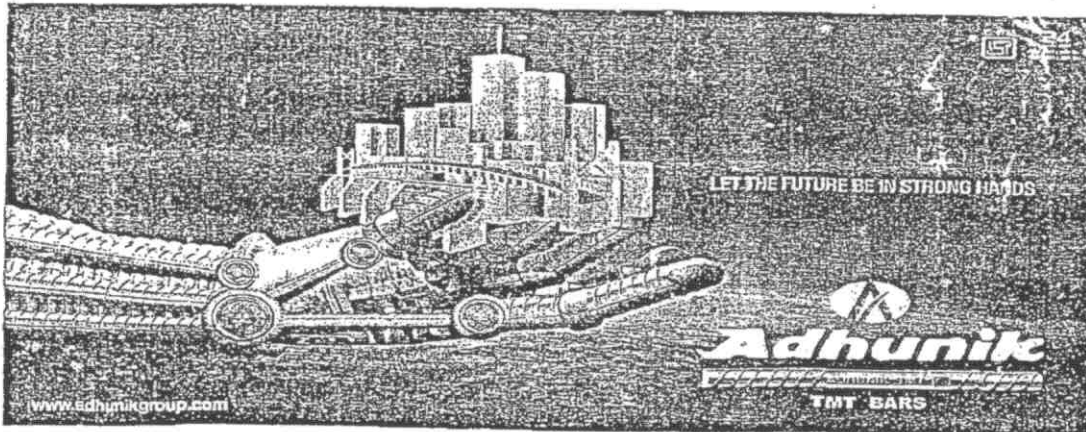




# ADHUNIK INDUSTRIES LIMITED

(FORMERLY KNOWN AS BHAGWATI RESOURCES LIMITED)



## ANNUAL REPORT

2009-2010



ADHUNIK INDUSTRIES LIMITED  
(FORMERLY BHAGWATI RESOURCES LIMITED)

Directors' Report - 2010

Dear Members

Your Directors have pleasure in presenting their Annual Report together with audited accounts of your Company for the year ended 31st March, 2010.

Financial highlights	(Rs. in Lakhs)	
	2009-10	2008-09
Turnover	39,437.77	39,570.19
Operating Profit before Interest, Depreciation & Tax	2,481.06	2,132.57
Profit before Depreciation	2,328.78	1,914.34
Provision for Taxation	724.42	584.02
Profit after Taxation	1,395.41	1,128.14

Operations

During the year, your Company maintained the same level of sales in value compared to previous years and recorded a profit of Rs. 13.95 Crores. The production of finished goods increased in the current financial year as compared to previous financial year. The Company has able to gain increase in profit due to the application better and efficient cost reduction measures. The management of the Company is going for expansion of the Rolling Mill for increase in Production as well as overall profitability of the Company.

Dividend

The Board for the year ended March 31, 2010 recommended a dividend of Re. 1/- per share (Re. 1/- per share for the year ended March 31, 2009) subject to approval of the shareholders at the Annual General Meeting. The dividend will be paid on 4,67,63,750 equity shares of the Company (2,00,000 equity shares for the year ended March 31, 2009).

Directors

In accordance with the provisions of the Companies Act, 1956, Mr. Mahesh Kumar Agarwal and Mr. Nirmal Kumar Agarwal, Directors of your Company, retire from the Board by rotation and being eligible to offer themselves for reelection at the ensuing Annual General Meeting.

The Company received a notice from a member under the provisions of Section 257 of the Companies Act, 1956, nominating reappointment of Mr. Manish Kumar in the Annual

General Meeting (AGM) as Director of the Company. Mr. Kumar was appointed on the Board of the Company as Additional Director on December 3, 2009 and holds his office till the conclusion of this Annual General Meeting.

#### **Directors' responsibility statement**

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors confirm and state that

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable accounting standards had been followed and that there were no material departures
- (ii) 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 Balance Sheet of the Company as at March 31, 2010 and of the profit of the Company for that period
- (iii) The Directors had taken proper and sufficient care for the maintenance 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) The Directors had prepared the annual accounts on a going concern basis.

#### **Corporate Governance**

Your Company has been practicing good Corporate Governance and lays strong emphasis on transparency, accountability and integrity. A separate section on Corporate Governance is given in the Annual Report and a certificate from Mr. Mohan Ram Goenka, practicing Company Secretary, regarding compliance of conditions and provisions of the Corporate Governance is given as annexure to the Report along with a certificate from CEO/CFO in terms of sub-Clause (v) of Clause 49 of the Listing Agreement is annexed in the Corporate Governance Report.

