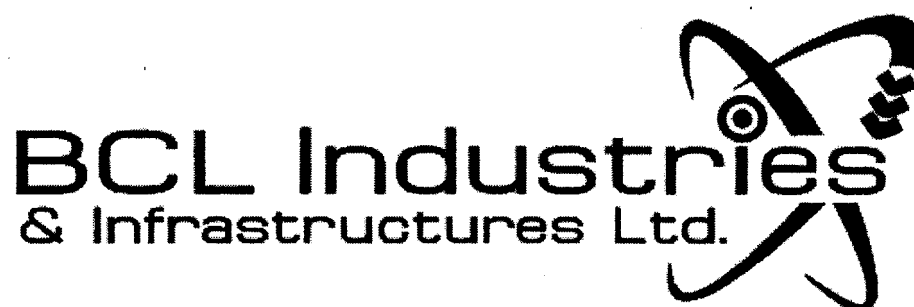


35th
Annual Report
2010-2011



Shri Raiinder Mittal
Chairman & Managing Director

Shri S. N. Goyal
Whole-time Director

Shri Baldev Raj Gupta
Director

Shri V. K. Nayyar
Director

COMPANY SECRETARY
Smt. Nikita Sheth

AUDITORS
M/s. Mittal & Co.
Chartered Accountants,
Mittal Street, Amrik Singh Road,
Bathinda-151 005.

INTERNAL AUDITORS
M/s. Kamal Parshotam Jain & Co.
16916, Street No. 1 / 2,
Basant Vihar,
Bathinda-151 005.

MAIN BANKERS
Punjab National Bank,
Bathinda-151 001

REGISTERED OFFICE & WORKS
Hazi Rattan Link Road,
Post Box No. 71,
Bathinda-151 001.

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NOTICE

Notice is hereby given that the 35th Annual General Meeting of the members of BCL Industries & Infrastructures Limited will be held on Wednesday, 28th September, 2011 at 3.30 p.m. at Ganpati Enclave, Dabwali Road, Bathinda (Punjab) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sat Narain Goyal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration.

Place : Bathinda,
Date : 24th August, 2011

for and on behalf of the Board


(Rajinder Mittal)
Chairman & Mg. Director

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The details under Clause 49 of the Listing Agreement in respect of Directors seeking appointment / re-appointment at the Annual General Meeting is annexed hereto.
3. The Register of members and share transfer books of the Company will remain closed from 26th September, 2011 to 28th September, 2011 (Both days inclusive).
4. Members desiring any information as regards the accounts are requested to write to the Company at least 10 days before the date of the meeting so as to enable the management to provide the information during the Annual General Meeting.
5. Members are requested to quote the ledger folio or Client ID and DP ID numbers in all communications with the Company or Registrar & Share Transfer Agent and also to notify any change of addresses to them.

Details of Director seeking re-appointment in ensuing Annual General Meeting as per clause 49 of the Listing Agreement.

Name of Director	Sh. S. N. Goyal
Date of Birth	05/02/1961
Date of Appointment	01/11/2004
Expertise in specific functional area	He is a post graduate in commerce and is having rich experience of around 30 years in oil & Vanaspati industry.
List of outside Directorship held	E-Edit Infotech Private Limited Svarna Infrastructure & Builders Private Limited
Membership/ Chairmanship of committees across public companies	No
shareholding	75 Equity Shares (0.0012%)

DIRECTORS' REPORT

To
The Members of BCL Industries & Infrastructures Limited

Your Directors are pleased to present the 35th Annual Report on the working of the Company together with the Audited Accounts for the financial year ended 31st March, 2011.

FINANCIAL RESULTS

The financial highlights are as follows :-

	(Rupees In Lacs)	
	2010-2011	2009-2010
Profit before Interest, Depreciation and Tax	1119.82	791.39
Less :		
Interest	228.32	316.37
Depreciation	208.27	203.77
	<u>683.23</u>	<u>271.25</u>
Less : Provision for Taxation	140.00	50.00
Profit after Tax	<u>543.23</u>	<u>221.25</u>
Add : Balance brought forward from previous year	226.27	13.17
	<u>769.50</u>	<u>234.42</u>
Add/Less : Previous year Adjustment including taxes	(33.77)	(3.90)
Deferred Tax	11.59	(4.24)
	<u>747.32</u>	<u>226.28</u>
Available for appropriation		
APPROPRIATIONS		
Transferred to General Reserve	700.00	0.00
Balance carried to Balance Sheet	<u>47.32</u>	<u>226.28</u>
	<u>747.32</u>	<u>226.28</u>

PERFORMANCE REVIEW

During the year under review, your company has been able to achieve a turnover of Rs.479.81 Crores (Previous Year Rs. 304.20 Crores) & earned a profit after tax of Rs.543.23 Lacs as against Rs.221.25 Lacs in the previous year, despite the Company faced various adversities like sharp increase in the input costs, increase in fuel prices, increase in the interest rates, credit crunch, fluctuation in Exchange Rates, hard competition due to excessive imports of finished goods and competition from the several domestic players.

In the last Annual General Meeting it was passed to install a Distillery Unit. Your Directors are pleased to inform you that the work of installation of Distillery Unit is going on full swing. The orders for procurement of Plant & Machinery are already placed and it is expected that the Distillery will start production in the current financial year itself.

ACHIEVEMENT

Your Directors have pleasure to inform you that the Company again got B. K. Geonka Award for being the "SECOND HIGHEST PRODUCER OF REFINED RICE BRAN OIL" in the country.

DIVIDEND

Keeping in view the requirement of funds for set up of Distillery Unit and need to conserve the resources of the Company for the future working capital requirements, your Directors do not recommend dividend on the equity shares.

DIRECTORS

Sh. Sat Narain Goyal, Whole Time Director, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Certificate by the Managing Director and Manager (Finance) confirming compliance by all the Board Members with Company's Code of Conduct and Auditor's Certificate regarding compliance of condition of Corporate Governance are made a part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed that:

- (i) In the preparation of the annual accounts the applicable accounting standards have been followed.
- (ii) 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 year and of the profit of the Company for the year under review.
- (iii) 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

LISTING OF EQUITY SHARES

The equity shares of the company are listed on Ludhiana (Regional), Delhi, Mumbai Stock Exchanges and listing fee for the year 2011-2012 have been paid to each of the said Stock Exchanges.

HUMAN RESOURCES

The Company regards its employees as the most valuable assets and continuously reviews and evolves policies and procedures to attract and retain its pool of technical and managerial personnel through a conducive work environment.

PARTICULARS OF EMPLOYEES

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable as, there was no employee in the company during the year, drawing remuneration more than the amount specified in terms of section 217 (2A) of the Companies Act, 1956.

AUDITORS

M/s. P. Mittal & Co., Chartered Accountants, the Statutory Auditors of the Company, will hold office until the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

AUDITORS' REPORT

The observations of the Auditors are self explanatory and as such need no further explanation.

