

Best & Crompton Engg. Limited



**101st Annual Report
2012-13**

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Best & Crompton Engg. Limited

DIRECTORS

Mr. M. Sinivasan, Chairman

Mr. S.V. Venkatesan

Mr. K. Prakash

Mr. Ravindranath Gupta (Appointed on:09.10.2014)

Mr. N.Srinivasan (Resigned on:12.06.2014)

Mr. S. Sathiyamurthy (Resigned on : 09.10.2014)

GROUP CHIEF EXECUTIVE OFFICER

Mr. Kalyan Shankar Bhattacharya

REGISTERED OFFICE :

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

Phone No. 91 044 45514600

Fax No. 91 044 45514609

REGIONAL OFFICES:

Flat No.614, 6th Floor
Hemkunt Chamber,
89, Nehru Place,
New Delhi – 110 019.

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

Chandan Niketan Building
Flat-308 B, 3rd Floor,
52A, Shakespeare Sarani,
Kolkatta – 700 017

AUDITORS

CNGSN & ASSOCIATES LLP,
Chartered Accountants,
“Agastyar Manor”
New No: 20, (Old No: 13), Raja Street,
T. Nagar, Chennai - 600 017.
e-mail : info@cngsn.com

INTERNAL AUDITORS

Sekaran & Venkatesh
Chartered Accountants
23-24 "Golden Enclave"
TNHB Complex
Luz Church Road
Mylapore, Chennai - 600 004
e-mail : info@sandv.in

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.

BEST & CROMPTON ENGG. LIMITED

Registered Office: 28-A, Industrial Estate (North), Ambattur, Chennai-600 098.
CIN : L29221TN1956PLC000204

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Hundred and First Annual General Meeting of the Members of the Company will be held on Thursday, March 19, 2015 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, 2013, the Statement of Profit and Loss Account for the year ended March 31, 2013, the Report of the Auditors thereon and the Report of the Directors.
2. To appoint a Director in place of Mr. M. Sinivasan (DIN No.05330943), who retires by rotation and being eligible offers himself for re-appointment
3. To appoint auditors for the Financial Year 2013-14. It is proposed to appoint the reconstituted firm of the retiring auditors, viz CNGSN and Associates LLP, Chartered Accountants, Chennai, as Statutory Auditors, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

Ordinary Resolution

4. To appoint Mr. S.V.Venkatesan (DIN No.00004010) as an Independent Director :
To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution :-
“Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Mr.S.V.Venkatesan (DIN No.00004010), who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office, for five consecutive years for a term upto 31st, March, 2019.”
5. To appoint Mr. K. Prakash (DIN No.01206592) as an Independent Director :
To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-
“RESOLVED THAT Mr.K.Prakash (DIN No. 01206592). who holds office upto this Annual General Meeting, being eligible offers himself for appointment, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office, for a term of five consecutive years upto 31st March 2019.”
6. To appoint Mr. Ravindranath Gupta (DIN No. 06591309) as an Independent Director :
To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-
“RESOLVED THAT Mr. Ravindranath Gupta (DIN No. 06591309), who holds office upto this Annual General Meeting, being eligible offers himself for appointment, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office, for a term of five consecutive years upto 31st March 2019.”

Special Resolution

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

“RESOLVED that approval be and is hereby accorded for the Company to voluntarily delist the equity shares of the Company on Madras Stock Exchange, consequent to Madras Stock Exchange opting for voluntary de-recognition and exit of such Exchange.

RESOLVED FURTHER THAT the Board of Directors of the Company be authorized to take such steps for delisting of the equity shares of the Company on Madras Stock Exchange”.

for Best & Crompton Engg. Limited

By Order of the Board

Chennai
December 15, 2014

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 and reasons for the proposed Special Business under Item Nos. 4 to 7 above, pursuant to Section 102 of the Companies Act, 2013 and details, as required in the Listing Agreement with the Stock Exchanges, in respect of Directors seeking re-appointment / appointment at this Annual General Meeting, setting out material facts, are appended herein below.
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 Meetings.
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 2013 – 2014 to the Stock Exchanges.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from March 12, 2015 to March 19, 2015. (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.
7. 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 Depository Participants (DPs).