#### **Code of Conduct**

The Board has laid down a Code of Conduct for all Board members and senior management of the Company.

Board members and senior management personnel have affirmed compliance with the Code for the financial year 2009-10. A certificate from the CEO is annexed in this regard.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

As per separate Annexure attached herewith.

#### Statutory disclosures

None of the Directors of the Company are disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956. The Directors have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

Information as required by Section 217(1)(e) of the Companies Act, 1956, read with the Company's (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is given in the annexure attached hereto and forms a part of this Report.

#### Auditors

M/s. ABR & Co. Chartered Accountants, the statutory Auditors of the Company who retire at the ensuing Annual General Meeting are eligible for reappointment.

#### Secretarial audit report

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Mr. Mohan Ram Goenka, Practicing Company Secretary to conduct independent secretarial audit of the Company. The secretarial compliance certificate for the financial year ended March 31, 2010, is provided in the Annual Report.

The secretarial compliance certificate confirms that the Company complied with all the applicable provisions of the Companies Act, 1956, Listing Agreements with the stock exchanges, Securities Contract (Regulation) Act, 1956 and all the regulations of SEBI as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the SEBI (Prohibition of Insider Trading) Regulations, 1992.

#### Particulars of Employees

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Name	Age in Years	Designation & Qualification	Nature of duties	Gross Remuneration (Rs.)	Experience (No. of years)	Last Employment
Mr. Jugal Kishore Agarwal	58	Managing Director / Law Graduate	Management and overall in charge	30,00,000	25	NIL

## Acknowledgement

The Board takes this opportunity to express its sincere appreciation for the excellent support and cooperation received from the Company's customers, suppliers, government authorities, bankers, investors, financial institutions and shareholders for their consistent support to the Company. The Directors also sincerely acknowledge the outstanding support and services of the workers, staff and executives of the Company which together contributed towards the efficient operation and management of the Company.

For and on behalf of the Board

Registered office  
14 Netaji Subhash Road  
Kolkata - 700001

Date: 23.07.2010

*Manoj Sharma*  
Manoj Sharma  
Chairman

*Jugal Kishore Agarwal*  
Jugal Kishore Agarwal  
Managing Director

### Annexure to the Directors' Report

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

#### Conservation of Energy

There are many steps regarding conservation of energy were taken, which helped in improving the energy consumption. But due to increase in electricity prices, cost per unit increased compared to previous years.

Form for disclosure of particulars with respect to Conservation of Energy are as follows:

Particulars	2009-10	2008-09
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity Purchased</b>		
Unit (Lakhs- Kwh)	175.48	174.24
Total Amount (Rs. in Lakhs)	606.20	486.49
Cost per Unit (Rs.)	3.45	2.79
<b>2. Coal</b>		
Quantity (Tons)	1,392.94	1,630.03
Total Cost (Rs. in Lakhs)	23.49	39.23
Average Cost (Rs. per Ton)	1,686.36	2,406.44
<b>3. Furnace Oil</b>		
Quantity (K. Ltrs.)	5,291.49	3901.11
Total Amount (Rs. in Lakhs)	1,177.64	966.42
Average Rate (Rs. in Lakhs per K. Ltr.)	0.22	0.25
<b>B. Consumption (In Units) per Tonne of Rolled Products</b>		
Electricity (in KWH)	166.33	184.06
Furnace Oil (in Ltr)	50.16	41.21

#### Technology Absorption, Adaptation and Innovation

No specific technology has been absorbed or adopted during the year.

#### Foreign Exchange Earnings and Outgo

There is no inflow and outflow of Foreign Currency during the year as well as in the previous year.

## Management Discussion & Analysis

### **A. Industry Structure and Developments**

Your Company is engaged in the production of wire rods and tmt bars which is mainly used in the construction industry. As such, the outlook for your Company is closely linked to that of the steel and real estate industry and the demand for tmt and wire rod in particular is influenced by the price & availability of raw materials.

### **B. Opportunities and Threats**

The demand for tmt and wire rod is cyclical in nature reflecting a similar trend in the iron & steel industry and as a result, there is substantial volatility in prices. But during the current financial year 2009-10, no major volatility in prices found. The Company is able to maintain its level of turnover in spite of market is under the process of recovery from global meltdown.