COST AUDIT

The Board of Directors has re-appointed M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar as Cost Auditors of the Company under section 233-B of the Companies Act, 1956 for the year 2011-2012. The Cost Auditor's report will be forwarded to the Central Government as required under law.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted fixed deposits from the public under section 58-A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 with respect to energy conservation, technology absorption and foreign exchange earnings & outgo are forming part of the Directors Report and are annexed hereto and form part of the Director's Report.

APPRECIATION

The Board of Directors place on record their appreciation to all the employees of the Company for their contribution to the operations of the Company during the year under review. Your Directors also place on record their sincere appreciation of the support extended by the Government and other Statutory Authorities, Company's Bankers, Business Associates, Auditors and all the Shareholders of the Company.

Place : Bathinda,
Date : 24th August, 2011

for and on behalf of the Board



(Rajinder Mittal)
Chairman & Mg. Director

ANNEXURE TO THE DIRECTORS' REPORT

Particulars as required under Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

A) CONSERVATION OF ENERGY

The Company continues to place specific emphasis on energy conservation. No additional investment is made.

FORM 'A'

Form for disclosure of particulars of conservation of energy :-

1) POWER AND FUEL CONSUMPTION

	2011	2010
i) ELECTRICITY		
a) Purchased Units	12165648	10822796
Total Amount (In Rs.)	65400951	56152095
Rate/Unit	5.38	5.19
b) Own Generation through Diesel/R.F.O./H.P.S. Generator		
Units	42980	408060
Total Amount (In Rs.)	405649	2203155
Rate/Unit	9.44	5.40
ii) COAL (Used in Boiler):		
Quantity (In M.Ts.)	--	--
Total Cost	--	--
Average Rate PMT	--	--
iii) FURNACE OIL :		
Quantity (In Litres)	--	--
Total Cost	--	--
Average Rate Per Litre	--	--
iv) OTHERS		
Rice Husk/R.F.O./ L.D.O. Total Cost (In Rs.)	5796533	42879555

2) CONSUMPTION PER UNIT OF PRODUCTION

Electricity (Units)	6.99	6.81
Coal (Qtls)	--	--
Furnace Oil (In Liters)	--	--

B) TECHNOLOGY ABSORPTION

FORM 'B'

Form for disclosure of particulars of technology absorption:-

Although no separate R & D Department has been set up yet the Company has taken care to train Chemists & Engineers in various disciplines. The Company is having a well equipped laboratory which meets the requirement of quality control.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings : Rs. 683.22 Lacs
Outgo : Rs. 7500.55 Lacs

Place : Bathinda,
Date : 24th August, 2011

for and on behalf of the Board


(Rajinder Mittal)
CHAIRMAN & Mg. DIRECTOR

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Your Company is engaged in the business of Edible oils as well as Real Estate as a Developer and Colonizer and developed various commercial and residential sites. The Edible oil business includes refined oil in the name of of Homecook, Vanaspati, Do Khajoor and Mustard as Murli. Homecook brand offers a wide range of refined oils, which includes soyabean oil, sunflower oil, cottonseed oil and rice bran oil. Different crude edible oils are imported like Palm oil etc. every year for blending and refining with other edible oil based products.

OPPORTUNITIES

The future outlook of the oil business as well as Real Estate business is looking good. Your company has opportunities in the market, due to the fact that company constantly endeavor to improve productivity, reduce cost and provide goods and services to the satisfaction of the customers.

The Directors are pleased to inform you that the Company is also in negotiation for development of Luxury Residential Flats to be known as D D Mittal Towers Phase-II at Multania Road, Bathinda and it is expected to start the construction work during the current year.

RISK & THREATS

Risk is inherent aspect of business. Risk taking is essential ingredient for growth. The level and type of risks depend from company to company based on growth strategy, expansion plans and various other factors. However, your company is continuously evaluating the risks in all the segments of business and taking proactive steps to contain/minimize its impact on the business.

INDUSTRIAL RELATIONS & HUMAN RESOURCES MANAGEMENT

Industrial relations at all the level of works of the Company remained cordial and harmonious during the year under review. Your Company considers human resources very valuable assets for the development of the Organization. To enhance the competencies of the employees at all levels, your Company organizes a series of in house training programme.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control system commensurate with the nature of its business and the size of its operations. Internal control system is well established to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. The internal control system is designed to ensure that financial and other records are reliable for preparing the financial statements and other data and for maintaining the accountability of assets. The internal audit is carried out by the Internal Auditors of the Company and covers all the departments of the Company. The audit process is undertaken under the supervision and guidance of the Audit Committee. All significant audit observations and actions taken thereof are reported to the Audit Committee.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

Your Company has achieved a turnover of Rs. 479.81 Crores and earned a profit after tax of Rs.543.23 Lacs by managing efficiently and effectively the resources at its disposal in spite of the fact that the Company has faced competition from the several domestic players.

CAUTIONARY STATEMENT

The above Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable Securities Laws and Regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include external economic conditions affecting demand/supply influencing price conditions in the markets in which the Company operates, changes in Government Regulations, Statutes, Tax Laws and other incidental factors.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company continues to focus on good Corporate Governance and its primary objective is to create and adhere to a corporate culture of integrity, transparency, disclosure, accountability, equal treatment of all shareholders and social responsibility. It has taken all the necessary steps to ensure that all the mandatory provisions of Corporate Governance, prescribed under the Listing Agreement with Stock Exchanges with which the Company is listed, are complied with.

Your Company has adopted an appropriate Corporate Governance framework to ensure timely and accurate disclosure of all material matters, including financial position, performance and governance.

Your Company's policies and practices relating to Corporate Governance are discussed in the following sections.

BOARD OF DIRECTORS

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors so as to have a balanced Board Structure. The Board has four directors, two of whom are Executive Directors, and the rest two are Non-Executive Directors. The Chairman of the Board of Directors of your Company is an Executive Director.

The Members of the Board of Directors of your Company are expected to possess required expertise, skill and experience to effectively manage your Company so that it can attain its organizational goals.

Each member of the Board of Directors of your Company is expected to ensure that his personal interest does not run in conflict with your Company's interests.

The Directors of your company are appointed by the Shareholders upon recommendation of the Board of Directors within the frame work of the Companies Act, 1956 as well as the Articles of Association of the Company.

The names of the Directors and the category to which they belong to, their attendance at Board Meetings during the year and the last AGM, the number of directorship and committee membership held by them in other Companies is given below. Other directorship do not include directorship of Private Limited and Foreign Companies.

