



**BENARA**

# Benara Bearings & Pistons Limited

(AN ISO 9001 : 2000 COMPANY)

A-4, Site-B, Industrial Area Sikandra, Agra-282007 (U.P.) INDIA

## NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of Benara Bearings & Pistons Ltd. will be held at its Registered Office at A-3 & 4, Site – B, Industrial Area, Sikandra, Agra-282007 on 30<sup>th</sup> September, 2005 at 11 AM to transact the following business :-

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts and report of the Directors and Auditors of the Company for the year ended on 31<sup>st</sup> March, 2005.
2. To appoint a Director in place of Smt. Sarla Jain who retires by rotation and being eligible offer herself for reappointment.
3. To appoint Auditors of the Company and fix their remuneration. M/s Jain Dhingra & Associates, Chartered Accountants, the retiring auditors, being eligible offer himself for reappointment. A certificate U/s 224-1B has been received by us.

On Behalf of the Board,

**Registered Office:**

A-3 & 4, Site –B, Industrial Area,  
Sikandra, Agra –282007.

Dated: 2<sup>nd</sup> September, 2005

Directors



- Engine Bearings & Bushes
- Pistons
- Piston Pins
- Piston Rings
- Liner LPR Set
- Cylinder Blocks & Kits

- Tel. : 91-562-2641258, 2641381
- Fax : 91-562-2641372, 2850051
- E-mail : benarabearings@rediffmail.com  
baba\_agr@sancharnet.in
- Website : <http://www.benara-phb.com>



# Benara Bearings & Pistons Limited

(AN ISO 9001 : 2000 COMPANY)

A-3/4, Site-B, Industrial Area, Sikandra, Agra-282 007 (U.P.) INDIA

**BENARA**

Registration No. 20-12518

## DIRECTORS' REPORT

To,  
The Members  
Benara Bearings & Pistons Ltd.

The Directors have pleasure in presenting their 15<sup>th</sup> Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2005.

### 1. ACCOUNTS

The following figures the financial highlights of the performance of the Company during the accounting period 2004-2005 compared to the position during the previous year.

	2004-05 Rupees in Lacs	2003-04 Rupees in Lacs
Total Income	891.71	716.72
Profit before Depreciation, Financial Charges & Tax	94.33	84.89
Less: Depreciation	36.57	33.81
Interest etc.	41.88	30.24
Profit/ (Loss) before Tax	15.88	20.84
Provision for tax	1.24	1.54
Profit/ (Loss) After Tax	14.64	19.03
Less: Appropriation	5.08	6.40
Add: Appropriation	8.75	1.72
Add: Amount b/f from previous Year	(16.98)	(31.59)
Balance Carried to Balance Sheet	1.33	(16.98)

### 2. DIVIDEND

Directors do not recommend the payment of any dividend in view of insufficient profits.



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- Website : <http://www.benara-phb.com>

### **3. PERSONNEL**

Your Directors are happy to report that industrial relation during the year were healthy and cordial. The successful operation of your company were possible with the dedication and competence of the workers and the management. The Company has maintained its continued emphasis in the work as well as management to upgrade their individual and functional skills for good team working.

### **4. EMPLOYEES**

During the year there was no employee in respect of whom information as per section 217(2A) of the Companies Act, 1956 is required to be given in the Directors' Report.

### **5. FOREIGN EXCHANGE, EARNING AND OUTGO**

Total foreign exchange earned and consumed during the year are as follows:

Earned	: Rs.12720909.00
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Expenditure	: Rs.5226971.00
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### **6. DIRECTORS**

Smt. Sarla Jain retires by rotation and being eligible offers herself for re-appointment.

### **7. FUTURE**

Company had entered into an agreement with PICUP Ltd., Noida for purchase of Plant & Machineries etc. which are installed in a factory at Noida, for a total consideration of Rs.83.50 Lacs out of which Company has already paid Rs.83.50 Lacs to the PICUP Ltd., Noida, Customs and Excise Duty will be paid by Company separately.

### **8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors Confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that the accounting policies are consistently applied and reasonable, prudent judgement and estimates are made 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 the year;
- c) 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the Directors had prepared the annual accounts on a going concern basis.

#### 9. AUDITORS

You are requested to appoint Auditors for the Current Year and fix their remuneration. The retiring Auditors M/s Jain Dhingra & Associates, Chartered Accountants, are eligible for reappointment.

#### 10. COMPLIANCE CERTIFICATE UNDER COMPANIES ACT, 1956

The certificate issued by Smt. Anju Jain, Company Secretary in terms of provisions of section 383A of the Companies Act, 1956, to the effect that the Company has complied with the applicable provisions of the said Act, is attached to this report.

#### 11. APPRECIATION

Your Directors wish to express their appreciation of the valuable services rendered by the Management, Staff and workmen of their devotion and entering efforts for improving the operation of the Company.

Your directors express their sincere appreciation and thanks to various department of Central and State Government and Bank for their continued valuable support, confidence and assistance.

On Behalf of the Board,

Registered Office:

A-3 & 4, Site -B, Industrial Area,  
Sikandra, Agra -282007.

Dated: 2<sup>nd</sup> September, 2005

  
Director

  
Ketaki Bhanu  
Director

**BENARA BEARINGS & PISTONS LIMITED**  
**ANNEXURE TO DIRECTORS' REPORT**  
**FOR THE YEAR 31.03.2005**

INFORMATION AS REQUIRED U/S 217 (1)(E) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 THE RELATIVE INFORMATION IS GIVEN BELOW:

**1. CONSERVATION OF ENERGY**

Efforts are continuously being made to save the energy consumption by way of installation of various energy devices available in the market.

**FORM – "A"**

**(a) POWER AND FUEL CONSUMPTION**

	2004-05	2003-04
(i) Electricity Consumption		
(a) Purchase Units	1781413	1605643
(b) Total Amount	77.05 Lacs	73.51 Lacs
(c) Rate/Unit	4.33	4.58
(ii) Own Generation		
(a) Unit Generation	352998	191270
(b) Unit/Ltr. Of Diesel Oil	2.50	2.50
(c) Rate/Unit	Rs.7.23	Rs.7.23
(iii) Coal/Wood/Lignite	NIL	NIL
(iv) Fuel & Furnace Oil	NIL	NIL
(v) Other/Internal Generation (gas)		
(a) Purchase Quantity	23817 Kg.	14943 Kg.
(b) Total Amount	Rs.679542/-	Rs.396262/-
(c) Rate/Unit (kg.)	Rs.28.53	Rs.23.39

**(b) CONSUMPTION PER UNIT PRODUCTION**

Since Company produces several types, sizes and shapes of products, and the records for specific Electric & Fuel consumption is not practicable

*Ketaki Benara*  
Directors

**JAIN DHINGRA & ASSOCIATES**

CHARTERED ACCOUNTANTS

PARTNER

B.S.JAIN, M.Com, F.C.A.