### **C. Segment-wise or Product-wise Performance**

The Company has identified iron & steel products as its sole operating segment and the same has been treated as primary segment. The Company produced during the year 105498.842 Mt of finished products and sold 1,04,739.080 MT of finished products. Total revenue earned is Rs. 394.38 Crores.

### **D. Future Outlook:**

As India is one of the developing nations around the world having the growth % in double digits, the demand for steel related products always there. So, the Company will be able to survive in the competitive market with increase in demand for the products.

### **E. Risks and Concerns:**

The major risk for the Company is the supply of adequate raw materials such as billet for smooth operation and production which is mitigated from the supply from the group companies.

### **F. Internal Control Systems and their Adequacy:**

Your Company has instituted adequate internal control systems commensurate with its size and scale of operations. The Audit Committee periodically reviews such systems with the help of the internal and Statutory Auditors and reports to the Board on its adequacy.

**G. Discussion on Financial Performance with respect to Operational Performance:**

The company is able to maintain its turnover as compared to last year. The profit after tax of the Company increases due to better and efficient control of management and adoption of various cost reduction measures. Also, the finance cost of the Company is reduced due to repayment of Term Loans.

**H. Human Resources/Industrial Relations:**

Industrial relations during the year under review were cordial and peaceful. Your Directors wish to place on record the excellent cooperation and contribution made by the employees at all levels to the growth and development of the Company.





## Report on Corporate Governance

Your Company has been practicing the principles of good Corporate Governance, which comprise all activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The details of the Corporate Governance compliance by the Company as per Clause 49 of the listing agreement with Stock Exchanges are as under

### Company's philosophy on Corporate Governance

The basic philosophy of Corporate Governance of the Company is to achieve business excellence and to dedicate itself for increasing long-term shareholders' value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealings and places high emphasis on business ethics.

The key elements of good Corporate Governance include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and a commitment to the organization. The Corporate Governance framework of the Company ensures that a timely and accurate disclosure is made on all material matters regarding the Company, including the financial statements, performance, ownership and governance of the Company. The Board believes good Corporate Governance is voluntary and self-disciplining. The Board supports principles of good governance and lays appropriate emphasis on regulatory compliance, integrity and accountability.

### Board of Directors

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board of the Company comprises an adequate blend of professional, Executive and Independent Directors.

### Applicability of Corporate Governance

Due to merger of M/s. Adhunik Ispat Limited with your Company, the Company has to issue equity shares as consideration to the shareholders of M/s. Adhunik Ispat Limited in order to satisfy their interest in the Transferor Company. Due to issue of equity shares, the paid up capital of the Company exceeds the threshold limit prescribed by SEBI for applicability of Corporate Governance on the listed Company. Therefore, the Company has to comply with the requirements of Corporate Governance. In order to meet the requirements, the Company appointed two Independent Directors on its Board and forms various Committee for this purpose on December 3<sup>rd</sup>, 2009.



## Composition

The Board had optimum composition of 7 (seven) Directors including 2 (two) Independent Directors. During 2009-10, the Board met fifteen times on April 16, 2009, April 25, 2009, April 27, 2009, June 5, 2009, July 27, 2009, September 1, 2009, September 24, 2009, October 1, 2009, October 29, 2009, October 31, 2009, November 5, 2009, November 6, 2009, December 1, 2009, December 3, 2009 and January 28, 2010. The constitution of the Board during the year ended March 31, 2010 and their attendance at the Board meetings, last Annual General Meeting and the Directorship/ Chairmanship/Membership of Committee of each Director in other companies are as under:

Name of Director	Attendance		Category of Directors	Other Directorship	Other committee membership	Other committee chairmanship
	Board	Last AGM				
*Shri Jugal Kishore Agarwal	2	No	Managing Director	11	2	Nil
Shri Nirmal Kumar Agarwal	13	Yes	Non-Executive Director	12	3	Nil
Shri Mohan Lal Agarwal	15	Yes	Non-Executive Director	10	Nil	Nil
Shri Mahesh Kumar Agarwal	14	Yes	Non-Executive Director	12	1	Nil
**Shri Manoj Kumar Agarwal	1	No	Non-Executive Director	13	4	Nil
***Shri Manoj Sharma	2	No	Independent Director	Nil	Nil	Nil
#Shri Manish Kumar Rungta	1	No	Independent Director	Nil	Nil	Nil

\* Shri Jugal Kishore Agarwal was appointed as Managing Director with effect from 30<sup>th</sup> November, 2009.

