

BHAGYANAGAR METALS LIMITED

11TH ANNUAL REPORT

2016-2017

BHAGYANAGAR METALS LIMITED

BOARD OF DIRECTORS

G M SURANA	-	DIRECTOR
MANISH SURANA	-	DIRECTOR
VINITA SURANA	-	ADDITIONAL DIRECTOR

AUDITORS

M/S. SEKHAR & CO.
CHARTERED ACCOUNTANTS
133/4, R P ROAD,
SECUNDERABAD - 500 003

REGISTERED OFFICE

5TH FLOOR, SURYA TOWERS,
BLOCK C, S P ROAD,
SECUNDERABAD – 500 003

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting of the Members of **BHAGYANAGAR METALS LIMITED** will be held on Monday the 05th June, 2017 at 11.30 A.M at the Registered Office of the Company at 5th Floor, Surya Towers, Block C, S P Road, Secunderabad - 500 003 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended 31st March, 2017 along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Shri Manish Surana who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the Appointment of Statutory Auditors:

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 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the appointment of M/s. Sekhar & Co., Chartered Accountants, (Registration No. 003695S), as Statutory Auditors of the Company for a term of five years i.e., till the conclusion of the 14th Annual General Meeting to be held in the year 2020, which was subject to ratification at every Annual General Meeting, be and is hereby ratified to hold the office from the conclusion of this 11th Annual General Meeting till the conclusion of 12th Annual General Meeting of the Company to be held in the year 2018.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to fix the Remuneration of the Auditors.”

SPECIAL BUSINESS:

4. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its consent to the Board of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in trade (including raw materials,

stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 50 Crores Rupees Fifty Crores only)."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to finalise and execute the documents between the Company on the one part and the financial institution(s), bank(s), and/or individuals/ institutions who may be appointed as the agents, trustees for the debenture holders, on the other part."

5. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to create such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company, on all or any of the immovable and movable properties of the Company wheresoever situate, both present and future, and the whole or any part of the undertaking of the Company together with powers to take over the management of the business and concern of the Company in certain events, in such manner as the Board may deem fit, to or in favour of all or any of the financial institutions/banks/lenders/any other investing agencies and trustees for the holders of debentures/ bonds/ other financial instruments which may be issued to and subscribed by all or any of the financial institutions/ banks/ lenders/ other investing agencies or any other person(s)/ bodies corporate by private placement or otherwise, to secure rupee/foreign currency loans and/or the issue of debentures, bonds or other financial instruments (hereinafter collectively referred to as "Loans"), provided that the total amount of Loans together with interest thereon, costs, charges, expenses and all other monies payable by the shall not at any time exceed the limit of Rs.50 Crores (Rupees Fifty Crores only)."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to finalise and execute the documents between the Company on the one part and the financial institution(s), bank(s), and/or individuals/ institutions who may be appointed as the agents, trustees for the debenture holders, on the other part."

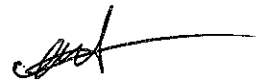
6. To consider and if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and

Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) made there under, Ms. Vinita Surana, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 25.11.2016 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature for the office of the Director of the Company, be and is hereby appointed as Director of the Company.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

**By Order of the Board
For BHAGYANAGAR METALS LIMITED**



**MANISH SURANA
DIRECTOR**

Place: Secunderabad
Date: 12.05.2017

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies, to attend and vote instead of himself and the proxy need not be a member of the company. proxies in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. The Explanatory Statement under Section 102 of the Companies Act, 2013 is annexed herewith and forms part of the notice.

ANNEXURE

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES
ACT, 2013:**

Item No. 4

The Board of Directors cannot, except with the consent of the Company in General Meeting, borrow money, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Having regard to the requirement of funds and the consequent need for borrowing keeping in view the business activities carried on by the Company, it is proposed to authorise the Board of Directors to borrow moneys from time to time from Banks, Financial Institutions and any other sources under Section 180(1)(c) of the Companies Act, 2013. The moneys to be borrowed exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 50 Crores (Rupees Fifty Crores only)."