R.N.Dhingra, M.Com., F.C.A.

17/14, THE MALL,

KANPUR – 208 001.

Ph.Off. : 2352402, 2366347

2547305, 2294326

Resi : 2292125

**AUDITOR'S REPORT**

To,

**The Members**

**Benara Bearings & Pistons Ltd.**

AGRA.

1. We have audited the attached Balance Sheet of Benara Bearings & Pistons Ltd., as at 31<sup>st</sup> March, 2005 and also the Profit & Loss Account 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 financial statement based on our audit.
2. We conducted our audit in accordance with the 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 mis-statement. 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 the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 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 our audit.
  - (ii) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.



- (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956.
- (v) On the basis of written representatives received from the Directors as on 31<sup>st</sup> March, 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2005 from being appointed as a 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 give 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 31<sup>st</sup> March, 2005.
- (b) In the case of Profit & Loss Account of the Profit for the year ended on that date.

For Jain Dhingra & Associates  
Chartered Accountants





(B.S.JAIN)  
Partner

Membership No. 14995

Place : Agra  
Dated : 2.9.2005



**JAIN DHINGRA & ASSOCIATES**

CHARTERED ACCOUNTANTS

PARTNER

B.S.JAIN, M.Com, F.C.A.

R.N.Dhingra, M.Com., F.C.A.

17/14, THE MALL,

KANPUR - 208 001.

Ph.Off. : 2352402, 2366347

2547305, 2294326

Resi : 2292125

**Annexure to the Auditor's Report-March 31, 2005  
Referred to paragraph 3 of our report of even date.**

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) We were informed that the company physically verifies the fixed assets on a rotational basis and accordingly, certain fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.  
c) There was no substantial disposal of fixed asset during the year.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
  
b) The company had taken loan from companies & other parties covered in the register maintained under section 301 of the Companies Act, 1956. the maximum amount involved during the year was Rs. 111.68 lacs and the year end balance of loans taken from such companies & other parties was Rs. 31.23 lacs.  
  
c) In our opinion the rate of interest and other terms and conditions on which loans have been taken from companies or other parties listed in the registers maintained under section 301 are not, prima facie, prejudicial to the interest of the company.  
  
d) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amount as stipulated and have been regular in the payment of interest.



- e) There is no overdue amount of loans taken from companies, or other parties listed in the registers maintained under section 301 of the Companies Act, 1956.
4. 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 with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
  5. Based on the audit procedures applied by us and according to information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
  6. In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangement entered in the registers maintained under 301 and exceeding the value of Rs. 5.00 lacs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
  7. The company has accepted deposit from the public to which sec. 58A of the Companies Act, 1956 applicable.
  8. In our opinion the company has an internal audit system which is being conducted by its own department.
  9. We are informed that the Central Government has not prescribed maintenance of cost records. Under clause (d) of sub section (1) of section 209 of the Act for the products of the company.
  10. a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, custom Duty, Excise Duty, cess and any other statutory dues applicable to it.  
  
b) According to the information and explanation given to us and the records of the Company examined by us, the particulars of dues of sales tax as at 31<sup>st</sup> March, 2005 which has not been deposited on account of dispute is amount to Rs. 1.96 Lacs which is pending in Appealate Court.
  11. The company has accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
  12. In our opinion and according to the explanation given to us the company has not defaulted in repayment of dues to banks and financial institution.



13. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The provision of any special statute applicable to chitfund /nidhi/mutual benefit fund/ societies are not applicable to the company.
15. The company does not deal in shares, securities, debentures and other investments.
16. The Company has not given any guarantee for loans taken by others from bank or financial institution.
17. Based on information and explanations given to us by the management term loans were taken by the Company during the year and were applied for the purpose for which they have been obtained.
18. According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that the no funds raised on short term basis have been used for long term investments. No long term funds have been used to finance short term assets except working capital.
19. Based on our examination of records and the information provided to us by management we report that the Company has made allotment of equity shares to parties and companies covered in the register maintained under section 301 of the Companies Act at prices which are not prejudicial to the interest of the Company.
20. The Company had never issued debentures.
21. The Company has not raised any money through a public issue during the year.
22. Based upon the Audit procedures performed and information and explanation given by the management we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Agra  
Dated : 29.2005



For Jain Dhingra & Associates  
Chartered Accountants

(B.S.JAIN)  
Partner

Membership No. 14995

# BENARA BEARINGS & PISTONS LIMITED

A-3 & 4, SITE- B, INDUSTRIAL AREA

SIKANDRA, AGRA

## BALANCE SHEET

AS AT 31.03.2005

		SCHEDULE.	CURRENT YEAR RS P.	PREVIOUS YEAR RS P.
I	<b>SOURCE</b>			
	<b>REC. NO.</b>			
	<b>SHARE</b> 301684			
1	<b>SHARE</b>	A	16,748,100.00	13,518,100.00
2	<b>SHARE</b> <del>REG. NO.</del> B/S (SH-6) VEY		-	12,009,000.00
3	<b>RESEF</b> 31/03/2005	B	47,719,730.13	40,803,963.00
	<b>LOAN</b> D 1500			
1	<b>SECUR</b> N 500	C	32,832,469.70	23,042,161.42
2	<b>UNSE</b> A 0	D	9,219,041.00	9,537,530.00
	T*****500			
	CASH			
	<b>TOTAL</b>		106,519,340.83	98,910,754.42
II	<b>APPL</b> 34416			
	27/03/2005			
1	<b>FIXED</b> LG. 123			
	GROSS JAFAR O H			
	LESS			
			55,481,702.22	
			27,610,755.14	
	<b>NET BLOCK</b>	E	27,870,947.08	23,482,769.08
2	<b>INVESTMENTS</b> (N.S.C)		1,546.00	1,395.00
3	<b>CURRENT ASSETS</b>			
	<b>LOANS &amp; ADVANCES</b>			
(i)	<b>CURRENT ASSETS</b>			
(i)	<b>INVENTORIES</b>	F	45,340,020.26	38,622,131.00
(ii)	<b>SUNDRY DEBTORS</b>	G	30,682,727.11	43,938,580.12
(iii)	<b>CASH &amp; BANK BALANCES</b>	H	1,782,600.44	2,466,015.00
(III)	<b>LOANS &amp; ADVANCES</b>	I	14,622,962.85	6,399,671.13
			92,428,310.66	91,426,397.25
LESS	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	J		
(A)	<b>CURRENT LIABILITIES</b>		15,339,399.91	19,068,320.00
			15,339,399.91	19,068,320.00
	<b>NET CURRENT ASSETS</b>		77,088,910.75	72,358,077.25
	<b>DEFERRED TAX ASSETS</b>		1,557,937.00	1,370,708.00
4	<b>MISCELLANEOUS EXPENDITURE</b> (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
	<b>PROFIT &amp; LOSS ACCOUNT</b>			1,697,805.09
	<b>TOTAL</b>		106,519,340.83	98,910,754.42