\*\* Shri Manoj Kumar Agarwal was appointed as Director with effect from 30<sup>th</sup> November, 2009.

\*\*\* Shri Manoj Sharma was appointed as Independent Director on 30<sup>th</sup> November, 2009.

# Shri Manish Kumar Rungta was appointed on Board as Additional Director with effect from December 3, 2009.

Committee includes Audit Committee, Shareholders'/Investors' Grievance Committee and Compensation Committee only.

Other directorship includes directorship in public companies only.

None of the Directors is a member in more than 10 committees or act as a Chairman of more than five committees across all companies in which he is a Director and the



same is in compliance with Clause 49(c)(iv) of the Listing Agreement ,

### Board business

The normal business of the Board includes:

- Strategies for shaping of portfolio and direction of the Company and priorities, in corporate resource allocation
- Corporate annual plan and operating framework
- Quarterly business performance reports
- Convening a meeting of shareholders of the Company, setting the agenda thereof, and ensuring that a satisfactory dialogue with shareholders takes place
- Declaration / recommendation of dividend
- Review functioning of the Board and its Committees
- Review functioning of the subsidiary companies
- Annual review of accounts for adoption by shareholders
- Quarterly and annual results announcements
- Merger, acquisition, joint venture or disposal, if any
- Recruitment and remuneration of senior management
- Materially important show cause, demand, prosecution and penalty notices
- Significant development in the human resources and industrial relations fronts
- Risk evaluation and control
- Compliance with all relevant legislations and regulations

### Board support

The Management and the conduct of the affairs of the Company lie with the Managing Director, who heads the management team. He is collectively entrusted with the task of ensuring that all management functions are executed professionally, and are accountable to the Board for their actions and results.

The Company Secretary of the Company attends all the meetings of Board and advises/assures the Board on compliance and governance principles.

### Board independence

Our definition of independence of Directors is derived from Clause 49 of the Listing Agreement with stock exchanges. Based on the confirmation/disclosures from the Directors and on evaluation of relationships disclosed, the Company had an optimum mix of Independent Directors on the Board of the Company which is in conformity with Clause 49 of the Listing Agreement.

The Independent Directors have the requisite qualifications and experience in their respective fields which is of great use to the Company. They contribute in significant measure to Board Committees. Their independent role vis-à-vis the Company means that they have a special contribution to make in situations where they add a broader perspective by ensuring that the interests of all stakeholders are kept in acceptable



balance and in providing an objective view in any instances where a (potential) conflict of interest may arise between stakeholders.

### **Board meetings**

#### **Scheduling and selection of agenda items for Board meetings**

- i) The Company holds minimum of four Board meetings in each year. All Board meetings are convened by giving appropriate notice at any time to address the specific needs of the Company.
- ii) All departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval in the Board Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings.
- iii) The Board is given presentations covering finance, the major business segments and operations of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the scheduled Board meeting.

The Chairman of the Board and the Company Secretary in consultation with the other concerned persons in senior management finalize the agenda papers for the Board meeting. Directors have access to the Company Secretary's support and all information of the Company and are free to suggest inclusion of any matter in the Agenda.

#### **Board material distributed in advance**

Agenda papers are circulated to the Directors in advance. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents to the agenda, the same are placed on the table at the meeting.

#### **Recording minutes of proceedings at Board/Committee meetings**

The Company Secretary records the minutes of the proceedings of each Board meeting. Draft minutes are circulated to all the members of the Board for their comments. The minutes of proceedings of a meeting are generally entered in the minutes book within 30 days from the conclusion of the meeting.

#### **Committees of the Board**

The Board committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concern the Company and need a closer review. The Board committees are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board as a part of good governance practice. The Board supervises the



execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review.

To enable better and focused attention on the affairs of the Company, the Board constituted the following committees

#### Audit Committee

The Audit Committee of the company is constituted in line with the applicable provisions. The committee was set up on 3<sup>rd</sup> December, 2009 comprising of three members out of which two are Independent Directors.