The Board recommends this resolution for approval by the members of the Company. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

Item No. 5

In order to secure the borrowings/ financial assistance, the Company may be required to create security by way of mortgage/charge and/or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company. As per section 180(1) (a) of the Act consent of the Company by Special Resolution is required to be obtained by the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company. Since mortgaging or charging the movable and/or immovable properties and assets of the Company with the right of taking over management or control in certain events of default may be considered to be disposal of the Company's undertaking within the meaning of section 180(1) (a) of the Act, it is proposed to seek approval of the shareholders for creating such mortgages and/or charges on the assets and properties of the Company both present and future. Hence the resolution at item no. 5 of the accompanying Notice which your Board recommends for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

ITEM NO. 6

The Board of Directors of the Company appointed Ms. Vinita Surana as Additional Director of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Article of Association of the Company, w.e.f 25.11.2016. In terms of the provision of the Act, Ms. Vinita Surana would hold office upto the date of the ensuing Annual General Meeting.

The Company has received notice from a member under section 160 of the Act proposing the candidature of Ms. Vinita Surana for the office of Director of the Company. In the opinion of the Board, Ms. Vinita Surana fulfills the requisite for the appointment as Director as specified in the Act. Keeping in view his expertise and knowledge, it will be in the interest of the Company to appoint Ms. Vinita Surana as Director of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**By Order of the Board
For BHAGYANAGAR METALS LIMITED**

Place: Secunderabad
Date: 12.05.2017


**MANISH SURANA
DIRECTOR**

DIRECTORS REPORT

To
The Members

Your Directors have pleasure in presenting the 11th Annual Report together with the Audited Accounts of the Company for the Year ended 31st March, 2017 and the Auditor's Report thereon

FINANCIAL RESULTS:

Your company financial results for the year 2016-2017 are given below in summarized format:

Particulars	2016-17 (Rs.)	2015-16 (Rs.)
INCOME	-	-
Other Income	-	17,804
TOTAL Revenue	-	17,804
EXPENDITURE	79,904	13,910
Profit before Taxation	(79,904)	3,894
Provision for Taxation	745	-
Profit after taxation	(80,649)	3,894
Balance B/F from Previous Year	(88,797)	(92,691)
Balance C/F to Balance Sheet	(1,69,446)	(88,797)
EPS-BASIC & DILUTED	(2)	0

DIVIDEND:

Your directors do not recommend any dividend on equity shares for the financial year ended March 31, 2017.

OPERATIONS AND FUTURE OUTLOOK:

The company is yet to commence commercial operations.

SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

The Company does not have any Subsidiary, Joint venture or Associate Company.

RESERVES:

During the year under review, no Amount is allocated or transferred to Reserves.

FIXED DEPOSITS:

The Company has not accepted any public deposits during the financial year 2016-2017.

DIRECTORS:

Ms. Vinita Surana was appointed as Additional Director on 25.11.2016 until conclusion of the ensuing Annual General Meeting. Further, the Company has received a notice from the member under section 160 of the Act proposing the candidature of Ms. Vinita Surana for the office of Director of the Company.

Ms. Shresha Surana resigned from Directorship of the Company w.e.f 25.11.2016. Further there were no changes in Composition Board during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of loans, guarantees and investments under section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. The disclosure on related party transactions are made in the Financial Statements of the Company. There are no materially significant related party transactions made by the company with promoters, Key managerial personnel or other designated persons which may have potential conflict with interest of company at large.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no significant material changes and commitments occurred between the end of the financial year of the company to which the financial statements relate and the date of the report, affecting the financial position of the company.

