

**21st ANNUAL REPORT  
2009-10**

**DIRECTORS** : Shri S.G Bellad *Executive Director*  
Shri V.G. Hiremath *Director*  
Smt Meena Umachagi *Director*

**AUDITORS** : M/S. H.N. ADINAVAR & CO.  
Chartered Accountant

**BANKERS** : State Bank of India  
Commercial Branch  
Station Road, Hubli.

**REGISTERED OFFICE** : JODALLI – 580114.  
VAI DHARWAD  
TQ.: KHALGHATAGI.  
STATE: KARNATAKA.

**REGISTRAR AND SHARE  
Transfer Agent** : Sharepro Services India Private Limited

**NOTICE**

NOTICE is hereby given that the 21<sup>st</sup> Annual General Meeting of the members of **Bell Agromachina Ltd** will be held on Thursday, 30<sup>th</sup> September, 2010, at 3.30 P.M. at the Registered office of the Company, situated at Jodalli, Vai Dharwad, Tq.: Khalghatagi – 580114 to transact the following business.

**ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2010 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2010 and Report of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mrs. Meena Umachagi - Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- 3) To appoint Mr. H N Adinavar & Co. Chartered Accountants, as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting, until the conclusion of next AGM and fix their remuneration.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Place: Hubli**  
**Date: 18<sup>th</sup> August 2010**

**Sd/-**  
**Director**

**Sd/-**  
**Director**

**NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote on a poll instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not later 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday 20<sup>th</sup> September, 2010 to Thursday 30<sup>th</sup> September, 2010 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Company's Registered Office, Jodalli, Vai Dharwad, Tq.: Khalghatagi – 580114.
4. Members who wish to attend the meeting are requested to bring duly filled attendance sheet and their copy of the Annual Report at the Meeting.
5. In case of physical shares, the instrument of Share Transfer complete in all respect should be sent so as to reach to the Registered Office of the Company prior to closure of the Register of Members as stated above.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Place: Hubli**  
**Date: 18<sup>th</sup> August 2010**

**Sd/-**  
**Director**

**Sd/-**  
**Director**

**DIRECTORS' REPORT**

**Dear Shareholders,**

The Directors have pleasure in presenting their 21<sup>st</sup> Annual Report on the business and operations together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

**1. FINANCIAL RESULTS & OPERATIONS:****(Amount in lakhs)**

<b>Particulars</b>	<b>2009-10 (in lakhs)</b>	<b>2008-09 (in lakhs)</b>
Profit before Depreciation and taxes	238659	-
Depreciation	-	-
Brought forward (Profit/Loss)	(34245000)	-
Profit before tax	-	-
Provision for tax	-	-
Profit carried to Balance Sheet	(34006341)	(34245000)

**2. DIVIDEND:**

During the twelve months period under review, the Company has made a meager amount of turnover. Your Director regret that they are not in a position to recommend any dividend for the year under review as there is a huge loss.

**3. OPERATION:**

During the period under review, no major commercial activities were carried out. In view of this, the Company has continued to incur the losses. The management is in the process of financial restructuring of the Company.

**3. FIXED DEPOSITS:**

During the year under review, the Company has not invited or accepted any Fixed Deposits from the public.

**4. DIRECTORS :**

Mrs. Meena Umachagi, Directors of the Company who retires by rotation as per Articles of Association of the Company and being eligible offers themselves for re-appointment as directors of the Company.

**5. AUDITORS:**

The Board recommends the reappoint of M/s. H.N. ADINAVAR & CO., as auditors of the Company for the financial year 2010-11, who have also confirmed that their appointment shall be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

Necessary Resolutions for their appointment has been proposed for the consideration of the Members of the Company.

**6. AUDITOR'S REPORT:**

There are no adverse observations made by the Auditors in their Report.

**6. AUDIT COMMITTEE:**

Audit Committee is consisting of Shri Vijay Hiremath- Chairman, Shri. S G Bellad and Mrs. Meena Umachagi as Members of the Audit Committee.