The terms of reference, role and scope are in line with those prescribed by Clause 49 of the Listing Agreement with the stock exchange(s). The Committee comprises Shri Manoj Sharma as the Chairman of the Committee along with Shri Manish Kumar Rungta and Shri Mahesh Kumar Agarwal as its members.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and inter alia performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible
- Recommending the appointment and removal of statutory auditors, fixation of audit fee and approval for payment of any other services
- Reviewing with management the annual financial statements before submission to the Board
- Reviewing with the management and external and internal auditors, the adequacy of internal control systems
- Reviewing the adequacy of internal audit function
- Discussing with internal auditors any significant findings and follow up on such issues
- Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain area of concern, if any and
- Reviewing the Company's financial and risk management policies

One meeting of the Committee was held during the financial year on January 22, 2010.

#### Attendance record of Audit Committee members

Name of the Director	No. of Meetings	Meetings attended
Shri Manoj Sharma	1	1
Shri Manish Kumar Rungta	1	1
Shri Mahesh Kumar Agarwal	1	1



Statutory auditors, internal auditors and the GM-Finance & Accounts of the Company are permanent invitees to Audit Committee meetings.

The Company Secretary acts as the Secretary to the Committee

#### Compensation Committee

The Compensation Committee of the company is constituted in line with the applicable provisions. The committee was set up on 3<sup>rd</sup> December, 2009 comprising of three members out of which two are Independent Directors.

This Committee comprises of Shri Manoj Sharma (Chairman), Shri Manish Kumar Rungta and Shri Mahesh Kumar Agarwal. The Compensation Committee was set up to review the overall compensation structure and related policies of the Company with a view to attract, motivate and retain employees. The Committee determines the Company's policies on remuneration packages payable to Managing Director and also reviews the compensation levels vis-à-vis other companies and the industry in general. The Company Secretary acts as the Secretary to the Committee.

One Meeting of the Committee was held during the financial year on January 22, 2010.

#### Attendance record of Compensation Committee

Name of the Director	Number of meetings	Meetings attended
Shri Manoj Sharma	1	1
Shri Manish Kumar Rungta	1	1
Shri Mahesh Kumar Agarwal	1	1

#### Details of remuneration paid to the Directors during 2009-10

No sitting fees for Board meeting and Committee meeting was paid to the directors. The Company has paid an annual remuneration of Rs. 30,00,000 (Rupees Thirty Lacs only) including perquisites to the Managing Director Sri Jugal Kishore Agarwal. (Sri Jugal Kishore Agarwal was acting as Managing Director of the transferor company M/s. Adhunik Ispat Limited upto 30<sup>th</sup> November,2009).

#### Shareholders/Investors' Grievances Committee

The Shareholders/Investors' Grievances Committee of the company is constituted in line with the applicable provisions. The committee was set up on 3<sup>rd</sup> December, 2009 comprising of three members.

This Committee comprises of Shri Nirmal Kumar Agarwal (Chairman), Shri Manoj Sharma and Shri Mohan Lal Agarwal as member of the Committee. The Committee was constituted to address investor grievances and complaints in matters such as transfer of equity shares, non-receipt of annual reports and non-receipt of declared dividends, among others, and ensure an expeditious resolution to the matter. The Committee also evaluates performance and service standards of Registrar and Transfer Agent and provides continuous guidance to improve the service levels for investors.



The Company Secretary acts as the Compliance Officer of the Company.

One Meeting of the Committee was held during the financial year on January 23, 2010.

Attendance record of Shareholders/Investors' Grievances Committee :

Name of the Director	Number of meetings	Meetings attended
Shri Nirmal Kumar Agarwal	1	1
Shri Mohan Lal Agarwal	1	1
Shri Manoj Sharma	1	1

The Company did not receive any complaints from shareholders during the year. No complaints were pending as on March 31, 2010.

#### Disclosures

- (i) There was no materially significant related party transaction entered into by the Company with the promoter Directors or their relatives or with subsidiaries during the period that may have potential conflict with interest of the Company at large. Transactions with related parties are disclosed in Note No. 13(b) of Schedule 21 to the accounts in the Annual Report.
- (ii) There was no non-compliance penalties/strictures imposed on the Company by stock exchange(s) or the SEBI or any other statutory authorities, on any matter related to capital markets during the last three years
- (iii) There were no inter-se or pecuniary relationships or transactions with the Non-Executive Directors.
- (iv) The Company does not have a formal Whistle Blower Mechanism. However no person has been denied access to Audit Committee.
- (v) The company is complying with all mandatory requirements of Clause 49 of Listing Agreement. The Non-Mandatory requirements relating to Compensation Committee have been adopted by the company.
- (vi) Shareholding of Directors in the Company as on March 31, 2010.

