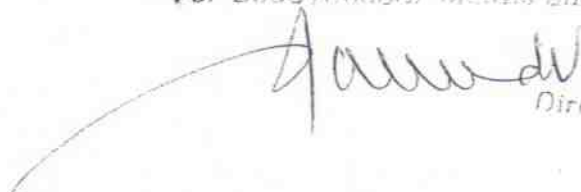


# BHAGYANAGAR METALS LIMITED

6<sup>TH</sup> ANNUAL REPORT

2011-2012

*For Bhagyanagar Metals Limited*

  
Director

## **BOARD OF DIRECTORS**

G M SURANA	-	DIRECTOR
NARENDER SURANA	-	DIRECTOR
MANISH SURANA	-	DIRECTOR

## **REGISTERED OFFICE**

5th Floor, Surya Towers,  
Sardar Patel Road,  
Secunderabad - 500 003

## **AUDITORS**

M/s. Sekhar & Co.  
Chartered Accountants  
133/4, R P Road,  
Secunderabad - 500 003

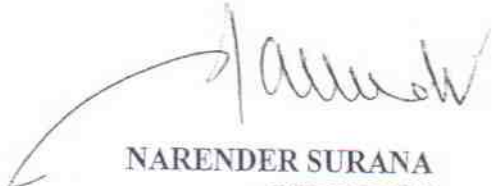
## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 6<sup>th</sup> Annual General Meeting of the Members of **BHAGYANAGAR METALS LIMITED** will be held on Friday 15<sup>th</sup> June, 2012 at 10.30 a.m. at the Registered Office of the Company at 5th Floor, Surya Towers, 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 31.03.2012 and Profit and Loss account for the period ended 31.03.2012 along with Auditors' Report & Directors' Report thereon.
2. To appoint a Director in place of Shri G M Surana who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Sekhar & Co., Chartered Accountants, Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

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



**NARENDER SURANA**  
DIRECTOR

Place : Secunderabad  
Date : 17.04.2012

### NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend, and, on a poll, to vote instead of himself and such proxy need not be a member.
2. The proxy, 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.

## DIRECTORS REPORT

To  
The Members,

Your Directors have pleasure in presenting the 6<sup>th</sup> Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2012, together with the Auditors Report thereon.

### FINANCIAL RESULTS:

Your company financial results for the year 2011-12 are given below in summarized format:

Particulars	For the Period ended on 31/03/2012 Rs.	For the Period ended on 31/03/2011 Rs.
<b>INCOME</b>		
a) Income from Operations	-	-
	-----	-----
	-	-
	-----	-----
<b>EXPENDITURE</b>		
a) Materials	-	-
b) Expenses	11,010	8,021
c) Financial Charges	331	-
	-----	-----
	11,341	8,021
	-----	-----
Profit before Taxation	(11,341)	(8,021)
	-----	-----
<b>Profit after taxation</b>	<b>(11,341)</b>	<b>(8,021)</b>
<b>Balance B/F from Previous Year</b>	<b>(35,274)</b>	-
	-----	-----
<b>Balance C/F to Balance Sheet</b>	<b>(46,615)</b>	<b>(35,274)</b>
	-----	-----

### OPERATIONS

The Company was incorporated with a specific purpose of restructuring the business of its Holding Company i.e., Bhagyanagar India Ltd; the proposal of restructuring has been deferred by the management of M/s. Bhagyanagar India Ltd. The company is yet to commence full-fledged commercial operations.

**DIVIDEND:**

The Directors do not recommend any dividend for the Financial Year 2011-12.

**PURCHASE OF LAND PROPERTY:**

During the year under review, the Company purchased a Land property admeasuring Ac 10.39 gts at Chinnashivanoor Village of Chegunta Mandal, Medak Dist.

**FIXED DEPOSITS:**

The Company has not accepted any deposits from the public for the year under review within the meaning of Section 58A of the Companies Act, 1956.

**DIRECTORS:**

During the year under review, there is no change in the Composition of the Board. Shri G. M. Surana, Director of the Company, retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

**AUDITORS:**

M/s. Sekhar & Company, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting are eligible for re-appointment. The Company is in receipt of confirmation from M/s Sekhar & Company that in the event of their re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting, such re-appointment will be in accordance with the limits specified in Sub-section (1B) of Section 224 of the Companies Act, 1956.