AS PER OUR SEPRATE REPORT OF EVEN DATE  
FOR JAIN DHINGRA & ASSOCIATES  
CHARTERED ACCOUNTANTS



(B. S. JAIN)  
PARTNER

(P.L.JAIN)

(SARLA JAIN)

(KETAKI BENARA)

PLACE : AGRA

DATE : 2nd September, 2005

**BENARA BEARINGS & PISTONS LIMITED**

A-3 &amp; 4, SITE-B, INDUSTRIAL AREA

SIKANDRA, AGRA

PROFIT &amp; LOSS ACCOUNT

FOR THE PERIOD ENDED ON 31.03.2005

PARTICULARS	SCH.	CURRENT YEAR Rs	PREVIOUS YEAR Rs.
<b>INCOME</b>			
NET SALES	1	80,190,540.44	65,400,579.00
JOB WORK INCOME		1,034,396.00	-
OTHER INCOME	2	814,207.70	827,846.13
INCREASE IN STOCKS	3	7,132,350.00	5,443,171.00
<b>TOTAL</b>		<b>89,171,494.14</b>	<b>71,671,596.13</b>
<b>EXPENDITURE</b>			
MANUFACTURING EXPENSES	4	61,698,420.22	50,600,205.20
PERSONNEL EXPENSES	5	10,267,621.95	7,748,927.52
ADMINISTRATIVE EXPENSES	6	2,114,231.17	1,702,121.18
SELLING & DISTRIBUTION EXPENSES	7	5,657,316.10	3,082,267.21
FINANCE CHARGES	8	4,188,366.30	3,024,892.32
DEPRECIATION		3,657,301.00	3,381,343.00
LOSS ON SALE OF FIXED ASSETS		-	48,000.00
<b>TOTAL</b>		<b>87,583,256.74</b>	<b>69,587,756.43</b>
<b>PROFIT</b>		<b>1,588,237.40</b>	<b>2,083,839.70</b>
<b>APPROPRIATION</b>			
LESS PROVISION FOR INCOME TAX		124,538.00	154,325.00
ADD DEFERRED TAX		187,229.00	(122,549.00)
LESS 1/10 PRELIMINARY EXP. W/OFF		-	1,750.00
LESS INCOME TAX RELATED TO EARLIER YEAR		-	140,968.00
LESS: ELECTRICITY EXCISE DUTY PENALTY		211,463.00	
LESS: EXPENSES RELATED TO PREVIOUS YEAR		296,747.18	374,741.52
PROFIT AFTER TAX		1,142,718.22	1,289,506.18
ADD INCOME TAX RELATED TO EARLIER YEAR		687,854.00	171,774.00
ADD PROFIT & LOSS A/C PER LAST B/S		(1,697,805.09)	(3,159,085.27)
<b>NET PROFIT /LOSS CARRIED TO BALANCE SHEET</b>		<b>132,767.13</b>	<b>(1,697,805.09)</b>

AS PER OUR SEPRATE REPORT OF EVEN DATE  
FOR JAIN DHINGRA & ASSOCIATES  
CHARTERED ACCOUNTANTS



(B. S. JAIN)  
PARTNER

(P.L.JAIN)

(SARLA JAIN)

(KETAKI BENARA)

PLACE : AGRA

DATE : 2nd September, 2005

# BENARA BEARINGS & PISTONS LIMITED

A-3 & 4, SITE-B INDUSTRIAL AREA

SIKANDRA, AGRA-282 007

31ST MARCH, 2005

## SCHEDULE A TO K & 1 TO 8 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	CURRENT YEAR		PREVIOUS YEAR	
	RS.	P.	RS.	P.
<b>SCHEDULE A</b>				
<b>SHARE CAPITAL</b>				
Authorised -22,50,000 Equity Shares of Rs. 10/- each ) (previous year 17,50,000 Equity Share of Rs. 10/- each)	22,500,000.00		17,500,000.00	
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>				
1,67,4810 equity shares of Rs. 10/- each (P. Year 1,190,810 Equity Share of Rs. 10/- each)	16,748,100.00		13,518,100.00	
<b>SHARE APPLICATION MONEY</b>				
	-		12,009,000.00	
	-		12,009,000.00	
<b>SCHEDULE B</b>				
<b>RESERVES &amp; SURPLUS</b>				
Share Premium	45,603,900.00		38,820,900.00	
General Reserve	1,983,063.00		1,983,063.00	
Profit & Loss A/c	132,767.13		-	
	47,719,730.13		40,803,963.00	
<b>SCHEDULE C</b>				
State Bank of India CC A/c 016000-31086 (Secured by Hypothecation of Inventories Etc. against charge has been Created)	14,752,443.24		15,308,448.95	
State Bank of India O.D.B.D. A/c 016060-31086 (Secured By way of Book Debt of the Company)	3,000,000.00		3,000,000.00	
S.B.I.FBP A/C.	2,087,835.00		1,264,203.00	
S.B.I. E.P.C. A/C. (Secured by Hypothecation of Export Order etc.)	2,830,050.93		-	
S.B.I.M.T.L. A/C. (Secured by Hypothecation of Plant & Machines etc)	5,100,000.00		-	
PICUP (Secured by second charge over movable and immovable assets of the company) Under defferment scheme of UP Trade Tax I.C.I.C.I Ltd. (Secured by Hypothecation on Vehicle of the company)	3,323,463.65		2,850,199.65	
KOTAK MAHINDRA PRIMUS LTD. ( Secured by Hypothecation of Vehicles) - Maruti	976,157.73		287,418.08	
KOTAK MAHINDRA PRIMUS LTD. ( Secured by Hypothecation of Vehicles) - Maruti	5,708.06		69,900.67	
KOTAK MAHINDRA PRIMUS LTD. ( Secured by Hypothecation of Vehicles) - Maruti	78,526.85		115,725.15	
KOTAK MAHINDRA PRIMUS LTD. ( Secured by Hypothecation of Vehicles) - Maruti	85,898.29		146,265.92	
HDFC BANK LTD. ( Secured by Hypothecation of Vehicles) - Ford Fusion	592,385.95		-	
	32,832,469.70		23,042,161.42	
<b>SCHEDULE D</b>				
<b>UNSECURED LOANS</b>				
Loans from Corporate Bodies	1,287,403.00		2,643,800.00	
Form Shareholders, Directors & Relatives	7,931,638.00		6,893,730.00	
	9,219,041.00		9,537,530.00	