Name	Category	Number of Board Meeting attended	Attendance at last AGM	Number of directorship in other Public Limited Companies	Committee Position held in other Public Limited Companies	
					Chairman	Member
Shri Rajinder Mittal	Executive	18	Yes	7	2	2
Shri S. N. Goyal	Executive	20	Yes	Nil	Nil	Nil
Shri V. K. Nayyar	Non Executive	6	Yes	Nil	Nil	Nil
Shri Baldev Raj Gupta	Non Executive	20	Yes	Nil	Nil	Nil

AUDIT COMMITTEE

Audit Committee of your company comprises of three directors, Shri V. K. Nayyar, Shri S. N. Goyal & Shri Baldev Raj Gupta. Shri V. K. Nayyar, is the Chairman of the Committee. All the members of the Audit Committee are financially literate and have vast experience in their respective fields. Shri V. K. Nayyar and Shri S. N. Goyal have accounting or related financial management expertise. The terms of reference stipulated by the Board to the Audit Committee are as contained in Clause 49 of the Listing Agreement. The Audit Committee regularly invites in the meeting such Executives including the Head of Finance Department and Statutory Auditors and Internal Auditors of the Company as it considers appropriate. The minutes of the Audit Committee Meeting were circulated to the Board. The Audit Committee met five times during the financial year on 28/4/2010, 28/06/2010, 30/07/2010, 10/11/2010 and 29/01/2011

SHARE TRANSFER COMMITTEE

The Share Transfer Committee consists of Shri Rajinder Mittal, Chairman & Mg. Director, Shri S. N. Goyal, Whole Time Director, Shri Baldev Raj Gupta, Director and Smt. Nikita Sheth, Company Secretary. The committee looks into various issues pertaining to share transfer, duplicate share certificates, transmission and related matters. The Committee meets frequently to effectively and expeditiously dispose off the matters referred to the Committee. During the year under review Share Transfer Committee held 16 meetings.

SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

The Shareholders/ Investors Grievances committee ensures the effective redressal of the complaints received from the shareholders such as dematerialization, transfer, non receipt of annual report/share certificates etc. The committee also oversees the performance of the Registrar and Share transfer Agent.

Investor Grievance Committee comprises of two members namely Shri Baldev Raj Gupta & Shri V. K. Nayyar (Non Executive Directors). The Company attempts the Investor Grievance correspondence expeditiously and usually reply is sent within a period of 10 days of the receipt of complaint. There has been no complaint that has not been resolved to the satisfaction of the shareholder. Mrs. Nikita Sheth, Company Secretary, is Compliance Officer of the Company.

REMUNERATION POLICY

The Whole Time / Executive Directors are paid remuneration approved by the Board of Directors, subject to the subsequent approval by the shareholders at the general body meeting and such other authorities as the case may be. The remuneration is fixed considering various factors such as qualifications, experience, expertise and financial position of the Company etc. The remuneration structure comprises of basic salary, perquisites and allowances, contribution to Provident Fund and other funds in accordance with the provisions of the Companies Act, 1956.

Detail of remuneration paid to the Directors during the financial year is as given below:-

(Amount in Rs.)	
Name of Executive Directors	Salary*
Sh. Rajinder Mittal	12,00,000/-
Sh. S. N. Goyal	3,60,000/-
Total	15,60,000/-

*Salary includes monetary value of perquisites.

(Amount in Rs.)	
Name of Non Executive Directors	Sitting Fee
Sh. V.K. Nayyar	72,000/-
Sh. Baldev Raj Gupta	1,74,000/-
Total	2,46,000/-

GENERAL BODY MEETINGS

Information regarding last three Annual General Meetings are given below :

Location	Day	Date	Time
Ganpati Enclave, Dabwali Road, Bathinda	Saturday	27 th September, 2008	4.00 P.M.
-do-	Saturday	29 th day of August, 2009	4.00 P.M.
-do-	Saturday	14 th August, 2010	4.00 P.M.

DISCLOSURES

During the year, there was no material / significant related party transactions that would have potential conflict with the interest of the Company at large. No penalty or strictures have been imposed on the Company by any regulatory authority for non-compliance of any laws.

MEANS OF COMMUNICATION

The Company communicates with the shareholders at large through its Annual Reports, publication of financial results, press release in leading newspapers and by filing of various reports and returns with the statutory bodies like Stock Exchanges and Registrar of Companies. The quarterly results are published in the prominent daily newspapers.

GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting
 Date and time : 28th September, 2011 at 3.30 P.M.
 Venue : Ganpati Enclave, Dabwali Road, Bathinda
- Date of Book Closure : 26th September, 2011 to 28th September, 2011
 (both days inclusive)
- Financial Calendar : 1st April to 31st March
- Listing Details : Listed on Ludhiana, Delhi & Mumbai Stock Exchanges
- Demat ISIN Number : INE412G01016

REGISTRAR & SHARE TRANSFER AGENTS

The Company has appointed Registrar & Share Transfer Agents to handle physical and electronic share registry work so as to comply with the SEBI directive making it mandatory for listed companies to have a common agency for the said purpose. Accordingly all documents, transfer deeds, demat requests and other communications in relation thereto should be addressed to the following address: -

LINK INTIME INDIA PRIVATE LIMITED,
A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall,
NEW DELHI-110 028

Phones: 011- 41410592, 93, 94,
e-mail : delhi@linkintime.co.in

SHARE TRANSFER SYSTEM

Share Transfers in physical form can be lodged with Registrar & share transfer agent at the above mentioned address or at the Regd. Office of the Company. The transfers are normally processed by the Registrar & Share Transfer Agent within 10-15 days from the date of receipt, if the documents are complete in all respects. Share Transfers under objection are returned within two weeks. All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

PLANT LOCATION

BCL Industries & Infrastructures Limited,
Hazi Rattan Link Road,
BATHINDA.

REGISTERED OFFICE

BCL Industries & Infrastructures Limited,
Hazi Rattan Link Road,
BATHINDA.

DECLARATION

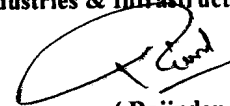
To

The Members of
BCL Industries & Infrastructures Limited,

Pursuant to Clause 49(1)(D)(ii), I hereby confirm that, for the financial year ended 31st March, 2011 all the Board members and the Senior management personnel have affirmed compliance with the code of conduct framed by the Company.

For BCL Industries & Infrastructures Limited

Date : 24th August, 2011
Place : Bathinda



(Rajinder Mittal)
Chairman & Mg. Director

To

BCL Industries & Infrastructures Limited,

We have examined the compliance of conditions of corporate governance by BCL Industries & Infrastructures Limited for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of 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 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 and based on the representation made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing agreement.

Further, we state that no investors' grievances are pending for a period of more than one month against the Company as per the records maintained by the Investors' Grievance Committee.

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.

Place : Bathinda,
Date : 27th August, 2011


For P.Mittal & Co.
Chartered Accountants
BATHINDA
(Armod Mittal) FCA
Prop.

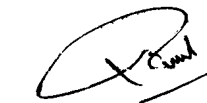
CEO / CFO CERTIFICATE

Shri Rajinder Mittal, Chairman & Managing Director, and Shri Navdeep Gupta, Head of the Finance Department of the Company have certified to the Board that :

- (a) The Financial Statements and the Cash Flow Statement for the year have been reviewed and to the best of their knowledge and belief -
 - (i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading; and
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- (b) There are to the best of their knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting; and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which they are aware and the steps they have taken or proposed to take to rectify these deficiencies.
- (d) They have indicated to the Auditors and the Audit Committee :
 - (i) Significant changes in internal controls over financial reporting during the year ;
 - (ii) Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant frauds of which they have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control systems over financial reporting.