**7. SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE:**

Shareholders and Investor Grievance Committee is consisting of Shri S G Bellad – Chairman, Shri. Vijay Hiremath and Mrs. Meena Umachagi as Members of the Shareholders and Investors Grievance Committee.

**8. DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, The Directors confirm that:

- a) In the presentation of the Annual Accounts, the applicable Accounting Standards except revised AS 15 applicable for Accounting Treatment for Gratuity, Leave Encashment and other Retirement Benefits have been followed and that no material departures except to the extent disclosed have been made from the same;
- b) The Directors had selected such Accounting policies and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors had 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, and,
- d) The Directors had prepared the Annual Accounts on a going concern basis.

**9. STATEMENTS OF PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:**

Information in accordance with the provisions of Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is not applicable in case of your Company.

**10. STOCK EXCHANGES:**

The Company's shares are listed on the following Stock Exchanges:

- a) Bombay Stock Exchange Limited.
- b) Bangalore Stock Exchange Limited.

The Trading in the shares of the Company are presently suspended from in both the Stock Exchanges. However, the Company has paid the necessary listing fees to both the Stock Exchanges and has applied for the revocation of suspension of trading in equity shares of the Company.

**12. PARTICULARS OF EMPLOYEES :**

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956.

**13. FOREIGN EXCHANGE:**

During the year under review, there were no foreign exchanges Earnings or outgo.

**14. CORPORATE GOVERNANCE:**

The Corporate Governance Report forms an integral part of this Report and is set out as separately in this Report. The Certificate of the Auditors of the Company certifying compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is annexed with the Report on Corporate Governance.

**15. HUMAN RESOURCES:**

Progressive policies to encourage excellence both in individual and team spirit are in place.

**16. ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation for the assistance and co-operation received from the Company's Bankers, Government Agencies, Financial Institutions, Customers, Investors and Business constituents and look forward to maintain the same in future.

**FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS,**

Place : Hubli  
Date : 18<sup>th</sup> August, 2010

Sd/-                      Sd/-  
Director              Director

**ANNEXURE 'A' TO DIRECTORS' REPORT**

**RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

**A. Research & Development**

**1. Future plan of action**

The Company is taking necessary steps for the revival of operations.

**B. Technology absorption:**

**1. Efforts in brief made towards technology absorption, adoption and innovation.**

No new technology was introduced during the Year ended 2009 -10.

**2. Benefits derived as a result of the above efforts.**

None

**3. In case of imported technology ( imported during the last 5 years reckoned from the beginning of the financial year):**

**C. Foreign Exchange Earnings and Outgo**  
**Nil**

**1. Earning- FOB value of Exports**  
**Nil**

**2. Outgo- CIF Value of Imports**  
**Nil**

**FOR AND ON BEHALF OF THE BOARD OF  
DIRECTORS,**

**Place : Hubli**  
**Date : 18<sup>th</sup> August, 2010**

**Sd/-                      Sd/-**  
**Director              Director**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31st March 2010.

### **INDUSTRY STRUCTURE, DEVELOPMENT:**

The agro machinery industry is showing some improvement and your Directors are expecting better development in the industry for years to come. The Company is exploring the possibilities of tie-ups with some healthy and profitable units for future growth and expansion of the Company. The trading of the Company's shares are suspended on the Stock Exchanges due to non-Compliances of the listing agreements.

### **PERFORMANCE & SEGMENT-WISE PERFORMANCE:**

Since the company is only into single segment of trading, segment wise performance is not reported.

### **OPPORTUNITIES AND THREATS:**

The company is having various business opportunities linked with the agriculture equipments and auto mobile industry and having threats of the competition from the well established units in the industry and government policies adversely affected in the small and medium size units.

### **STRENGTH:**

The existing management has a strong technical, finance and administrative expertise in various industries and corporate sectors including the business of the Company.

### **RISKS AND CONCERNS:**

Your company is working essentially in global market place. However since the company is into trading activity It is attributed to all the risk and concerns attached with the trading industries as a whole.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The internal control system is looked after by Directors themselves, who also looked after the day to day affairs to ensure compliances of guide lines and policies adhere to the management instructions and policies to ensure improvements in the system. The Internal Audit reports are regularly reviewed by the management. The Company has proper and adequate internal control system commensurate with the size of the business operations geared towards achieving efficiency in its various business operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations. Efforts for continued improvement of internal control system are being consistently made in this regard.