# BENARA BEARINGS & PISTONS LIMITED

A-3 & 4, SITE-B INDUSTRIAL AREA

SIKANDRA, AGRA-282 007

SCHEDULE A TO K & 1 TO 8 ANNEXED TO & FORMING PART OF THE BALANCE SHEET &  
PROFIT & LOSS ACCOUNT AS ON 31st MARCH 2005

## SCHEDULE E

### FIXED ASSETS

	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	AS AT			AS AT	AS AT	FOR THE		AS AT	AS AT	AS AT
PARTICULARS	1-4-2004	ADDITIONS	SALE	31.03.2005	1.4.2004	YEAR	SALE	31.03.2005	31.03.2005	31.03.2004
LAND	1,345,647.00	-	-	1,345,647.00	-	-	-	-	1,345,647.00	1,345,647.00
BUILDING	5,314,120.18	-	-	5,314,120.18	2,664,432.18	264,969.00	-	2,929,401.18	2,384,719.00	2,649,688.00
PLANT & MACHINERY	29,892,873.91	4,794,953.00	-	34,687,826.91	16,281,055.91	2,321,849.00	-	18,602,904.91	16,084,922.00	13,611,818.00
ELECTRIC FITTINGS	1,703,270.56	68,355.00	-	1,771,625.56	937,710.56	113,621.00	-	1,051,331.56	720,294.00	765,560.00
TOOLS & DIES	3,571,907.43	1,079,896.00	-	4,651,803.43	1,169,483.15	334,178.00	-	1,503,661.15	3,148,142.28	2,402,424.28
OFFICE EQUIPMENT	584,568.00	78,900.00	-	663,468.00	298,758.00	48,718.00	-	347,476.00	315,992.00	285,810.00
COMPUTER	370,925.91	-	-	370,925.91	264,628.91	42,519.00	-	307,147.91	63,778.00	106,297.00
FURNITURE & FIXTURE	636,840.05	21,607.00	-	658,447.05	430,482.05	39,766.00	-	470,248.05	188,199.00	205,358.00
VEHICLES	3,691,435.38	695,513.00	-	4,386,948.38	1,906,903.38	491,681.00	-	2,398,584.38	1,988,364.00	1,784,532.00
BUILDING UNDER CONSTRUCTION	324,634.80	1,306,255.00	-	1,630,889.80	-	-	-	-	1,630,889.80	324,634.80
TOTAL	47,436,223.22	8,045,479.00	-	55,481,702.22	23,953,454.14	3,657,301.00	-	27,610,755.14	27,870,947.08	23,482,769.08
PREVIOUS YEAR	44,197,760.94	5,286,462.28	2,048,000.00	47,436,223.22	20,572,111.14	3,381,343.00	-	23,953,454.14	23,482,769.08	

# BENARA BEARINGS & PISTONS LIMITED

A-3 & 4, SITE-B INDUSTRIAL AREA

SIKANDRA, AGRA-282 007

31ST MARCH, 2005

## SCHEDULE A TO K & 1 TO 8 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	CURRENT YEAR		PREVIOUS YEAR	
	RS.	P.	RS.	P.
<b>SCHEDULE F</b>				
<b>INVENTORIES</b>				
(As taken, valued and Certified by the Management)				
Raw Materials (At Cost)	4,708,245.00		5,303,499.00	
Work in Progress (At Estimated Cost)	5,602,125.00		3,464,783.00	
Finished Stock (At Cost or Market Price, whichever is lower)	33,481,953.00		28,436,217.00	
(Inclusive Excise duty)				
Scrap (At Estimated Net Realisable Value)	186,680.00		237,408.00	
Stores & Spares (At Cost)	898,959.00		756,569.00	
Stacking Material (At Cost)	385,650.00		423,655.00	
C.P.G Gas (At Cost)	29,448.26		-	
Advertisement (At Cost)	46,960.00		-	
	45,340,020.26		38,622,131.00	
<b>SCHEDULE G</b>				
<b>SUNDRY DEBTORS CONTROL</b>				
(Unsecured, Considered Good)				
1. Debts Outstanding for a Period exceeding six Months	3,301,791.11		13,567,001.52	
2. Other Debts	27,380,936.00		30,371,578.60	
	30,682,727.11		43,938,580.12	
<b>SCHEDULE H</b>				
<b>CASH AND BANK BALANCES</b>				
1. Cash in Hand	137,900.61		1,660,590.91	
2. Cash at Bank				
i) At Current Account	762,728.00		116,703.96	
ii) At F.D.R.	855,226.83		685,895.13	
iii) At S B A/C.	26,745.00		2,825.00	
	1,782,600.44		2,466,015.00	
<b>SCHEDULE I</b>				
<b>LOANS &amp; ADVANCES</b>				
(Unsecured, Considered Good)				
Advances (to be received in Cash or in Kind or for value to be received)	12,436,992.53		5,287,380.08	
Advance Income Tax	449,197.00		338,078.00	
Security Deposits	1,188,854.76		627,394.76	
Balance in Excise Duty	547,918.56		146,818.29	
	14,622,962.85		6,399,671.13	
<b>SCHEDULE J</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors	7,391,503.87		7,320,678.19	
Sundry Payables	5,602,247.04		9,410,654.31	
Advance from Customers	1,749,627.00		1,864,340.50	
Sundry Security from Customers	212,777.00		22,001.00	
Sundry Sales Executive	138,256.00		178,054.00	
Trade Tax Deferment scheme	120,451.00		118,267.00	
Provision for Income Tax	124,538.00		154,325.00	
	15,339,399.91		19,068,320.00	