BOARD MEETINGS:

During the year 5 (Five) Board Meetings were duly convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made 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 and 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 this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS:

The shareholders of the Company at the 09th Annual General Meeting held on 15th September, 2015 approved the appointment of M/s. Sekhar & Co, Chartered Accountants (Registration No. 003695S) as Statutory Auditors of the Company to hold office till the conclusion of 14th Annual General Meeting subject to ratification of shareholders at every Annual General Meeting .

M/s. Sekhar & Co, Chartered Accountants (Registration No. 003695S) have confirmed that their appointment, if made, shall be in accordance with the provisions of Section 139 of the Companies Act, 2013.

Accordingly, a resolution seeking Members' ratification on appointment of M/s. Sekhar & Co, Chartered Accountants, as the Statutory Auditors of the Company for the financial year ending 31st March, 2018 is included at Item No. 3 of the Notice convening the Annual General Meeting.

AUDITORS REPORT:

The Auditors' Report to the shareholders does not contain any qualifications. The Secretarial Audit Report is not applicable to the Company.

EXTRACT OF ANNUAL RETURN:

The extract of annual return of the Company for the financial year 2016 - 2017 as provided under sub-section (3) of section 92, in the Form No.MGT.9 is annexed herewith.

CORPORATE SOCIAL RESPONSIBILITY:

The Company does not fall under the criteria specified in Section 135 of the Companies Act, 2013 and hence no policy was developed by the company on corporate social responsibility.

RISK MANAGEMENT:

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION:

Your Company has no employees requiring disclosure pursuant to Section 197 of the Companies Act, 2013 read with Rule, 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo particulars required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

There is an adequate internal control system commensurate with the size of the Company and the nature of business.

ACKNOWLEDGMENTS:

Your Directors place on record their appreciation for the co-operation and assistance received from the bankers, Central and State Government authorities and members during the period under review.

By Order of the Board
For BHAGYANAGAR METALS LIMITED

Place: Secunderabad
Date: 12.05.2017


MANISH SURANA
CHAIRMAN

ANNEXURE TO THE DIRECTORS REPORT

Information under Section 134(3)(c) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors Report:

1. CONSERVATION OF ENERGY:

Energy conservation measures taken: The Company is very careful in using the power to reduce the cost of maintenance and conserve the resources.

Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

Impact of the clause (1) and (2) above for reduction of energy consumption and consequent impact on the production of goods : N.A

2. TECHNOLOGY ABSORPTION:

FORM B:

(Disclosure of particulars with respect to technology absorption)

A. RESEARCH AND DEVELOPMENT (R&D)

Specific areas in which R& D carried out by the Company	:	Nil
Benefits derived as a result of the above R& D	:	Nil
Future plan of action	:	Nil
Expenditure on R & D	:	Nil

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The Company is making all efforts for improving productivity, product quality and reducing consumption of scarce raw material and fuels.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

Foreign Exchange inflow	:	NIL
Foreign Exchange Outgo	:	NIL

By Order of the Board
For **BHAGYANAGAR METALS LIMITED**

Place: Secunderabad
Date: 12.05.2017


MANISH SURANA
CHAIRMAN

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**FORM NO. MGT - 9****I. REGISTRATION AND OTHER DETAILS:**

CIN	U27310TG2006PLC051252
Registration Date	25 th September, 2006
Name of the Company	BHAGYANAGAR METALS LIMITED
Category / Sub-Category of the Company	Company having share capital
Address of the Registered Office and contact details	5 th Floor, Surya Towers, Block C, S. P. Road, Secunderabad-500003. Telangana
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
-	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Bhagyanagar India Limited	L27201TG1985PLC012449	Holding	100.00	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				%
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS									
(1) Indian									
a) Individual / HUF	-	60	60	0.12	-	60	60	0.12	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	49940	49940	99.88	-	49940	49940	99.88	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):		50000	50000	100.0		50000	50000	100.00	