Date : 24th August, 2011
Place : Bathinda


(Navdeep Gupta)
C.F.O.


(Rajinder Mittal)
Chairman & Mg. Director

AUDITORS' REPORT TO THE SHAREHOLDERS

1. We have audited the attached Balance Sheet of M/s. BCL Industries & Infrastructures Limited, as at 31st March, 2011 and the Profit & Loss Account and the Cash Flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditors' Report) order 2003 issued by the Central Government of India in terms of Section 227 (4-A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
 - ii.) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books.
 - iii) The Balance Sheet and Profit & Loss Account and Cash Flow Statement referred to in this report are in accordance with the Books of Accounts.
 - iv) In our opinion, the Profit and Loss Account and Cash Flow Statement and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v) In our opinion, and based on information and explanations given to us, none of the Directors is disqualified as on 31st March, 2011 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts gives the information required by the Companies Act, 1956 in the manner, so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) In the case of Profit & Loss Account, the profit for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Bathinda,
Date : 24th August, 2011



For P.Mittal & Co.
Chartered Accountants

(Parmod Mittal) FCA
Prop

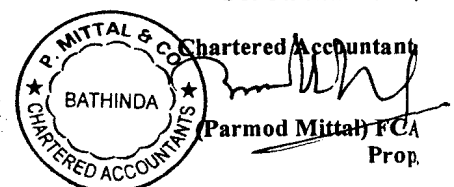
ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

- (i) In respect of its fixed assets.
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The management of the company has physically verified certain assets during the year in accordance with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposals during the year and the going concern status of the company is not affected.
- (ii) In respect of its inventories :
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii)
 - (a) According to the information & explanation given to us, during the year, the Company has not granted any loan secured / unsecured to Companies, Firms or any other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) In our opinion, the rate of interest & other Terms & Conditions on which advances have been granted to the Companies, Firms or other parties listed in the register maintained U/s 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
 - (c) The parties have repaid the principal amount as stipulated and have been regular in the payment of interest thereon.
 - (d) There is no overdue amount of loans granted to Companies, Firms or any other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (e) According to the information and explanation given to us, the Company has not taken loan from Companies, Firms or any other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (f) In our opinion, the rate of interest & other Terms & Conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
 - (g) The Company is regular in repaying the principal amount as stipulated and has been regular in the payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements referred in Section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under that section.
- (b) According to the information and explanations given to us, the transactions made in presence of such contracts or arrangements have been made at prices, which are reasonable having regards to the prevailing market at the relevant time.

- (vi) The Company has not accepted any deposits from the public during the year, under the provisions of Section 58A and 58AA of the Act and the Rules framed there under.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Employees Provident Fund, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty were in arrears, as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (x) The Company neither have accumulated losses at the end of the year, nor incurred cash losses during the current and the immediately proceeding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- (xii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks and Financial Institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loan availed by the Company were prima facie applied by the Company for the purposes for which the loan was obtained.
- (xvii) According to the information and explanations given to us, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) During the year under review, the company has made allotment 8000000 (Eighty Lacs) Warrants at Rs.31/- (Thirty One only) Nominal value of Rs.10/- (Ten only) each fully paid up at a premium of Rs.21/- (Twenty One only) per Warrant, on a preferential basis with a right to subscribe equal number of equity shares on conversion within a period of 18 months from the date of allotment, to the promoters and the Bodies Corporates other than promoters.
- (xix) No debentures have been issued by the Company and hence the question of creating securities in respect thereof does not arise.
- (xx) During the period, the Company has not raised money by Public Issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the financial year.

Place : Bathinda,
Date : 24th August, 2011

For P.Mittal & Co

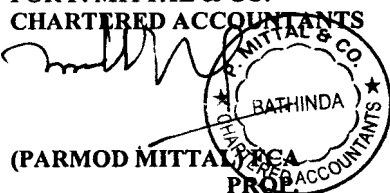


BALANCE SHEET AS AT 31ST MARCH, 2011

(RUPEES IN LACS)

	SCHEDULE		AS AT 31 ST MARCH, 2011	AS AT 31 ST MARCH, 2010
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1		1235.00	615.00
Reserves & Surplus	2		4084.01	3591.15
LOAN FUNDS	3		8682.39	5790.72
DEFERRED TAX			34.85	46.44
		TOTAL	14036.25	10043.31
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	4	4795.33		4745.37
Less : Depreciation		3142.30		2953.66
Net Block			1653.03	1791.71
Fixed Assets (D.D. Mittal Tower unit)			6.22	0.00
Capital Work In Progress (Distillery Unit)			699.84	0.00
INVESTMENTS	5		2219.09	1501.92
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	6	8815.39		7836.58
Sundry Debtors	7	3158.72		2081.14
Cash & Bank Balances	8	1116.87		419.28
Loans & Advances	9	278.00		299.14
		13368.98		10636.14
Less :				
CURRENT LIABILITIES & PROVISIONS				
Current Liabilities	10	3765.26		3831.49
Provisions	11	145.65		54.97
Net Current Assets			9458.07	6749.68
Miscellaneous Expenditure (To the extent not written off)				
		TOTAL	14036.25	10043.31
NOTES TO ACCOUNTS				
	22			
The Schedules referred to above form an integral part of Balance Sheet				

As per Report annexed
FOR P. MITTAL & CO.
CHARTERED ACCOUNTANTS



(PARMOD MITTAL) PCA

PROF.

RAJINDER MITTAL
CHAIRMAN & Mg. DIRECTOR

NIKITA SHETH
COMPANY SECRETARY

S. N. GOYAL
DIRECTOR

Place : Bathinda,
Date : 24th August, 2011

(RUPEES IN LACS)

31st MARCH 201131st MARCH 2010**INCOME**

Sales / Operating Income	12	47981.13	30420.12
Other Income	13	73.30	96.96
Increase / (Decrease) in Stocks	14	(163.23)	602.75
	(A)	<u>47891.20</u>	<u>31119.83</u>

EXPENDITURE

Raw Material Consumed	15	40698.85	25751.62
Packing Material Consumed	16	1176.88	1008.84
Manufacturing Expenses	17	2204.01	1864.84
Administrative Expenses	18	286.17	263.04
Selling Expenses	19	2405.47	1440.10
Interest	20	228.32	316.37

		(B)	<u>46999.70</u>	<u>30644.81</u>
Profit before Depreciation & Tax		(A-B)	891.50	475.02
Depreciation	21		<u>208.27</u>	<u>203.77</u>
Profit before Tax			683.23	271.25
Provision for Taxation			<u>140.00</u>	<u>50.00</u>
- For Current Tax			543.23	221.25
Profit after tax			<u>226.27</u>	<u>13.17</u>
Balance Brought Forward from Previous Year			769.50	234.42

Add/Less :

Income Tax of earlier years		(33.19)	(2.23)
Previous year adjustment		(0.58)	(1.67)
Deferred Tax		11.59	(4.24)
		<u>747.32</u>	<u>226.28</u>

APPROPRIATIONS

Transfer to General Reserve		700.00	0.000
Balance Carried to Balance Sheet		<u>47.32</u>	<u>226.28</u>
		<u>747.32</u>	<u>226.28</u>

Basic & diluted Earning per Share (in Rs.)

