAKASH
Whole Time Director

BEST & CROMPTON ENGG. LIMITED

Registered Office : 28, 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 99th Annual General Meeting of the Company to be held on Monday,
December 19, 2011 at 10.00 A.M. and at any adjournment or adjournments thereof.

Signed this day of 2011.

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

ADMISSION SLIP

PLEASE HAND OVER THIS ADMISSION SLIP
AT THE ENTRANCE OF THE
MEETING HALL, DULY COMPLETED

FOLIO No.	No. of Shares.....
*DP. ID. No.	
*CLIENT ID. No.	

Pl. tick MEMBER OR PROXY

NAME OF THE MEMBER/PROXY ATTENDING (IN CAPITAL LETTERS)

99th Annual General Meeting
Monday, December 19, 2011 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.

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