**BENARA BEARINGS & PISTONS LIMITED**

A-3 &amp; 4, SITE-B INDUSTRIAL AREA

SIKANDRA, AGRA-282 007

**SCHEDULE A TO K & 1 TO 8 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	RS.	P.	RS.	P.
<b><u>SCHEDULE-1</u></b>				
Net Sales				
(Net of Excise Duty and Sales Return)				
Domestic	65,812,571.44		56,233,197.00	
Export - Direct	19,834,310.00		7,923,630.00	
			7,195,116.00	
	85,646,881.44		71,351,943.00	
Less : Excise Duty	5,456,341.00		5,951,364.00	
	80,190,540.44		65,400,579.00	
<b><u>SCHEDULE-2</u></b>				
<b>OTHER INCOME</b>				
i) Interest on FDR	42,487.70		30,266.13	
ii) Interest Other	151.00		156.00	
iii) Rent	47,108.00		9,915.00	
iv) D.E.P.B. Income	515,570.00		757,235.00	
v) Duty Drawback	70,000.00		-	
vi) Interest on I.T. Refund	104,743.00		29,186.00	
vii) Foreign Exchange Rate Difference	34,148.00		1,088.00	
	814,207.70		827,846.13	
<b><u>SCHEDULE-3</u></b>				
<b>CLOSING STOCK</b>				
i) Finished Stock	33,481,953.00		28,436,217.00	
(Inclusive of Excise Duty)				
ii) Work-in-Progress	5,602,125.00		3,464,783.00	
iii) Scrap	186,680.00		237,408.00	
	39,270,758.00		32,138,408.00	
Less Opening Stock	32,138,408.00		26,695,237.00	
	7,132,350.00		5,443,171.00	
<b><u>SCHEDULE-4</u></b>				
<b>MANUFACTURING EXPENSES</b>				
i) Raw Material Consumed	35,615,040.52		26,763,700.34	
ii) Stores & Spares Consumed	3,477,124.46		3,844,193.82	
iii) Packing Material Consumed	1,772,930.53		2,204,850.65	
iv) Power & Fuel Consumed	11,032,570.71		8,828,818.39	
v) Wages & Salaries	6,228,970.00		5,181,971.00	
vi) Job Work charges	770,862.00		415,573.00	
vii) Excise duty on closing stock	2,800,922.00		3,361,098.00	
	61,698,420.22		50,600,205.20	

# BENARA BEARINGS & PISTONS LIMITED

A-3 & 4, SITE-B INDUSTRIAL AREA

SIKANDRA, AGRA-282 007

## SCHEDULE A TO K & 1 TO 8 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	RS.	P.	RS.	P.
<b>SCHEDULE-5</b>				
<b>PERSONNEL EXPENSES</b>				
i) Salaries	3,808,801.00		2,864,458.00	
ii) Directors Remuneration	620,000.00		476,000.00	
iii) House Rent Allowance	945,369.00		557,940.00	
iv) E.S.I.	342,233.25		299,984.65	
v) Provident Fund	1,018,458.00		887,932.00	
vi) Labour & Staff Welfare	-		915.00	
vii) Bonus & Ex gratia Bonus	584,944.00		506,883.00	
viii) Leave Encashment	284,606.00		217,029.85	
ix) Stipend	397,337.00		403,855.00	
x) Gratuity	357,049.50		302,983.31	
xi) Conveyance Allowance	1,014,879.00		716,262.00	
xii) Medical Allowance	83,911.00		27,464.00	
xiii) Books & Periodicals Allowance	93,788.00		88,574.00	
xiv) Compensation etc ( Notice Pay)	204,319.50		60,017.31	
xv) Incentives	57,926.00		50,848.00	
xvi) E.D.L.I Expenses	-		28,634.00	
xvii) Security charges	254,000.70		259,147.40	
xviii) Keyman Insurance	200,000.00		-	
	<b>10,267,621.95</b>		<b>7,748,927.52</b>	
<b>SCHEDULE-6</b>				
<b>ADMINISTRATIVE EXPENSES</b>				
i) Printing & Stationery	205,278.00		276,663.85	
ii) Communication Expenses	901,550.17		520,279.56	
iii) Legal & Professional Charges	246,582.00		150,945.00	
iv) Insurance	156,950.00		101,904.00	
v) Repairs & Maintenance	157,793.00		94,481.08	
vi) Miscellaneous Expenses	20,569.00		5,110.00	
vii) Vehicle Running & Maintenance	103,995.00		77,895.69	
viii) Auditors Remuneration				
a) Audit Fee	27,550.00		27,000.00	
b) Tax Audit Fee	5,510.00		5,400.00	
ix) Fee & Subscription	139,315.00		98,563.00	
x) Donation & Charity	500.00		10,501.00	
xi) Computer Expenses	8,675.00		71,349.00	
xii) Rates and Taxes	13,400.00		12,875.00	
xiii) Testing Expenses	8,000.00		37,200.00	
xiv) ISO 9002 Exp	47,509.00		145,348.00	
xvi) Trade Mark Expenses	5,000.00		-	
xvii) Books & Periodicals	-		12,125.00	
xviii) Laboratory Expenses	66,055.00		54,481.00	
	<b>2,114,231.17</b>		<b>1,702,121.18</b>	

**BENARA BEARINGS & PISTONS LIMITED**

A-3 &amp; 4, SITE-B INDUSTRIAL AREA

SIKANDRA, AGRA-282 007

**SCHEDULE A TO K & 1 TO 8 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	RS.	P.	RS.	P.
<b>SCHEDULE 7</b>				
<b>SELLING &amp; DISTRIBUTION</b>				
i) Advertisement & Publicity	945,336.00		560,633.55	
ii) Travelling Expenses	1,648,598.15		1,035,076.50	
iii) Foreign Travelling	436,491.45		399,311.00	
iv) Sales Promotion	357,860.59		130,832.44	
v) Sales Commission	82,606.00		51,757.00	
vi) Rebate & Discount	443,077.91		204,749.72	
vii) Freight on Sales	49,073.00		16,124.00	
viii) Sales Tax Expenses	1,500.00		6,838.00	
ix) Sample Expenses	169,080.00		-	
x) Tender Expenses	-		39,566.00	
xi) Export Expenses	492,716.00		282,641.00	
xii) Royalty	1,030,977.00		354,738.00	
	5,657,316.10		3,082,267.21	
<b>SCHEDULE-8</b>				
<b>FINANCIAL EXPENSES</b>				
i) Interest to Others	575,879.06		438,638.57	
ii) Interest to Bank	2,760,207.56		2,009,821.14	
iii) Bank Commission & Financial Charges	852,279.68		576,432.61	
	4,188,366.30		3,024,892.32	