				0					
(2) Foreign	NIL								
Sub-Total (A)(2):	NIL								
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)		50000	50000	100.00	-	50000	50000	100.00	-
B. PUBLIC SHAREHOLDING	NIL								
Sub-Total B(2) :	NIL								
Total B=B(1)+B(2):	NIL								
C. SHARES HELD BY CUSTODIANS, AGAINST WHICH	NIL								
GRAND TOTAL (A+B+C) :	-	50000	50000	100.00	-	50000	50000	100.00	-

ii) Shareholding of Promoters:

Sl.No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	M/s. Bhagyanagar India Limited 5 th Floor, Surya Towers, S.P. Road, Secunderabad-003	49,940	99.88	-	49,940	99.88	-	-
2	G M Surana S/o. Late Gulabchand Surana 21, P & T Colony, Trimulgherry Secunderabad - 09	10	0.02	-	10	0.02	-	-
3	Narender Surana S/o. Shri G M Surana SY-622, PT-02, Arihant Enclave, Akbar Road, Opp. Adrin HSG Complex Secunderabad- 09	10	0.02	-	10	0.02	-	-
4	Devendra Surana S/o Shri G M Surana 21, P & T Colony, Trimulgherry Secunderabad - 09.	10	0.02	-	10	0.02	-	-
5	Sunita Surana W/o. Shri Narender Surana SY-622, PT-02, Arihant Enclave, Akbar Road, Opp. Adrin HSG Complex Secunderabad- 09	10	0.02	-	10	0.02	-	-

6	Namrata Surana W/o. Shri Devendra Surana 21, P & T Colony, Trimulgherry Secunderabad- 09	10	0.02	-	10	0.02	-	-
7	Manish Surana S/o. Shri Narender Surana 21, P&T Colony, Tarbund, Secunderabad - 03.	10	0.02	-	10	0.02	-	-

iii) Change in Promoters' Shareholding (Please specify, if there is no change):

Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	NIL			
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc):				
At the end of the year				

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
NIL				

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Directors	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
1	G M Surana	10	0.02	-	-	10	0.02
2	Manish Surana	10	0.02	-	-	10	0.02
3	Vinita Surana (Appointed on 25.11.2016)	-	-	-	-	-	-
4	Shresha Surana (Resigned on 25.11.2016)	-	-	-	-	-	-
S. No.	Name of the Key Managerial Personnel	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
NIL							

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness Rs. Crores
Indebtedness at the beginning of the financial year				
i) Principal Amount		84,00,000		84,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		84,00,000		84,00,000
Change in Indebtedness during the financial year				
Addition	NIL	5,37,819	NIL	5,37,819
Reduction		-		-
Net Change		-		-
Indebtedness at the end of the financial year				
i) Principal Amount		89,37,819		89,37,819
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	89,37,819	NIL	89,37,819

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	G M Surana, Director	Manish Surana, Director	Vinita Surana, Director	Total Amount
1	Gross Salary	-	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify....	-	-	-	-
5	Others, please specify i. Deferred bonus (pertaining to the current Financial year payable in 2018) ii. Retirals	-	-	-	-
	Total (A)	-	-	-	-

B. Remuneration to other Directors: NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: NIL

Sl.No.	Particulars of Remuneration	Total Amount
1	Gross Salary	NIL
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	
2	Stock Options	
3	Sweat Equity	
4	Commission - as % of profit - Others, specify....	
5	Others, please specify - Retirals	
	Total (C)	

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

By Order of the Board
For **BHAGYANAGAR METALS LIMITED**



MANISH SURANA
CHAIRMAN

Place: Secunderabad
Date: 12.05.2017



SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :

K.C. Devdas, B.Com., F.C.A

C. Amarnath, B.Com, L.L.B., F.C.A., DISA (ICA)

G. Ganesh, B.Com., F.C.A., DISA (ICA)

INDEPENDENT AUDITORS' REPORT

To The Members of
Bhagyanagar Metals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Bhagyanagar Metals Limited ("the Company"), which comprises of the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