8. 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 : srirams@integratedindia.in

9. The Members are requested to quote Register Folio Numbers or DP ID / Client ID Numbers in all their correspondence.
10. 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.
11. Section 72 of the Companies Act, 2013 provides the facility of nomination to shareholders. The prescribed format, in this regard, can be obtained from the Company.
12. The Members attending the Annual General Meeting are requested to bring with them the following:-
- Copy of the Annual Report.
 - The attendance slips of a person actually attending the Meeting either as a Member or as a duly registered proxy.

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.

13. E-Voting

SEBI had mandated under its Circular dated 17/04/2014 that all Listed Companies should provide e-voting facility to the shareholders for participating in General Meetings;

Accordingly, the Company is required to implement e-voting system at General Meetings and as such have engaged the services of National Securities Depository Limited (NSDL) for enabling and setting up of the e-voting platform and have authorised the Registrar & Transfer Agent, M/s. Integrated Enterprises (India) Limited, as User, to operate the e-voting system, on behalf of the Company, and have appointed Mr.V. Mahesh of V. Mahesh & Associates, Practising Company Secretaries, as Scrutinizers, to oversee the e-poll results.

I. The instructions for Shareholders for e-voting are as under:

- In case a Member receives an e-mail from National Securities Depository Limited [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)] :
 - Open e-mail and open PDF file viz., “B & C Engg. Ltd. e-Voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - Click on Shareholder – Login
 - Put user ID and password as initial password / PIN noted in step (i) above. Click Login

- Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- Home page of e-voting opens; Click on e-Voting; Active Voting Cycles.
- Select “EVEN” of Best & Crompton Engg. Ltd.
- Now you are ready for e-voting as Cast Vote page opens.
- Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- Upon confirmation, the message “Vote cast successfully” will be displayed.
- Once you have voted on the resolution, you will not be allowed to modify your vote.
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer, through e-mail to chennaiho@vmacs.co.in or srirams@integratedindia.in with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for Members whose e-mail IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :

- Initial password is provided at the bottom of the Attendance Slip for the AGM.
- Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The e-voting period commences on Thursday, March 12, 2015 (9:00 am) and ends on Saturday, March 14, 2015 (6:00 pm). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of February 10, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- The voting rights of shareholders shall be in proportion to their shares of the Paid-up equity share capital of the Company, as on the cut-off date (record date) of February 10, 2015.
- Mr.V. Mahesh of V. Mahesh & Associates, Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

Besides E voting, provision is also being made to enable other shareholders, who did not exercise voting through E voting process and who attend the Annual General Meeting, will have the opportunity to vote through ballot process.

The scrutinizer, Mr. V. Mahesh of V. Mahesh & Associates, would also be the scrutinizer, for physical voting and they would issue a combined report covering E voting and physical ballot and their report will be placed on the website within the stipulated period.

IX. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's Website: www.bestcrompton.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of

the Company and communicated to the BSE Limited.

X. The Notice of AGM and Financial Statements are sent by Registered Post / Speed Post.

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

Chennai
December 15, 2014

V. P. Thirumoorthy
Company Secretary

Explanatory Statement Pursuant to Section 102 of Companies Act, 2013

For Item No.4

Mr. S. V.Venkatesan retires by rotation at this Annual General Meeting. A member has proposed to appoint him as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years upto 31st March, 2019. The requisite deposit from the aforesaid member has been received.

His continuation in the Board will greatly benefit the Company.

For Item No.5

Mr. K.Prakash holds office upto this Annual General Meeting. It is proposed to appoint him as an independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years upto 31st March, 2019.

A member has proposed his name as Director and the requisite deposit from the said member has been received.

His continuation in the Board will greatly benefit the Company.