Name of Directors	Number of equity shares
Shri Jugal Kishore Agarwal	4,94,500
Shri Nirmal Kumar Agarwal	3,89,250
Shri Mohan Lal Agarwal	4,41,500
Shri Mahesh Kumar Agarwal	5,24,000
Shri Manoj Kumar Agarwal	5,16,550



### Means of Communication

- a) The Financial results are regularly submitted to the stock exchanges in accordance with the listing agreement and published in one English Daily (The Echo of India) and one Bengali Daily (Aarthik Lipi).
- b) The Management Discussion and Analysis report is a part of Annual Report.

### Details of previous Annual General Meeting:

The last three Annual General Meetings of the Company were held as per details given below:

Year	Date	Time	Venue	Number of special resolutions passed
2008-09	November 30, 2009	11.00 am	14, Netaji Subhas Road Kolkata-700 001.	1. Appointment of Sri Manoj Kumar Agarwal as Director 2. Appointment of Sri Manoj Sharma as Director 3. Appointment of Sri Jugal Kishore Agarwal as Managing Director 4. Change in name of the Company.
2007-08	September 27, 2008	11.00 am	14, Netaji Subhas Road Kolkata-700 001.	Nil
2006-07	September 28, 2007	11.00 am	14, Netaji Subhas Road Kolkata-700 001.	Nil

One Extra Ordinary General Meetings of the shareholders was held during the financial year on October 30, 2009 for Increase in Authorized Capital of the Company.  
**Postal ballot**

A special resolution passed during F.Y. 2009-10 through postal ballot for change in object clause of Memorandum of Association of the Company. No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting.

### Code of Conduct

The Code of Conduct, as adopted by the Board, is applicable to Directors, senior management and employees of the Company. The Code is designed from three interlinked fundamental principles viz. good corporate governance, good citizenship and exemplary personal conduct. The Code covers commitment to sustainable development concern for occupational health, safety and environment, a gender-friendly workplace, transparency and auditability, legal compliance and the philosophy of leading by personal example.

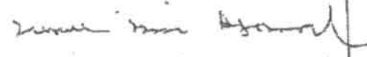




Disclosures as required under clause 49 of Listing Agreement

All the members of the Board and senior management personnel of the Company affirmed due observance of the Code of Conduct, framed pursuant to Clause 49 of the Listing Agreement with stock exchanges, in so far as it was applicable to them and there was no non compliance thereof during the year ended March 31, 2010.

Place: Kolkata  
Date: July 23, 2010

  
Jugal Kishore Agarwal  
Managing Director

**Code for prevention of insider trading practices**

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a comprehensive code for prevention of insider trading is in place. The objective of the code is to prevent purchase and /or sale of shares of the Company by insider on the basis of unpublished price sensitive information.

**CEO/CFO certification**

The CEO and CFO certification of the financial statements for the year is annexed hereto.

**Compliance certificate**

The compliance certificate from MR & Associates, practicing Company Secretary, affirms that the Company complied with the conditions of corporate governance as were applicable as on March 31, 2010 and stipulated in Clause 49 of the Listing Agreement with the stock exchange(s) is annexed hereto.

**General shareholders' information**

**AGM details**

Day and date	Monday, September 13, 2010
Venue	14, N. S. Road Kolkata - 700 001
Time	11.00 A.M.
Book closure dates	6th September 2010 to 13 <sup>th</sup> September 2010 (both days inclusive)
Dividend payment date	On and after 13 <sup>th</sup> September 2010



### Registrar & Share Transfer Agents

M/s Maheshwari Datamatics Private Limited.  
6, Mangoe Lane, 2<sup>nd</sup> Floor  
Kolkata-700 001.  
Tel no. 91-33-22435809  
Fax no. 91-33-22484787  
E-mail- mdpl@cal.vsnl.net.in

### Share transfer system

The Registrars and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited, register the share transfer after the shares are lodged for transfer, within a period ranging from 10 to 15 days provided the documents lodged with the Registrars/Company are in order.

### Dematerialization of shares and liquidity

The Company shares are presently in physical form. The Company is going to apply to NSDL & CDSL for the purpose of giving an option to its shareholders to convert their shares in demat form.