**AUDITORS OBSERVATIONS:**

The observation reported as per requirements of Companies (Auditor's Report) Order, 2003 (CARO) by Auditors in Para 10 of the Annexure to Auditors Report regarding the Cash Losses is a reporting requirement of the said Order and is self explanatory.

**DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:**

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

- i. That in the preparation of the accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

**PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forms part of this Report and is annexed herewith.

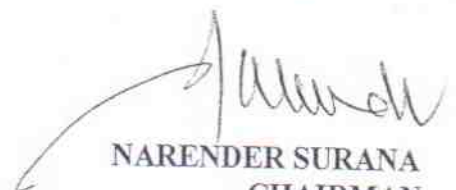
**PARTICULARS OF EMPLOYEES:**

During the period under review, there are no employees covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules, 1975.

**ACKNOWLEDGEMENTS:**

The Board desires to place on record its sincere appreciation for the support and co-operation received from the Company's Bankers and Officials of the concerned Government Departments, employees and the members for the confidence reposed by them in the management.

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

  
**NARENDER SURANA**  
**CHAIRMAN**

Place : Secunderabad

Date: 17.04.2012

## ANNEXURE TO THE DIRECTORS REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 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

  
NARENDER SURANA  
CHAIRMAN

Place : Secunderabad  
Date: 17.04.2012



# SEKHAR & CO.

CHARTERED ACCOUNTANTS

**PARTNERS :**

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

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

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

## Independent Auditors' Report

### **The Members of Bhagyanagar Metals Limited Hyderabad**

We have audited the accompanying financial statements of **Bhagyanagar Metals Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2012, the Statement of Profit and Loss and Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The management is responsible for preparation of these financial statement that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards in Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Audit Report For the Financial year 2011-12  
Company Name: BML 11-12

Sekhar & Co Chartered Accountants FRN 003695-S





An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2012;
- (b) In the case of the Profit and Loss Account, of the profit/ loss for the year on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by by section 227(3) of the Act we report that:
  - a. 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;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Hyderabad  
Date: 17<sup>th</sup> April 2012

For Sekhar & Co  
Chartered Accountants  
Firm Registration No: 003695-S



G.Ganesh  
(Partner)  
Membership No: 211704



# SEKHAR & CO.

CHARTERED ACCOUNTANTS

**PARTNERS:**

K.C. Devdas, B.Com., F.C.A.  
C. Amarnath, B.Com., LLB., F.C.A. DISA (ICA)  
G. Ganesh, B.Com., F.C.A. DISA (ICA)

## Annexure to the Independent Auditors' Report

The Annexure referred to in the Independent auditors' report to the members of **Bhagyanagar Metals Limited** ("the Company"), on the financial statements for the period ended 31<sup>st</sup> March 2012, we report that:

**1) Fixed Assets**

a) The Company has no assets as on the date of Balance Sheet, or the period covered by the Profit and Loss Account. Hence we have not reported on Clauses 4(1) (b) and (c) of the Order.

**2) Inventories**

a) There Company did not hold any inventory during the period covered by this report hence we have not reported on the clause 4(2)(b) &(c) of the Order.

**3) Loans to and from Parties (Companies, firms or such other parties) listed in the register maintained under section 301 of the Act, hence forth referred to as parties, amounts in Lakhs of Rupees.**

- a) The company has ~~granted~~ not granted any loans to any of the parties covered under section 301 of the Act, during the year. The maximum amount outstanding during the year was ₹.3.94 Lakhs and the amount receivable at the end of the year is Nil.
- b) In our opinion, the rate of interest and other terms and conditions of such loan are not, *prima facie*, prejudicial to the interest of the Company, as the loan has been given to Parent company of which the company is wholly owned subsidiary.
- c) There is no stipulation of payment of interest and hence the question of default does not arise. The Principal has been repaid in full.
- d) The Loan being repaid in full, The question of overdue amount in excess of ₹.1 Lakh in respect of loans granted to parties listed in the register maintained under the Section 301 of the Act, does not arise.
- e) The company has taken any loans from parties covered under section 301 of the Act during the year. Hence we have not reported on Clauses 4(iii) (f) & (g) of the Order.

Audit Report For the Financial year 2011-12  
Company Name: BML 11-12

Sekhar & Co Chartered Accountants FRN 003695-S