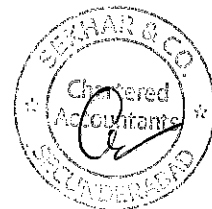
The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the



so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its **Loss** and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure – A" a statement on matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

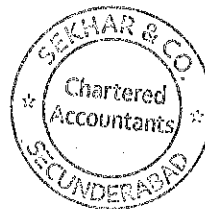


- f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the matters to be included in the Auditor's Report and in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014 and in our opinion and to the best of our information and explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- h. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN's) during the period 08-11-2016 to 30-12-2016 and they are in accordance with the books of accounts maintained by the Company.

Secunderabad

Date: 12.05.2017

For Sekhar & Co.,
Chartered Accountants
FRN: 003695-S



C. Amarnath

C. Amarnath
(Partner)

M.No.:021427



SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :

K.C. Devdas, B.Com., F.C.A

C. Amarnath, B.Com, L.L.B., F.C.A., DISA (ICA)

G. Ganesh, B.Com., F.C.A., DISA (ICA)

"Annexure A" to the Independent Auditors' Report

Referred to in Paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements for the year ended March 31, 2017:

- i. a) The Company has maintained proper records showing full particular including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management in a phased manner designed to cover all the fixed assets over the year. In respect of fixed assets verified according to this program, which we consider reasonable, no material discrepancies were noticed on such verification.
 - c) The title deeds of immovable properties are held in the name of the company.
- ii. The company does not hold any Inventory.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.



- vi. During the year the company has not carried out any manufacturing activity hence maintenance of cost records is not applicable.
- vii. a) According to information and explanations given to us and on the basis of our examination of the books of accounts and records, the Company does not have any statutory dues or payments with the appropriate authorities, and accordingly this clause on payment of statutory dues is not applicable to the Company.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- ix. Based on the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based on the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. There is no Managerial remuneration paid or provided and hence this clause is not applicable.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.



- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the company and hence not commented upon.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the company and hence not commented upon.

For Sekhar & Co.,
Chartered Accountants
FRN: 003695-S

Secunderabad
Date: 13.05.2017.



C. Amarnath

C. Amarnath
(Partner)
M.No.: 021427



SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :

K.C. Devdas, B.Com., F.C.A

C. Amarnath, B.Com, L.L.B., F.C.A., DISA (ICA)

G. Ganesh, B.Com., F.C.A., DISA (ICA)

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of M/s Bhagyanagar Metals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **M/s Bhagyanagar Metals Limited**, (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls



and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

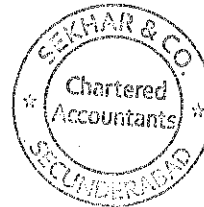
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017.

For Sekhar & Co.,
Chartered Accountants
FRN: 003695-S

Secunderabad

Date: 13.05.2017



C. Amarnath

C. Amarnath
(Partner)

M.No.:021427

BHAGYANAGAR METALS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2017

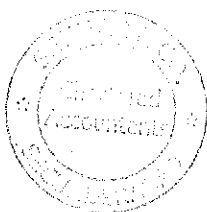
(Amount in Rs.)

Particulars		Note No.	As at 31.03.2017	As at 31.03.2016
I	EQUITY AND LIABILITIES			
	1. SHAREHOLDERS' FUNDS			
	a. Share Capital	B	500,000	500,000
	b. Reserves and Surplus	C	(169,446)	(88,797)
			330,554	411,203
	2. NON-CURRENT LIABILITIES			
	a. Long-Term Borrowings	D	8,937,819	8,400,000
	3. CURRENT LIABILITIES			
	a. Other Current Liabilities	E	11,500	11,450
	TOTAL		9,279,873	8,822,653
II	ASSETS			
	1. NON-CURRENT ASSETS			
	a. Fixed Assets			
	(1) Tangible Assets	F	9,161,100	8,514,900
	2. CURRENT ASSETS			
	a. Cash and Cash Equivalents	G	118,773	307,753
	TOTAL		9,279,873	8,822,653
	Significant Accounting Policies and Notes to Accounts	A		

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S

C. Amarnath

C. Amarnath
Partner
M. No. 021427



for and on behalf of the Board,

Vinita Surana

Vinita Surana
Director

Manish Surana

Manish Surana
Director

Place: Secunderabad.
Date: 12-05-2017

BHAGYANAGAR METALS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in Rs.)