8.83

3.60

NOTES TO ACCOUNTS

22

The Schedules referred to above form an integral part of Profit & Loss Account

As per Report annexed
FOR P. MITTAL & CO.

CHARTERED ACCOUNTANTS



(PARMOD MITTAL) PCA

RAJINDER MITTAL
CHARTERED ACCOUNTANTS

NIKITA SHETH
COMPANY SECRETARY

S. N. GOYAL
DIRECTOR
Place : Bathinda,
Date : 24th August, 2011

SCHEDULE - 1 : SHARE CAPITAL

	AS AT 31 ST MARCH, 2011	(RUPEES IN LACS) AS AT 31 ST MARCH, 2010
AUTHORISED		
20000000 Equity Shares of Rs. 10/- each	2000.00	2000.00
ISSUED , SUBSCRIBED AND PAID – UP		
54,00,000 Equity Shares of Rs. 10/- each issued for cash	540.00	540.00
7,50,000 Equity Shares allotted as fully paid bonus share	75.00	75.00
SHARE WARRANTS APPLICATION MONEY	620.00	0.00
Application Money Recd. Rs. 7.75 per share warrant on 8000000 equity share warrants of face value of Rs.10/- each issued at a premium of Rs. 21/- per share warrant.		
	<u>1235.00</u>	<u>615.00</u>

SCHEDULE - 2 : RESERVES & SURPLUS

(a) Share Premium	407.50	407.50
(b) Revaluation Reserve	58.94	60.30
Less : Transfer to P & L A/C (Being difference of Depreciation on revalued cost of assets and that on the original cost.)	<u>1.24</u>	<u>1.36</u>
	57.70	58.94
(c) General Reserve	2804.07	2131.01
(d) Capital Reserve	692.50	692.50
(e) Profit & Loss Account	47.32	226.28
(f) Capital Subsidy	74.92	74.92
	<u>4084.01</u>	<u>3591.15</u>

SCHEDULE – 3 : LOAN FUNDS

PUNJAB NATIONAL BANK, BATHINDA

i) ON CASH CREDIT ACCOUNT : (Exclusive charge of hypothecation of all the stocks of raw materials, stock in process, semi finished goods, finished goods, consumable stores, present or future book debts and other current assets of the company wheresoever situated whether present or future and first exclusive charge on all the fixed assets of the company situated at Hazi Rattan Link Road, Bathinda).	5416.79	4973.57
ii) PACKING CREDIT	0.00	285.00
iii) BUYER'S CREDIT ACCOUNT	1336.81	0.00
iv) TERM LOAN (DISTILLERY UNIT) (Exclusive first charge of all fixed assets of the company situated in Distillery Unit at village Sangat Kalan, District Bathinda)	980.83	0.00
HDFC BANK LIMITED		
i) TERM LOAN :- (Secured by hypothecation of Commercial Building at Gurgaon)	533.90	100.89
ii) TERM LOAN (LAP):-	236.49	304.06
iii) TERM LOAN:- (Secured by hypothecation of vehicles financed by HDFC Bank Ltd.)	168.12	105.75
TATA CAPITAL LIMITED		
TERM LOAN :- (Secured by hypothecation of vehicle financed by Tata Capital Limited)	2.15	6.10
TATA MOTORS FINANCE LIMITED		
TERM LOAN :- (Secured by hypothecation of vehicles financed by Tata Motor Finance Ltd.)	7.30	15.35
	<u>8682.39</u>	<u>5790.72</u>

SCHEDULE - 4 : FIXED ASSETS

(RUPEES IN LACS)

Description	Cost/Value as per last Balance- Sheet as at 31 st March, 2010	Additions During the year	Deduct Cost/value of assets sold/ transferred during the year	Total Cost/Value up to 31 st March, 2011	Total Depreciation upto 31 st March, 2011	NET VALUE OF ASSETS	
						As at 31 st March, 2011	As at 31 st March, 2010
Land	318.85	0.00	160.91	157.94	0.00	157.94	318.85
Building	458.05	21.61	0.00	479.66	280.84	198.82	192.88
Plant & Machinery	3515.94	60.44	11.16	3565.21	2527.38	1037.83	1113.18
Furniture & Fixtures	28.17	6.13	0.00	34.30	21.08	13.22	8.71
Office Equipment	39.21	1.49	0.0	40.70	27.04	13.66	14.23
Vehicles	355.40	140.86	11.69	484.57	257.23	227.34	140.94
Computer	22.50	3.19	0.00	25.69	21.47	4.22	2.91
Gas Cylinders	7.26	0.00	0.00	7.26	7.26	0.00	0.01
TOTAL :	4745.37	233.72	183.76	4795.33	3142.30	1653.03	1791.71
PREVIOUS YEAR	4384.96	392.31	31.90	4547.37	2953.66		

SCHEDULE - 5 : INVESTMENTS (AT COST)

	<u>AS AT 31ST MARCH, 2011</u>	<u>AS AT 31ST MARCH, 2010</u>
PNB PRINCIPAL MUTUAL FUND	6.00	6.00
QUOTED		
Fully paid up Equity Shares (Market Value Rs. 80,000)	12.93	12.93
UNQUOTED		
Fully paid up Equity Shares	888.56	888.56
Jewellery	0.80	0.80
INVESTMENT IN OTHER PROJECTS	1310.80	593.63
	<u>2219.09</u>	<u>1501.92</u>

SCHEDULE - 6 : INVENTORIES

STOCKS :

(As valued and Certified by the Management)

Raw Material	5561.83	5656.61
Material—Under Process / Semi Finished	364.50	243.39
Finished Goods	<u>1377.34</u>	<u>1661.68</u>
	7303.67	7561.68
Stores, Spares & Packing Material	137.77	97.03
Stock at Kandla Port / In transit	470.38	177.87
Work in progress (D.D. Mittal Towers Unit)	903.57	0.00
	<u>8815.39</u>	<u>7836.58</u>

SCHEDULE - 7 : SUNDRY DEBTORS

UNSECURED BUT CONSIDERED GOOD :

a) Debts outstanding for a period exceeding six months	93.22	93.22
b) Other Debts	<u>2242.49</u>	<u>1987.92</u>
	2335.71	2081.14
Advance paid to Machinery Suppliers (Distillery Unit)	714.67	0.00
Advance Paid to Material Suppliers (D.D.Mittal Towers Unit)	108.34	0.00
	<u>3158.72</u>	<u>2081.14</u>