For Item No. 6

Mr. Ravindranath Gupta holds office upto this Annual General Meeting. It is proposed to appoint him as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years upto 31st March, 2019.

A member has proposed his name as Director and the requisite deposit from the said member has been received.

His continuation in the Board will greatly benefit the Company.

The Profile relating to the persons proposed to be appointed / re-appointed as Directors has been given in the Annexure to the Notice. Keeping in view the experience and expertise of these persons, their appointment / re-appointment as Directors of the Company are commended. Notices have been received from the Members under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. M. Sinivasan for re-appointment and Mr.S.V.Venkatesan, Mr. K. Prakash and Mr.Ravindranath Gupta, for appointment as an Independent Directors of the Company in terms of Section 160 of the Companies Act, 2013.

Each of the Directors may be deemed to be interested in the Resolution relating to his appointment. The Board of Directors accordingly commends the Resolutions set out at Item Nos.2, 4, 5 and 6 of the accompanying Notice for your approval.

For Item No.7

- (i) Madras Stock Exchange has informed the Company thro' it's Letter dated 12/06/2014 that a Special Resolution was passed on 26/05/2014 by the Members of Madras Stock Exchange opting for voluntary de-recognition and exit of the said Exchange and an Application was consequently made by it to SEBI for such exit on 26/05/2014.
- (ii) Madras Stock Exchange has also informed the Company that since its shares are already listed with the Bombay Stock Exchange, the Company may opt to get its securities delisted from the Madras Stock Exchange in terms of SEBI (Delisting of Equity Shares) Regulations-2009 and that the Exchange shall send all the required application and documents in this regard to the Company if the Company intimates so. In view of this, the Company has decided to voluntarily delist the equity shares from Madras Stock Exchange. Therefore, your approval is sought for such action and hence the resolution. Efforts are being made to continue the listing of the Company's shares with the Bombay Stock Exchange.

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
December 15, 2014

V. P. Thirumoorthy
Company Secretary

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

Sl. No.	Particulars	Mr. M. Sinivasan	Mr. S.V. Venkatesan	Mr.K.Prakash	Mr.Ravindranath Gupta
1.	Date of Appointment	27.07.2012	31.01.2007	21.04.2013	09.10.2014
2.	Qualifications and Expertise	Entrepreneur	B.Com CAIIB Finance and Banking	F.C.A Accounting, Banking & Project Finance and Corporate Laws.	B.E. Electronics & Communication
3.	Experience in functional area	Mr. M. Sinivasan is an Entrepreneur with varied business interests in diverse fields like Engineering, Textiles and Infrastructure related projects. He has a vast experience of over five decades in managing both manufacturing and service oriented industries abroad.	Mr. S.V. Venkatesan is a gold medalist in Commerce from Madras University. His career with State Bank of India, the largest commercial Bank in India, spanned for 24 years; he held important responsibilities in India and abroad, and had a wide international exposure. He was associated with the committee appointed by the Bank to aid in the formulation of Corporate credit policies. In 1986, Mr. Venkatesan joined the Essar Group as the Financial Controller and is now on the Board of the Group companies. He spearheads the financial function for the entire Group and has been largely responsible for the resource mobilization through Capital Markets and Institutions to fund the large capital intensive projects of the Group. He was also responsible for drafting and implementing the financial policies for FOREX Management.	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.	Varied Experience in Engineering and Allied Industries.
4.	Directorships held in other Public Companies	—	1. India Securities Limited 2. Lanco Holdings Limited 3. Essar Power M.P. Limited	—	1. Best & Crompton Apparels Limited 2. B & C Machinery Limited 3. Crombest Precast Buildings Limited 4. Crombes Holdings Limited
5.	Memberships/ Chairmanships of Committees of other public Companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	—	Committee Member in 1 Company Committee Chairman in 1 Company	—	
6.	No. of Shares held in the Company	—	20,000	—	

Directors' Report

Dear Members,

Your Directors present the 101st Annual Report and the Audited Statement of Accounts of the Company for the Year ended March 31, 2013.