**BENARA BEARINGS & PISTONS LIMITED**  
**A-3 & 4, SITE-B INDUSTRIAL AREA**  
**SIKANDRA, AGRA-282 007**

PARTICULARS	AMOUNT		AMOUNT	
	RS.	P.	RS.	P.
<b>SCHEDULE - 5A</b>				
COMPENSATION				
Compensation	168,985.50			
Notice Pay	35,334.00		204,319.50	
<b>SCHEDULE - 6A</b>				
COMMUNICATION EXPENSES				
Postage, Telephone & Fax	132,277.00			
Telephone	769,273.17		901,550.17	
<b>SCHEDULE - 6B</b>				
LEGAL & PROFESSIONAL FEE				
Legal & Professional Fee	67,897.00			
Consultancy & Professional	178,685.00		246,582.00	
<b>SCHEDULE - 6C</b>				
REPAIRS & MAINTENANCE				
Repairs & Maintenance	26,185.00			
Repairs & Maintenance - Electrical	68,693.00			
Repairs & Maintenance - M/c.	20,217.00			
Repairs & Maintenance - Building	42,698.00		157,793.00	
<b>SCHEDULE - 6D</b>				
RATES & TAXES				
Factories Act Expenses	9,400.00			
Rates & Taxes	4,000.00			
Weight & Measurement	-		13,400.00	
<b>SCHEDULE - 6E</b>				
FEEs & SUBSCRIPTION				
Membership Fee	88,590.00			
Filing Fees	50,725.00		139,315.00	
<b>SCHEDULE - 6E</b>				
MISCELLANEOUS EXPENSES				
Misc. Expenses	5,655.00			
Audit Expenses	6,914.00			
Commission	8,000.00		20,569.00	
<b>SCHEDULE - 7A</b>				
REBATE & DISCOUNT				
Rebate & Discount	441,614.91			
Rebate & Discount - Pin.	1,463.00			
Rebate & Discount - Piston	-		443,077.91	
<b>SCHEDULE - 7B</b>				
FREIGHT ON SALES				
Freight on Sales	(2,885.00)			
Freight on Sales Return	36,549.00			
Freight & Cartage inward	15,409.00		49,073.00	
<b>SCHEDULE - 7C</b>				
Export Expenses	30,653.00			
DEPB Exp.	26,947.00			
Export Insurance	13,870.00			
Shipping Line Expenses	421,246.00		492,716.00	
<b>SCHEDULE - 8A</b>				
INTEREST				
Interest Paid to Others	1,127,795.06			
Less : Interest Received	(551,916.00)		575,879.06	

# **BENARA BEARINGS & PISTONS LIMITED**

## **SCHEDULE – K**

### **NOTES ON ACCOUNTS**

#### **1. SIGNIFICANTS ACCOUNTING POLICIES**

##### **(a) System of Accounting**

The Company follows the mercantile system of accounting and recognized income and expenditure on accrual basis. Accounting policies not referred to otherwise are inconsistent with general accepted accounting practices.

##### **(b) Fixed Assets and Depreciation**

- (i) Fixed Assets are stated at their original cost of acquisition as reduced by any sale discard and accumulated depreciation thereon. Cost of fixed assets includes inward freight, duties and taxes and incidental expenses related to acquisition/installation.
- (ii) Depreciation on Fixed Assets is provided on written down value method at the rates prescribed in Schedule XIV of the companies Act, 1956

##### **(c) Inventories**

Inventories are valued in accordance with the requirements of revised accounting standard (AS2) on valuation of inventories

- (i) Raw materials are valued at cost.
- (ii) Stores and Spares, Packing Materials and Consumable Goods are valued at cost.
- (iii) Finished Goods inclusive of excise duty is stated at cost or net realizable value whichever is lower.
- (iv) Work-in-progress is valued at estimated cost of production.
- (v) Scrap is estimated net realizable value.

##### **(d) Cenvat on Inputs**

The purchase cost of raw material, stores and packing materials etc., have been considered net of cenvat availed on inputs.

##### **(e) Sales**

Sales of goods is recognized on dispatch to customers, Sales exclude excise duty and State/Central Sales Tax recovered on sales, wherever applicable and net of sales return.

## **(f) NOTES ON ACCOUNT**

### **(i) Taxation**

Provision is made for income tax liability estimated to arise on the result for the year at current rate of tax in accordance with Income Tax Act, 1961.

In accordance with the Accounting Standard-22 accounting for taxes on Income, issued by the Institute of Chartered accountants of India and effective from April, 2002, the Company has provided for the deferred tax.

### **(ii) Benefits to Employees**

- (a) Provident Funds are accounted on accrual basis both contribution to funds administered by Government.
- (b) Gratuity liabilities are determined on the basis of actuarial valuations done at the end of the year by L.I.C. and accordingly contribution are made to recognized fund set up for the purpose.

### **(iii) Contingent Liabilities :**

Contingent Liabilities are not provided for in the accounts but are disclosed by way of notes on accounts.

#### **(a) Letter of Credits**

Company's Banker has issued LC in favour of Raw material suppliers to the tune of Rs. 18.86 Lacs (2004 : Rs. 18.19 Lacs)

#### **(b) Bills of Exchange**

Drawn on debtors discounted with Company's Banker Rs.21.71 Lacs (2004 : Rs.14.72 Lacs) against which the Company will have the right of recovery from the drawee.

- (c) MRI Penalty amounting to Rs.347274/- has not been provided in the books of accounts as the matter is still pending with Electricity Board, Agra.

- (iv) Break up of remuneration paid to Managing/Wholetime Directors, Remuneration Rs. 6.20 Lacs (2004 : Rs. 4.76 Lacs)

- (v) Break up of Auditor's Remuneration :

- (i) Audit Fee : Rs. 27550.00
- (ii) Tax Audit Fee : Rs. 5510.00

- (vi) During the year Company has valued its closing stock of finished goods inclusive of Excise Duty and Excise Duty on the closing stock has been debited in profit & loss account and credited to excise duty payable account.

- (vii) During the year, under Trade Tax Exemption Deferment Scheme,

Company has charged Trade Tax from customers and have not paid the same to the concerned authorities. Since, these are payable after 5 years under Trade Tax Exemption Deferment scheme. Company is applying to PICUP for remaining portion of the Retained Tax for converting the same into interest free loan under Trade Tax Exemption Deferment Scheme.