**HUMAN RESOURCES VIS-À-VIS INDUSTRIAL RELATIONS**

The Company values and appreciates the dedication and drive with which its employees have contributed towards improved performance during the year under review. The relations with workers and staff are cordial during the year under review. All issues pertaining to staff matters are resolved in harmonious and cordial manner.

**CAUTIONARY STATEMENT**

Statements in the 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 economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws, and other statutes and other incidental factors.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,**

**Place : Hubli**  
**Date : 18<sup>th</sup> August, 2010**

**Sd/-                      Sd/-**  
**Director                Director**

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**DECLARATION UNDER CODE OF CONDUCT**

As the Executive Director of Bell Agromachina Limited and as required by Clause 49 (i) (d) (ii) of the Listing Agreement, I, Mr. S G Bellad, Executive Director, hereby declare that all the Board Members and the Senior Management personnel of the Company have affirmed Compliance with the Company's Code of Business Conduct and Ethics, for the Financial Year 2009 -10.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,**

**Place : Hubli**  
**Date : 18<sup>th</sup> August 2010**

**Sd/-**  
**S G Bellad**  
**Chairman**



**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2009-10  
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

The Company pursuant to Clause 49 of the listing agreement with the Stock Exchanges furnishes its report on the code on Corporate Governance.

1. Company's Philosophy on Code of Governance:

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavors to review strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

Your Board of Directors present the Corporate Governance Report for the year 2009-10 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31<sup>st</sup> March 2010.

2. Board of Directors:

The Board of Directors of the company is composed of committed persons with considerable experience in varied fields and comprises a majority of Non-Executive Directors. The Board is properly constituted as per Clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2010 have been made by the Directors.

During the financial year ended 31<sup>st</sup> March, 2010, 6 Meetings of the Board of Directors were held as on 12/04/2009, 20/07/2009, 20/08/2009, 25/10/2009, 22/01/2010 and 04/03/2010.

Sr. No.	Name of Director	Category of Directors	No. of Board meetings Attended	Attendance at Last AGM	No. of Other Directorship	No. of other Committee membership in other Companies
1	Mr. S G Bellad	Executive Director	6	Yes	0	0
2	Mr. Vijay Hiremath	Non Executive Director	6	Yes	0	0
3	Mrs. Meena Umachagi	Non Executive Director	6	Yes	0	0

**Notes:**

1. Excludes alternate directorships and directorships in foreign companies and private companies which are neither a subsidiary nor a holding company of a public company.
2. Excludes Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee and Companies other than public limited companies.

The Board periodically reviews compliance reports of all the laws applicable to the Company and has put in place procedures to review steps to be taken by the Company to rectify instances of non-compliance, if any.

**Particulars of Re-appointed Directors:**

Mrs. Meena Umachagi who retires by rotation and being eligible for re- appointment has offered themselves for re- appointment.

**Board Committees**

The Board has constituted the following Committees of Directors:

**(a) Audit Committee:****i. Terms of Reference**

The role and terms of reference of Audit Committee covers are as mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act,1956, besides other terms as may be referred by the Board of Directors.

**ii. Composition**

The Audit Committee comprised of Shri. Vijay Hiremath Chairman, Shri.S G Bellad and Mrs. Meena Umachagi as Members. The composition of the Board of Directors is in accordance with Clause 49 of the Listing Agreement.

During the 2009-10 under review 4 meetings of the Audit Committee were held on 12/04/2009, 20/07/2009, 25/10/2009 and 04/03/2010.The attendance of members is as follows:

Name	Category	Meetings during the year 2009-10	
		Held	Attended
Mr. Vijay Hiremath - Chairman	Independent, Non – Executive Director	4	4
Mrs. Meena Umachagi - Member	Independent, Non – Executive Director	4	4
Mr. S G Bellad - Member	Executive Director	4	4