These statements are presented on the same basis as in previous year and not with reference to Companies Act, 2013 pursuant to the directive in circular No.8/2014 dated 4th April 2014 issued by the Ministry of Corporate Affairs, New Delhi.

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

1. Financial Highlights

(Rs' Lakhs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Total Income	4927	6578
Expenditure	6508	6749
Gross Profit/(Loss)	(1581)	(171)
Taxation	(111)	185
Profit/(Loss) for the year	(1470)	(356)

As your Company has accumulated losses, your Directors are unable to recommend any dividend for the year ended March 31, 2013.

Finance :

IL & FS Financial Services Limited, a Lender, (your Company had availed a term loan of Rs.50,70,00,000/-) had filed a Winding up Petition against your Company, for default in payment of dues, before the Hon'ble High Court of Madras, which had passed an order on 31.10.2013 against your Company appointing Provisional Liquidator. The Hon'ble Court, after considering the Affidavit filed by your Company, granted, on 21.11.2013, a Stay of its order dated 31.10.2013. Your Company has proposed a Statement of Repaying Schedule and is making payments accordingly to IL & FS Financial Services Limited.

2. Performance of various Divisions of the company

2.1 Pump Division, Chennai

The order inflow for pumps in the financial year 2012-13 continued to be robust and the order booking in the industrial segment grew by a healthy 30% when compared to the financial year 2011-12. The revenue for the year 2012-13 was lower primarily because large infrastructure projects both in the government and private sector were shelved/deferred due to various reasons. The EBITDA margins continued to be good and was at a healthy 17 % for the financial year.

Your company continues to be a preferred supplier of pumps to the Indian Navy and expects to benefit from the Navy's growth plan and its emphasis on greater indigenisation in the coming years. Your company made fresh forays into the steel sector by bagging orders from different Engineering Procurment Construction (EPC) contractors for various steel plants. The order book position continues to be healthy and the division is expected to perform well in the current year.

2.2 Chennai Foundry

The performance of the foundry division during this period has been affected severely by the steep market drop and the resultant lower sales and production. The foundry continued to face numerous challenges due to negative growth of the OEM market, uncertain power scenario, and sharp increase in raw material and power prices, which were not adequately compensated by the customer. The division continued to produce the Non Ferrous castings needed to meet the in-house requirement of the pump division. With the improvement in power supply scenario and the bounce back of the automotive sector, the unit is expected to increase production levels and generate increased revenue in the coming years.

2.3 Machinery Manufacturing Division

The electrical machine factory has bagged repeat orders from the railways for making 4.5 Kw and 25 Kw alternators and has a healthy order book. The division achieved sales revenue of Rs.2.09 Cr and it is expected that the division would make a higher turnover in the coming year.

Plug and Socket Unit achieved a sales turnover of Rs.1.5 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 division achieved net sales of Rs 3.47 Crore and a PBT of Rs.23 Lakhs in this financial year. To cater to the growing needs of the transformer manufacturers, the division has put greater emphasis on manufacture of transformer oil pumps and expects to grow its turnover and profitability in the coming years.

3. Fixed Deposits

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

4. Accounts of Subsidiaries

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

5. Performance of Subsidiary Companies

5.1 Best & Crompton Apparels Limited

This Subsidiary, due to lack of firm orders and working capital, had to suspend operations from April 1, 2012. However, in the recent trend,

the market has shown the signs of recovery and there is potential demand for such products. As such, your company is considering the revival of the existing business and is under discussion with strategic investors for augmenting working capital requirements and restart operations of the unit, besides infusion of funds to the satisfaction of Debts Recovery Tribunal, Chennai, whereat the recovery proceedings initiated by the Lenders against the Company are pending.

The Company at this stage, is examining the various options, viz: revival of the operations of the subsidiary company by identifying a strategic partner or lease out the unit to an International Brand apparel manufacturer.