	Note No.	For the Year 31.03.2017	For the Year 31.03.2016
I. REVENUE FROM OPERATIONS		-	-
II. OTHER INCOME	1	-	17,804
III. TOTAL REVENUE		-	17,804
IV. EXPENSES			
Other Expenses	2	79,904	13,910
TOATL EXPENSES		79,904	13,910
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		(79,904)	3,894
VI. PRIOR PERIOD ADJUSTMENT		-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		(79,904)	3,894
VIII. PROFIT BEFORE TAX		(79,904)	3,894
IX. TAX EXPENSE:			
1. Current Tax		-	-
2. Taxes of earlier years		745	-
X. PROFIT AFTER TAX		(80,649)	3,894
EPS-BASIC & DILUTED		(2)	0
Significant Accounting Policies and Notes to Accounts	A		

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S

C. Amarnath

C. Amarnath
Partner
M. No. 021427



for and on behalf of the Board,

Vinita Surana

Vinita Surana
Director

Manish Surana

Manish Surana
Director

Place: Secunderabad,
Date: 12-05-2017

BHAGYANAGAR METALS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

PARTICULARS	2016-17	2015-16
A Cash flow from Operating Activities		
Net profit before tax as per annexed Profit and loss account	(80,649)	3,894
Operating profit before working Capital Changes	(80,649)	3,894
Trade Payables and Other Current Liabilities	50	214
Cash generated from Operations	(80,599)	4,108
Net cash (used in)/from Operating Activities (A)	(80,599)	4,108
B Cash flow from Investing Activities		
Purchase of Fixed Assets	(646,200)	(2,560,960)
Net Cash (used in)/from Investing Activities (B)	(646,200)	(2,560,960)
C Cash flow from Financing Activities		
Loans from Holding Company	537,819	2,700,000
Net Cash (used in)/from Financing Activities (C)	537,819	2,700,000
Net Increase / Decrease in cash and Cash Equivalents (A+B+C)	(188,980)	143,148
Cash and Cash Equivalents Opening Balance	307,753	164,605
Cash and Cash Equivalents Closing Balance	118,773	307,753
Change in Cash and Cash Equivalents	(188,980)	143,148

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S

C. Amarnath

C. Amarnath
Partner
M. No. 021427



Place: Secunderabad,
Date: 12-05-2017

for and on behalf of the Board,

Vinita Surana

Vinita Surana
Director

Manish Surana

Manish Surana
Director

A. Significant Accounting Policies and Notes on Accounts Forming Part of Balance Sheet and Profit & Loss Account

A-1. Significant Accounting Policies

I. Basis of Preparation of Financial Statements.

The financial statements are prepared under the Historical cost convention on accrual basis with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 2013.

II. Use of Estimates

The Preparation of Financial Statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

III. Own Fixed Assets

Fixed Assets are stated at cost net of modvat / cenvat / value added tax, less accumulated depreciation and impairment loss, if any. Any costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations to the fixed assets are capitalized.

IV. Depreciation

Depreciation is provided on Straight Line Method in the manner prescribed in Schedule II to the Companies Act, 2013.

V. Provision, Contingent Liabilities and Contingent Assets :

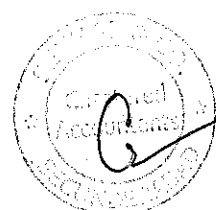
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities which are not recognized are disclosed in notes. Contingent Assets are neither recognized nor disclosed in Statements.