- (viii) The small scale industrial undertaking to whom the Company owes a sum exceeding Rupees One Lac which is outstanding for more than 30 days are as follows:

Benara Liners Limited, Agra	: Rs. 5,48,799/-
Prakash Metal Co., Jodhpur	: Rs. 1,23,543/-
Tinchem Enterprises, Patiala	: Rs. 1,51,120/-

- (ix) On 17-10-2003 Company's premises were raided by DRI Excise Department, New Delhi. Certain Excise Records were seized by them. Quantitative details have been taken from photocopy of these register.
- (x) Company had entered into an agreement with PICUP Ltd., Noida for purchase of some machinery which is installed in a factory at Noida for a total consideration of Rs. 83.50 Lacs out of which Company has already paid Rs.83.50 Lacs to PICUP Ltd. Noida. Custom Duty, Excise Duty etc. will be paid by the Company.
- (xi) Additional information as required by part II of Schedule VI of the Companies Act, 1956.

Particulars in respect of goods manufactured:

	Pain Shaft Bearings & Bushes	Pin	Pistons	Bi-Metal Strips	Value
	Nos.	Nos.	Nos.	Mtr.	Rupees in Lacs
(a) Installed Capacity					
2005	2500000	900000	450000	100000	
2004	2500000	900000	450000	100000	
(b) Production					
2005	1134697	72694	133672	73530	
2004	1303900	82556	82532	91869	
(c) Opening Stock					
2005	457501	75580	72273	3193	284.36
2004	230468	56425	86871	538	195.46

(d) Closing Stock					
2005	305993	101896	42617	959	334.82
2004	457301	75580	72273	3193	284.36
(e) Sales					
2005	1286205	46378	163328	20257	801.90
2004	1076867	63401	97130	24375	654.01
(f) Captive Consumption					
2005				55507	
2004				64839	

(xii) Value of Imported and indigenous Raw Materials, Stores and Spares consumed:

**Value in Rs. Lacs**

	2005			2004		
Raw Materials	Imported	Indigineous		Imported	Indigineous	
	Qty.	Qty.	Value	Qty.	Qty.	Value
Bi-Metal Strips (MT.)	5.32	24.98		0	30.72	
Carbon Alloy (MT.)	0	189.81		0	188.60	
Aluminium Alloy (MT.)	0	47.48		0	58.68	
C. R. Steel Strips (MT.)	0	166.40		0	192.89	
Lead (MT.)	0	11.06		0	11.26	
Tin (MT.)	0	1.13		0	1.80	
M. S. Pipe (MT.)	0	15.27		0	22.03	
Total	0		356.15	0		267.64
Stores & Spares	0		34.77	0		38.44



**2004-2005**      **2003-2004**

(xiii) Earnings in Foreign Exchange : 12720909      3189276

(xiv) Expenditure in Foreign Currency : 5226971      81265

Expenditure in Foreign Currency  
Capital Goods : 0      714650

(xv) Deferred Tax

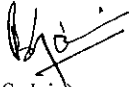
The Breakup of the net deferred tax liability as at 31<sup>st</sup> March, 2005  
is as under :

Particulars	Deferred Tax Assets		Deferred Tax Liability		Net Balance
	Opening as on 01-04-2004	During the year	Opening as on 01-04-2004	During the year	
Difference on account of depreciation	0	Dr.187964	Cr.3007720	0	Cr.2819756
Sec. 43B Expenses Deductible for Tax purpose	0	0	Cr.42428	Cr.735	Cr.43163
Tax on Losses carried forward	Dr.4420856	0	0	0	Dr.4420856
<b>Deferred Tax Assets</b>					Dr.1557937


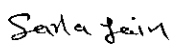
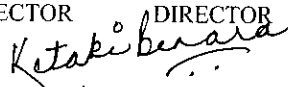
(xvi) Previous year's figures have been regrouped wherever necessary to  
confirm to current year's classification.

Signature to Schedules A to K

As per Our Annexed Report of even date  
For Jain Dhingra & Associates  
Chartered Accountants

  
(B. S. Jain)  
Partner  
Agra



   
(P.L. JAIN) (SMT. SARLA JAIN)  
DIRECTOR DIRECTOR  
  
(SMT. KETAKI BENARA)  
DIRECTOR

**BENARA BEARINGS & PISTONS LIMITED**  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**1 REGISTRATION DETAILS**

Registration No.	:	12518
State Code	:	20
Balance Sheet Date	:	31 <sup>st</sup> March, 2005

**2 CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)**

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	3230

**3 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**

<b>TOTAL LIABILITIES</b>	:	106520
<b>TOTAL ASSETS</b>	:	106520

**SOURCE OF FUNDS**

Paid up Capital	:	16748
Reserves and Surplus	:	47720
Secured Loans	:	32832
Unsecured Loans	:	9219

**APPLICATION OF FUNDS**

Net Fixed Assets	:	27871
Investments	:	1
Net Current Assets	:	77089
Miscellaneous Expenditure	:	0
Accumulated Losses	:	0

**4 PERFORMANCE OF COMPANY**

Turnover Including other income	:	89171
Total Expenditure	:	87583
Profit Before Tax	:	1588
Profit After Tax	:	1143
Earnings per share (in Rs.)	:	NIL
Dividend Rate %	:	NIL

**5 GENERIC NAMES OF PRINCIPAL PRODUCTS, SERVICES OF THE COMPANY**

Product Description	:	Item Code No.
(a) Plain Shaft Bearings & Bushes	:	8483.9
(b) Piston Pin	:	8407
(c) Piston	:	8408

  
**DIRECTOR**  
 PLJ

Agra, 2<sup>nd</sup> September, 2005

ANJU JAIN

A.C.S.

Company Secretaries

Ph. 288-0341, 1618 (Fax), 9897602111 (M)

B - 623, Kamla Nagar, Agra - 202 004.

FORM [ See Rule -3 ]

SECRETARIAL COMPLIANCE CERTIFICATE

REC.NO.

Registration No. 20-12518

Authorised Capital 301684  
Paid-up Capital 1

REG. NO.

20-012518

C-COMPLIAN

30/09/2005

D 1500

N 500

A 0

T\*\*\*\*\*500

LASH

26417

27/10/2005

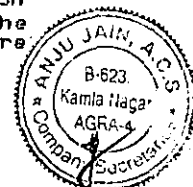
LG.No- 124

JAFAR H.

To,  
The Members,  
BENARA BEARINGS & PISTONS LIMITED,  
A-4, Site B, Industrial Area, Artoni,  
AGRA.

I have examined the registers, records, books and papers of M/s BENARA BEARINGS & PISTONS LTD. as required to be maintained under the Companies' Act, 1956, (the Act) and the Rules thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial year ended on 31st March, 2005. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure - A to this certificate, as per the provisions and rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure - B to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited company, does have the minimum prescribed paid-up capital. However, comments regarding the maximum number of members is not required.
4. The Board of Directors duly met TWELVE times on 20.4.2004, 30.8.2004, 08.11.2004, 15.12.2004, 29.12.04, 06.01.05, 18.01.05, 28.01.05, 08.02.05, 22.02.05, 24.02.2005 and 30.3.2005 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose.
5. The Company did not close its Register of Members and / or Debenture-holders during the financial year.
6. The Annual General Meeting for the financial year ended on 31.3.2004 was held on 30.09.2004, after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minute Book maintained for the purpose.