5.2 B & C Machinery Limited

The subsidiary is at the final stage of completion of the project. The delay caused was due to several factors. As a means of revival, the company has submitted a comprehensive proposal to the bankers and to commence commercial production within a time frame despite reference to Debts Recovery Tribunal, Chennai, whereat the recovery proceedings initiated by the Lenders against the Company are pending.

The Company, at this stage, is examining the various options, viz: possible disinvestment of equity shares held by the company in the said subsidiary company or possible revival by the operations of the subsidiary company by identifying a suitable strategic investor.

5.3 Crombest Precast Buildings Limited

In terms of market analysis, the potential demand for the existing products is on the increase and thus your company is contemplating the revival of the existing business. The company is in discussions with the potential investors for augmenting working capital requirements of the company. Besides, a comprehensive proposal is being made to the bankers for reschedulement/ restructuring/settlement of their dues to the satisfaction of Debts Recovery Tribunal, Chennai whereat the recovery proceedings initiated by the Lenders against the Company are pending.

5.4 B & C Tech. Services Limited

Since the market conditions are not conducive, it would be wise not to infuse funds into this project at this juncture. A creditor has filed a petition for winding up of the company and the High Court has appointed, under its Order dated 08.09.2014, the Official Liquidator as Provisional Liquidator to take charge of the assets of the Company and the Company is under Liquidation proceedings.

6. Delisting

The Madras Stock Exchange has since dropped the listing and trading of shares including the equity shares of the Company. While the shares are listed in the Bombay Stock Exchange Limited it has suspended the listing and trading and dealing of the Company's shares due to non-fulfilment of the listing requirements. Corrective steps are being initiated.

7. Directors

Mr. M. Sinivasan retires by rotation and being eligible offers himself for re-appointment.

Mr. S.V.Venkatesan retires at this Annual General Meeting. It is proposed to appoint him as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years upto 31st March, 2019.

Mr. K.Prakash holds office upto this Annual General Meeting. It is proposed to appoint him as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years upto 31st March, 2019.

Mr. Ravindranath Gupta holds office upto this Annual General Meeting. It is proposed to appoint him as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years upto 31st March, 2019.

Mr. A. Annamalai, Director, resigned from the Board effective from 19th January, 2013, Mr.N.Srinivasan resigned on 12th June 2014 and Mr.S.Sathiyamurthy resigned on 9th October 2014. The Board placed on record the valuable services rendered by them during their tenure as Directors of the Company.

8. Directors' Responsibility Statement

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

- (i) that in preparation of the Accounts for the financial year from April 1, 2012 to March 31, 2013, 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, 2012 to March 31, 2013 on a 'going concern' basis for reasons stated in note no.39 on the accounts of the Company.

9. Audit Committee

The Audit Committee comprises of the following Directors:-

Mr. S. V. Venkatesan	-	Chairman
Mr. M. Sinivasan	-	Member
Mr. Ravindranath Gupta	-	Member
Mr. N.Srinivasan	-	Permanent Invitee

10. 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, 2013. The Management Discussion and Analysis Report is also enclosed.

11. Auditors

The Auditors, CNGSN & Associates LLP, Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting and it is proposed to appoint the reconstituted firm viz CNGSN and Associates LLP, Chartered Accountants, Chennai, as auditors for the ensuing financial year 2013-14.

With reference to the observations in the Auditors' Report, the relevant financial notes on investment in subsidiaries, loans and advances including provision for doubtful debts and advances are self explanatory.

Further, the Companies' ability to carry on its business as a 'going concern' has also been amplified in the appropriate financial note.

With reference to the observations in the Auditors' Report of the Subsidiaries, the Board of the respective subsidiaries have adequately responded to the observations in their report.

12. 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.

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

13. Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo

There is no material development to report relating to conservation of Energy, Research & Development and Technology Absorption, as required under Section 217 (1) (e) of the Companies Act, 1956. Information pertaining to Foreign Exchange Earnings and Outgo are as contained in Item Nos. 32 and 33 of the Notes on Accounts respectively.

14. 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
December 15, 2014

M. Sinivasan
Chairman