VI. Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

VII. Earnings per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard-20 (AS-20) prescribed under Rule 7 of Accounting Standard Rules, 2014. Basic earnings per share are computed by dividing the net Profit or Loss for the year by the Weighted Average number of equity share outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.



Bhagyanagar Metals Limited 2016-17

A-2 Notes to Accounts

- I. Estimated Contractual liability on account of Capital Commitment & Contingent Liability– NIL.
- II. The Principal object of the Company is to carry business in the fields of ferrous and non-ferrous metals.

III. **Related party disclosures**

a. **Names of Related Parties**

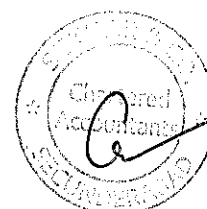
- i. Holding Company : Bhagyanagar India Limited
- ii. Fellow Subsidiaries :
1. Solar Dynamics Private Limited
- iii. Key Management Personnel
Manish Surana
Vinita Surana

b. **Related party transactions during the period ended**

Particulars	31.03.2017	31.03.2016
	Amount (Rs.)	
Long Term Loan taken from Holding Company – Bhagyanagar India Limited	5,37,819	27,00,000

c. **Disclosure of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.**

Particulars	SBNs	Other Denomination	Total
Closing cash in hand as on 08.11.2016	500*83	8	41,508
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	500*83	-	41,500
Closing Cash in hand as on 30.12.2016	-	100*1000+8	1,00,008



Notes to Balance Sheet

Note : B Share Capital	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
(a) Authorized Capital : 50,000 equity shares of Rs.10 each	500,000	500,000
(b) Issued, Subscribed and Paid Up 50,000 equity shares of Rs.10 each at par fully paid carrying equal rights and obligations (Options, contracts and commitments outstanding -Nil)	500,000	500,000
(c) Particulars of Shareholders holding more than 5% of issued sharecapital		
Name of Shareholder	No.of shares	No.of shares
Bhagyanagar India Limited (99.88% of Paid up Share Capital)	49,940	49,940

Note : C Reserves and Surplus	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
(a) Surplus		
Balance of Profit & Loss account available for appropriation	(88,797)	(92,691)
Add: Profit during the year/period	(80,649)	3,894
Amount available for appropriation		
Balance at the year end	(169,446)	(88,797)

Note : D Long-Term Borrowings	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
(a) Loan from Holding Company	8,937,819	8,400,000
TOTAL	8,937,819	8,400,000

Loans from holding company is interest free and there is no specific schedule of repayment.

Note:E Other Current Liabilities	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
(a) Audit Fess Payable	11,500	11,450
TOTAL	11,500	11,450



ASSETS :

Note: F Tangible Assets	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
(a) Land Additions During the year	8,514,900 646,200	8,514,900 -
TOTAL	9,161,100	8,514,900

Note: G Cash and Cash Equivalents	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
(a) Balance with Banks - In Current Account	18,765	201,085
(b) Cash in Hand	100,008	106,668
TOTAL	118,773	307,753

Notes to Profit & Loss Account

Note: 1 Other Income	For the Period 31.03.2017 Rs.	For the Period 31.03.2016 Rs.
Miscellaneous Income	-	17,804
TOTAL	-	17,804

Note: 2 Other Expenses	For the Period 31.03.2017 Rs.	For the Period 31.03.2016 Rs.
Statutory Audit Fees	11,500	11,450
Filing Fees	2,070	2,460
Professional & Consultancy Fees	2,000	-
Printing and Stationery	700	-
Rates & Taxes	63,634	-
TOTAL	79,904	13,910

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,
Firm Reg No.003695-S

C. Amarnath

C. Amarnath
Partner
M. No. 021427



for and on behalf of the Board,

Vinita Surana

Vinita Surana
Director

Manish Surana

Manish Surana
Director

Place: Secunderabad,
Date: 12-05-2017