SCHEDULE - 8 : CASH & BANK BALANCES

CASH IN HAND	32.17	20.56
BALANCE WITH SCHEDULED BANKS :		
a) In Current Account	41.71	91.45
b) Fixed Deposit Account	<u>1042.99</u>	<u>307.27</u>
	1084.70	398.72
	<u>1116.87</u>	<u>419.28</u>

(RUPEES IN LACS)

SCHEDULE - 9 : LOANS & ADVANCES

**AS AT 31ST
MARCH, 2011**

**AS AT 31ST
MARCH, 2010**

**LOANS & ADVANCES RECOVERABLE IN
CASH OR IN KIND OR FOR VALUE TO BE
RECEIVED.**

a) From Employees	14.42		12.51	
b) From Others	<u>151.74</u>		<u>216.75</u>	
		166.16		229.26
Advance Income Tax		56.46		31.20
Securities		31.43		26.63
Prepaid Expenses		<u>23.95</u>		<u>12.05</u>
		<u>278.00</u>		<u>299.14</u>

SCHEDULE - 10 : CURRENT LIABILITIES

Trade Creditors		1978.71		2337.29
Tax Deducted at Source		20.74		24.62
Securities		1019.09		1407.20
Advance from Flats Buyers		665.86		0.00
Other Current Liabilities :				
For Expenses		<u>80.86</u>		<u>62.38</u>
		<u>3765.26</u>		<u>3831.49</u>

SCHEDULE - 11 : PROVISIONS

For Gratuity		5.65		4.97
For Income Tax		<u>140.00</u>		<u>50.00</u>
		<u>145.65</u>		<u>54.97</u>

SCHEDULE - 12 : SALES / OPERATING INCOME

Sales		47574.01		30351.60
Milling Charges		134.70		68.52
Profit from firm		<u>272.42</u>		<u>0.000</u>
		<u>47981.13</u>		<u>30420.12</u>

SCHEDULE - 13 : OTHER INCOME

Misc. Income		0.00		9.51
Profit on sale of Fixed Assets		9.74		10.72
Rent, Rate & Taxes		63.56		76.62
Rebate & Discount		<u>0.00</u>		<u>0.11</u>
		<u>73.30</u>		<u>96.96</u>

SCHEDULE - 14 : VARIATION IN STOCKS

CLOSING STOCK				
Finished Goods	1377.34		1661.68	
Stock in Process	<u>364.50</u>		<u>243.39</u>	
		1741.84		1905.07
Less :				
OPENING STOCK				
Finished Goods	1661.68		1151.19	
Stock in Process	<u>243.39</u>		<u>151.13</u>	
		<u>1905.07</u>		<u>1302.32</u>
		<u>(163.23)</u>		<u>602.75</u>

SCHEDULE - 15 : RAW MATERIAL CONSUMED

OPENING STOCK	5656.61		3002.75	
Add : Purchases & Incidental Expenses	<u>40604.07</u>		<u>28405.48</u>	
		46260.68		31408.23
		5561.83		5656.61
Less : Closing Stock		<u>40698.85</u>		<u>25751.62</u>

(RUPEES IN LACS)

SCHEDULE - 16 : PACKING MATERIAL CONSUMED

	AS AT 31ST MARCH, 2011	AS AT 31ST MARCH, 2010
Containers (Tin, Canny, Matka)	692.38	698.24
Boxes, Bottles, Labels &	484.50	273.47
Other Packing Materials		
Gunny Bags	0.00	37.13
	<u>1176.88</u>	<u>1008.84</u>

SCHEDULE - 17 : MANUFACTURING EXPENSES :

Hexane	88.80	44.11
Power	658.07	583.55
Fuel	579.61	437.92
Wages	164.48	141.95
Processing Chemicals	415.82	346.69
Stores & Spares	48.33	49.16
Laboratory Expenses	4.14	2.72
Repair & Maintenance :		
Machinery	238.05	250.24
Building	5.28	6.85
Others	1.43	1.65
	<u>244.76</u>	<u>258.74</u>
	<u>2204.01</u>	<u>1864.84</u>

SCHEDULE - 18 : ADMINISTRATIVE EXPENSES

Salary , Bonus & Gratuity	84.57	79.47
Contribution to Provident & Other Funds	20.49	19.32
Employees Welfare Expenses	10.08	3.67
Insurance Expenses	36.56	26.54
Telephone Expenses	13.60	13.21
Printing & Stationery	9.89	8.95
Postage & Telegram	3.26	2.32
Vehicle Maintenance	7.42	3.67
Hire Charges	8.35	9.10
Travelling & Conveyance Expenses :		
- Directors	2.31	7.19
- Staff	9.58	9.52
	11.89	16.71
Charity & Donation	8.10	6.17
Entertainment Expenses	1.25	1.68
Legal & Other Fees	19.71	23.72
Misc. Expenses	1.75	0.76
Auditors' Remuneration :		
- Statutory Audit Fee	0.75	0.75
- Internal Audit Fee	0.50	0.50
	1.25	1.25
Directors' Remuneration	18.06	17.67
Bank Commission	18.02	16.48
Medical Expenses (Employees)	2.17	2.58
Tea & Food Expenses (Employees)	9.75	9.77
	<u>286.17</u>	<u>263.04</u>

SCHEDULE - 19 : SELLING & DISTRIBUTION EXPENSES

Export Expenses	22.15	4.34
Carriage, Freight & Octroi Expenses	850.35	677.29
Central Sales Tax /VAT	1416.99	649.71
Brokerage & Commission	97.65	90.13
Advertisement Expenses	11.01	14.39
Rebate & Discount	2.40	0.00
Marketing Expenses	4.92	4.24
	<u>2405.47</u>	<u>1440.10</u>

SCHEDULE – 20 : INTEREST

(RUPEES IN LACS)

		AS AT 31ST MARCH, 2011		AS AT 31ST MARCH, 2010
INTEREST PAID TO				
Banks	627.45		490.39	
Other Parties	<u>136.73</u>		<u>214.35</u>	
		764.18		704.74
INTEREST RECEIVED FROM				
Banks	55.63		22.72	
Other Parties	<u>480.23</u>		<u>365.65</u>	
		<u>535.86</u>		<u>388.37</u>
Net Interest Paid		<u>228.32</u>		<u>316.37</u>
SCHEDULE – 21 : DEPRECIATION				
On Fixed Assets	209.51		205.13	
Less : Transferred from Revaluation Reserve	<u>1.24</u>		<u>1.36</u>	
		<u>208.27</u>		<u>203.77</u>
		<u>208.27</u>		<u>203.77</u>

SCHEDULE 22: NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting Convention:

The Financial statements are prepared under the historical cost convention on accrual basis as a going concern, in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 1956.