7. FIVE Extra-ordinary General Meetings were held during the financial year on 14.05.2004, 24.01.2005, 03.02.2005, 24.02.2005 and 04.03.2005 after giving due notices to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose.

8. The Company has not advanced any loans to its directors and/or persons/firms/companies referred to in Section 295 of the Act.

9. The Company was not required to comply with the provisions of Section 297 of the Act in respect of contracts specified in that section.

10. The Company has made necessary entries in the register maintained under Section 301 (3) of the Act.

11. The Company has obtained necessary approvals from the members pursuant to Section 314 of the Act.

12. The Company has not issued any duplicate share certificates during the financial year.

13. (i) The Company has delivered all certificates on allotment of securities in accordance with the provisions of the Act.

13. (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.

13. (iii) The Company was not required to post Warrants to any members of the Company, as no dividend was declared during the financial year.

13. (iv) The Company was not required to transfer any amount to Investor Education & Protection Fund.

13. (v) The Company has duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and there was no appointment of alternate director/additional director or directors to fill casual vacancy during the financial year.

15. The Company has not appointed any Managing Director / whole time Director / Manager during the financial year.

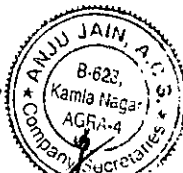
16. No sole-selling agent was appointed during the financial year.

17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Registrar or such other authority as may be prescribed. It has obtained the necessary approvals of the Regional Director for entering into contracts in pursuance of the provisions of Section 297 of the Act.

18. The directors have disclosed their interest in other firms/companies, to the Board of Directors, pursuant to the provisions of the Act and the Rules made thereunder.

19. The Company has issued 3,23,000 Equity shares of Rs. 10/- each during the financial year at a premium of Rs. 21/-.

20. The Company has not bought back any shares during the financial year.

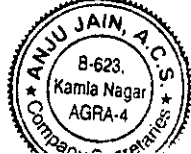


21. The Company has no preference shares / debentures to redeem.
22. The Company was not required to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Company has complied with the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975 / the applicable directions issued by the Reserve Bank of India in respect of deposits accepted including unsecured loans taken amounting to Rs. 9,943 thousands raised by the Company during the year and the Company has filed Statement in lieu of Advertisement and necessary particulars as required with the Registrar of Companies, Uttar Pradesh, Kanpur on 25.09.2004.
24. The amount borrowed by the Company from directors, members, public financial institutions, banks and others during the financial year ending 31.03.2004 are within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened extra ordinary general meeting.
25. The Company has not made any loans or investments/provided any securities to any body corporates during the financial year.
26. The Company has changed the situation of its registered office within the local limits during the financial year by passing Board Resolution. However, no alteration with respect to the provisions of the Memorandum were required to be made.
27. The Company has not altered the provisions with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of Memorandum with respect to share capital of the Company during the said year.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. No prosecutions were initiated against or show cause notices were received by the Company for alleged offences under the Act and also no fines/penalties or any other punishment were imposed.
32. The Company has not received any money as security from its employees during the year under certification.
33. No separate Provident Fund has been constituted by the Company for its employees, therefore, the provisions of Section 41B of the Act are not applicable.

For ANJU JAIN, ACS  
Company Secretaries

( C.P. No. 4572 )

Place : A G R A.  
Dated : 9.8.2005



Registers as maintained by the Company :STATUTORY REGISTERS :

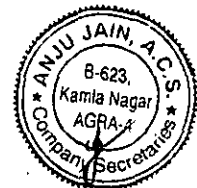
1. Register of Members under Section 150.
2. Minute Books -- Directors and General Meetings U/s 193.
3. Books of Account under Section 209.
4. Register of Charges under Section 143.
5. Register of particulars of cos., firms and contracts in which directors are interested U/s 301 (3).
6. Register of Directors, Manager, secretary etc. U/s 303.
7. Register of Directors' Shareholdings U/s 307.

OTHER REGISTERS :

1. Share Application & Allotment Register.
2. Register of Common Seal.
3. Fixed Assets Register.

Annexure - 'B'DOCUMENTS FILED BY THE COMPANY :

Sl. No.	Form No./ Return	Filed U/s	For	Date of Filing	Whether filed in time Yes/No	In case delayed whether Additional fee paid
1.	Balance Sheet	220	As per Act	19.10.2004	Yes	NA
2.	Compliance Certificate	383A	As per Act	19.10.2004	Yes	NA
3.	Annual Return	159	As per Act	19.10.2004	Yes	NA
4.	Return of Deposits with ROC	Rule 9 of Deposit Rules, 1975	Acceptance of Deposits	07.06.2004	Yes	NA
5.	Statement in lieu of Advertisement	Rule 4A of Deposit Rules, 1975	Acceptance of Deposits	25.09.2004	Yes	NA
6.	Form 8 Form 13	135	Modification of charge	10.12.2004	Yes	NA
7.	Form 2	75(1)	Return of Allotment (Shares Allotted on 08.02.2005)	11.02.2005	Yes	NA



8. Form 5	94(1)	Increase of Authorised Share Capital	08.02.2005	Yes	NA
9. Form 23	192 31	Special Resolution for Alteration of Articles	08.02.2005	Yes	NA
10. Form 23	192 81(1A)	Special Resolution for Issue of shares to the public	11.02.2005	Yes	NA
11. Form 2	73(1)	Return of Allotment (Shares Allotted on 24.02.2005)	23.02.2005	Yes	NA
12. Form 23	192 81(1A)	Special Resolution for Issue of shares to the public	23.02.2005	Yes	NA
13. Form 17 Form 13	138	Satisfaction of Charge	28.02.2005	Yes	NA
14. Form 8 Form 13	133	Modification of charge	17.03.2005	Yes	NA
15. Form 23	192 314	Special Resolution for Increase in remuneration of Mg. Director	31.03.2005	Yes	NA
16. Form 25C	269	Increase in remuneration of Managing Director	31.03.2005	Yes	NA

PLACE : A G R A.  
DATED : 9.8.2005

For ANJU JAIN, ACS  
Company Secretaries

*Anju Jain*  
( C.P. No. 4572 )