2. Fixed Assets and Depreciation:

- i) Fixed Assets are stated at cost net of cenvat and includes taxes, freight and other incidental expenses incurred in relation to acquisition and installation of the same less depreciation and Government Grants.
- ii) Depreciation has been charged on fixed assets as per rates of schedule XIV of the Companies Act, 1956 on written down value method except for the additions in plant and machinery installed on or after 01/04/1990 on which depreciation has been charged on straight line method.

3. Stock Valuation:

- a) Raw Material : Valued on the lower of cost or net realizable value. The cost is determined on a weighted average basis.
- b) Work in Progress : Valued on the lower of cost or net realizable value. The cost is determined on a weighted average basis.
- c) Finished Goods : Valued on the lower of cost or net realizable value.
- d) Stores & Packing Material : Valued at cost on weighted average basis.

4. Investments

Investments are stated at cost.

5. Retirement Benefits:

Company's contribution to P.F. is charged to P & L Account. The provision for gratuity has been made.

6. Sales Turnover:

- i) Sales includes VAT, CST and Excise Duty.
- ii) Goods sent on consignment are accounted in sales as and when respective 'Bikri Patties' are received from the consignees.

7. Revenue Recognition:

Income & Expenditure are recognized on accrual basis.

8. Transaction in Foreign Currency

Transactions in foreign currency are accounted at exchange rate prevailing on the date of transaction. Assets & Liabilities relating to transactions involving foreign currency are converted at exchange rates prevailing at the year end. The loss or gain arising out of exchange rate difference is adjusted in P & L Account.

9. Borrowing Cost

Borrowing cost attributable to acquisition, construction or production of qualifying asset are capitalized as part of that asset, till the month in which the asset is ready for use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

10. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961, as per advice of Tax Advocate.

Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

11. Segment Information

The Company is engaged in the manufacturing of Vanaspati Ghee, Vegetable Oils etc. The entire operations are governed by the same set of risk & returns. Hence the same has been considered as representing a single segment. In addition to that the Company has started in Real Estate & Infrastructure activities by entering in partnership firm and from which the Company has earned a profit of Rs. 272.42 Lacs.

12. Impairment of Assets

At each Balance Sheet date an assessment is made whether any indication exists that an asset has been impaired, if any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account. As the carrying amount of the assets does not exceed the future recoverable amount consequently, no adjustment is considered necessary by the Management.

13. Provision For Contingent Liabilities & Contingent Assets.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be no outflow of resources. Contingent liabilities are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

B. NOTES ON ACCOUNTS:

1. Previous year's figures have been reworked, regrouped, rearranged & reclassified wherever necessary.
2. In the opinion of the Board of Directors, Current Assets, Loans and Advances are realisable at the value approximately at which they are stated in the Balance Sheet in the ordinary course of business.
3. In the opinion of Board, there is no contingent liability.
4. Balance in various personal accounts remains unverified since confirmations from the parties are awaited.
5. The Income Tax Assessments of the Company have been completed upto assessment year 2009-10 and no tax liability is due.
6. Deferred Tax Liability:
 - a) Deferred Tax resulting from timings differences between book and tax profits is accounted for at the current rate of tax, to the extent that the timing difference is expected to crystallize.
 - b) Pursuant to Accounting Standard (AS) 22 – Accounting for taxes on income, the company has recorded a cumulative Deferred Tax Assets of Rs. 11.59 Lacs for the year which has been credited to Profit & Loss Account. The major components of deferred tax assets and liabilities as at 31st March, 2011 arising out of timing differences are as under:

		(Rs. In lacs)
Opening Balance of Deferred Tax Liability	:	46.44
Less :-		
i) Deferred Tax Assets on account of depreciation on fixed assets	:	11.37
ii) Deferred Tax Assets on account of Gratuity	:	0.22
Closing Balance of Deferred Tax Liability	:	<u>34.85</u>

7. Related Party Disclosures :

- a) Related parties where control exists : NIL
- b) Enterprises in which significant influence is exercised :

Name	Relationship	Nature of transaction	Amount for the year Rs. in Lacs
Kissan Fats Limited	Holding in Share Capital	Sale of goods	7151.26
		Purchase of goods	8906.79
		Milling Charges Received	48.98
		Interest paid/Credited	42.51
Shri Rajinder Mittal, Prop.	-do-	Purchase of goods	2499.21
i) R. K. Exports		Interest received	243.65
ii) R. K. Agro		Interest Paid	72.00

c) Key Management Personnel :

- i) Shri Rajinder Mittal
- ii) Shri S. N. Goyal

d) Transactions with related Parties :

Establishment expenses :

- i) Managerial Remuneration to Key Management Personnel

Rs. 15.60 Lacs

10. Earnings Per Share :

		For the year ended 31.03.11	For the year ended 31.03.10
Profit after tax as per P & L Account	Rs. In Lacs	543.23	221.25
Total Number of Equity Shares	Number in Lacs	61.50	61.50
Nominal Value per equity share	In Rupees	10.00	10.00
Basic & diluted EPS	In Rupees	8.83	3.60

1. RAW MATERIAL CONSUMED

	FOR THE YEAR 2011		FOR THE YEAR 2010	
	QTY. IN M.TONS	AMOUNT IN LACS	QTY. IN M.TONS	AMOUNT IN LACS
Oil Seeds	27602.397	5477.99	23390.251	4560.30
Rice Bran	20214.080	1729.98	29245.031	1822.65
Paddy	10179.350	2128.76	4689.973	535.73
Oil Cakes	12562.820	1600.84	8045.920	1004.62
Extractions	3010.445	163.07	1879.415	83.16
Crude Oils	45791.774	19918.07	31310.893	12045.65
Refined Oil	16807.900	7791.38	9138.615	3918.74
Others	12510.564	1888.76	9967.886	1780.45
Total		40698.85		25751.30

2. TURNOVER

Vanaspati Ghee	20348.471	11489.94	12228.212	5350.53
Refined Vegetable Oils	31513.570	17343.42	22178.810	10964.12
Oils	22806.193	9663.05	17980.683	7488.53
Extractions	39354.276	4011.36	42516.616	3373.06
Rice	12717.344	3713.38	10008.159	2647.60
Cakes	6432.915	837.84	Nil	Nil
Others	5543.205	515.03	4712.133	527.76
Total		47574.02		30351.60

3. STOCKS :

a) OPENING

Refined Oils	1228.423	556.46	1564.385	578.83
Vanaspati Ghee	481.568	211.10	276.288	105.02
Oils	826.395	227.88	52.315	8.37
Extractions	5113.170	303.21	3153.550	142.88
Cakes	1793.445	221.31	Nil	Nil
Rice	Nil	Nil	1269.148	230.10
Stock On Consignment :-				
Vanaspati Ghee	15.586	6.72	125.790	48.17
Refined Oils	21.805	10.40	39.112	16.93
Rice	710.866	120.85	131.215	19.58
Oils	6.585	3.75	2.671	1.31
Total		1661.68		1151.19

b) CLOSING

Vanaspati Ghee	384.370	243.22	481.568	211.10
Refined Oil	91.897	60.07	1228.423	556.46
Oils	727.060	260.78	826.395	227.88
Extractions	9806.595	664.17	5113.170	303.21
Cake	1018.287	130.64	1793.445	221.31
Stock On Consignment :-				
Vanaspati Ghee	8.088	5.07	15.886	6.72
Refined Oils	6.215	3.76	21.805	10.40
Oils	Nil	Nil	6.585	3.75
Rice	32.100	9.63	710.866	120.85
Total		1377.34		1661.68

SCHEDULE 22 (Contd.)

4. CAPACITY & PRODUCTION

(UNIT IN M. TONS)

DESCRIPTION	CAPACITY INSTALLED			PRODUCTION	
	2011	2010		2011	2010
Vanaspati	30000	30000	(Ghee)	20019.113	12327.874
Refinery	15000	15000	(Oils)	15330.144	22585.507
Solvent Plant	105000	105000	(Oils)	5934.410	6159.770
Expellers	30000	30000	(Extraction)	41037.256	42596.821
			(Oils)	4642.300	6292.300
Rice Sheller	30000	30000	(Cake)	16051.400	16938.000
			(Rice)	6515.120	12512.96

NOTE : The above figures do not include the figures of production done on job work basis.

5. VALUE OF MATERIAL CONSUMED AND PERCENTAGE THEREOF :

	TOTAL VALUE OF CONSUMPTION		IMPORTED		(RUPEES IN LACS) INDIGENOUS	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
Raw Material	40698.85	25751.30	12556.46 (30.85%)	6372.81 (24.75%)	28142.39 (69.15%)	19378.49 (75.25%)
Store Spare Parts & Packing Materials (Including Repair & Maintenance)	1463.26	1308.24	Nil (0%)	Nil (0%)	1463.26 (100%)	1308.24 (100%)
Total		27059.54		6372.81		20686.73

6. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF:

	2010-2011	2009-2010
Raw Material	8375.40	4141.61
Store & Spare Parts including components	Nil	Nil
Capital Goods	Nil	Nil

7. EXPENDITURE IN FOREIGN CURRENCY (RS. IN LACS) : NIL

8. REMITTANCE ON ACCOUNT OF DIVIDEND TO NON RESIDENT SHARE - HOLDERS : NIL

9. EARNINGS IN FOREIGN CURRENCY : NIL

As per Report Annexed.

As per Report annexed-
FOR P. MITTAL & CO.
CHARTERED ACCOUNTANTS

(PARMOD MITTAL) FCA
PROP.


RAJINDER MITTAL
CHAIRMAN & Mg. DIRECTOR


S. N. GOYAL
DIRECTOR


NIKITA SHETH
COMPANY SECRETARY

Place : Bathinda,
Date : 24th August, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No.: 3624
Balance Sheet Date : 31.03.2011

State Code : 16

II. Capital raised during the year (Amount Rs. In Thousands) :

Public Issue
NIL
Bonus Issue
NIL

Right Issue
NIL
Private Placement
NIL

**III. Position of Mobilization and Deployment of Funds :
(Amount Rs. In Thousands)**

Total Liabilities
1403625

Total Assets
1403625

A. Sources of Funds :

Paid – up Capital
61500
Secured Loans
868239

Reserve & Surplus
408401
Deferred Tax
3485

B. Application of Funds :

Net Fixed Assets
235909
Net Current Assets
945807
Accumulated Losses
Nil

Investments
221909
Miscellaneous Expenditure
Nil

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


Turnover
4798113
Profit / (Loss) before Tax
68323
Earning per Share in Rupee
8.83

Total Expenditure
4699970
Profit / (Loss) after Tax
54323
Dividend %
Nil

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

1.	Item Code No. (ITC Code)	:	151620.09
	Product / Service Description	:	Vanaspati Ghee & Refined Vegetable Oils
2.	Item Code No. (ITC Code)	:	230400.03
	Product / Service Description	:	Soyabean Solvent Extraction
3.	Item Code No. (ITC Code)	:	100630.01
	Product / Service Description	:	Rice Parboiled

As per Report annexed
FOR P. MITTAL & CO.
CHARTERED ACCOUNTANTS

(PARMOD MITTAL) FCA
PROP. 


RAJINDER MITTAL
CHAIRMAN & Mg. DIRECTOR


NIKITA SHETH
COMPANY SECRETARY


S. N. GOYAL
DIRECTOR

Place : Bathinda,
Date : 24th August, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(RUPEES IN LACS)

A. CASH FLOW FROM OPERATING ACTIVITIES	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Net Profit before tax and Extra ordinary items	683.23	271.25
Adjustment for :		
1. Depreciation and Miscellaneous	208.27	203.77
Expenditure written off		
2. Profit on Sale of Fixed Assets	(9.74)	(10.72)
3. Interest	228.32	316.37
Operating Profit before working capital changes	1110.08	780.67
Adjustment for :		
1. Trade and other Receivables	(1056.44)	2140.90
2. Inventories	(978.81)	(3402.98)
3. Trade Payables	1519.48	745.72
Cash generated from/(lost) in operations	594.31	264.31
1. Interest paid	(228.32)	(316.37)
2. Direct Taxes Paid	(140.00)	(50.00)
3. Previous Year Adjustment	(60.73)	74.95
Cash Flow before extraordinary items	165.26	(27.11)
1. Extraordinary items	--	--
Net cash inflow/(outflow)from operating activities.....A	<u>165.26</u>	<u>(27.11)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
1. Purchase of Fixed Assets	(939.78)	(390.12)
2. Sale/transfer of Fixed Assets	172.64	22.10
3. Acquisitions of Companies	--	--
4. Purchase of Investments	--	(6.80)
5. Sale of investments	--	10.00
6. Investment in Firm / Project	(717.17)	300.12
7. Capital Subsidy	--	--
Net Cash generated from/ (used in) investing activities.....B	<u>(1484.31)</u>	<u>(64.70)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
1. Proceeds from issue of share capital	--	--
2. Proceeds from partly paid-up convertible warrants	620.00	--
2. Proceeds from /repayment of long term borrowings	1396.64	(30.92)
3. Repayment of Finance lease Liabilities	--	--
4. Dividend Paid	--	--
Net Cash generated from/ (used in) Financing activities.....C	<u>2016.64</u>	<u>(30.92)</u>
Net Increase / (Decrease) in Cash and Cash equivalents (A + B + C)	697.59	(122.73)
Cash and Cash equivalents as at (Opening)	419.28	542.01
Cash and Cash equivalents as at (Closing)	1116.87	419.28

As per Report annexed -
FOR P. MITTAL & CO.
CHARTERED ACCOUNTANTS

(PARMOD MITTAL) FCA
PROP.

RAJINDER MITTAL
CHAIRMAN & Mg. DIRECTOR

NIKITA SHETH
COMPANY SECRETARY

S. N. GOYAL
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Date : 24th August, 2011