### Distribution of shareholding as on March 31, 2010

Category (Share)	Shareholders		No of Shares	
	Number	% to total		% to total
1- 500	66	66.67	10693	0.022
501-1000	1	1.01	1000	0.002
1001-2000	5	5.05	10000	0.021
2001-3000	4	4.04	9450	0.022
3001-4000	1	1.01	3300	0.007
4001-5000	Nil	Nil	Nil	Nil
5001-10000	1	1.01	6000	0.012
10001 and above	21	21.21	46723307	99.914
Total	99	100	46763750	100.000

### Market Price Data

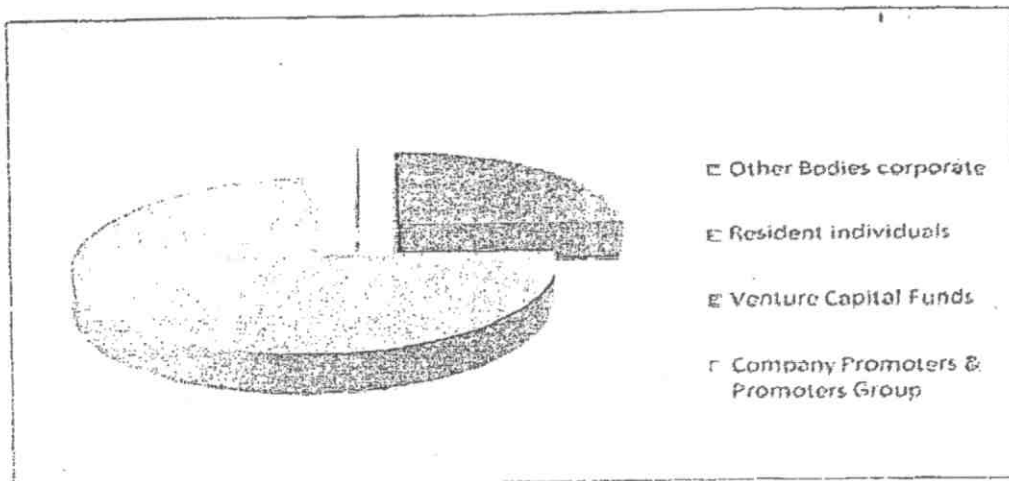
Since the Companies shares are not traded presently on Calcutta Stock Exchange, therefore the market price data are not available. The Equity Shares issued to the Shareholders of M/s. Adhunik Ispat Limited on merger with your Company are pending for Listing.



Categories of shareholders as on March 31, 2010

Serial number	Category	Numbers of holders	Number of shares	% to equity
1	Company Promoters & Promoters Group	18	3,50,54,800	74.9615
2	Other Bodies corporate	7	28,107	0.0601
3	Resident individuals	73	39,893	0.0853
4	Venture Capital Funds	1	1,16,40,950	24.8931
Total		99	4,67,63,750	100.00

Shareholding pattern as on March 31<sup>st</sup>, 2010.



Listing of shares on stock exchanges with stock code

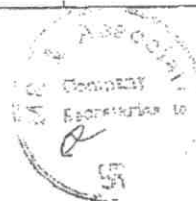
Stock exchange	Stock code
Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700 001. Telephone nos : 033-22104470-77 Facsimile no. : 033-22102223 Website : <a href="http://www.cse-india.com">www.cse-india.com</a>	028188

Listing fee for the year 2010-11 has been paid to the above stock exchange.

Dividend history

Financial year	Dividend per share (RS.)	Total dividend (Rs. in lakhs)
2009-10	1.00*	467.64
2008-09	1.00	2.00
2007-08	1.00	2.00

\* subject to the approval of members



Financial calendar

Financial year 2010-11

1	First quarter results	2nd week of August, 2010
2	Second quarter and half-year results	2nd week of November, 2010
3	Third quarter results	2 <sup>nd</sup> week of February, 2011
4	Fourth quarter results	Second Week of May, 2011
5	Annual Result	Fourth week of July, 2011

Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity : Not applicable

Plant location :

Raturia, Angadpur  
Durgapur-713 215, West Bengal.  
India

Investors correspondence

All queries of investors regarding the Company's shares or other matters may be sent at the following addresses

The Company Secretary  
Adhunik Industries Limited  
Lansdowne Towers  
2/1A, Sarat Bose Road  
Kolkata - 700 020  
Tel no. 91-33-30517100  
Fax no. 91-33-22890285  
E Mail: [bharatagarwal@adhunikgroup.co.in](mailto:bharatagarwal@adhunikgroup.co.in)

or M/s Maheshwari Datamatics Pvt. Limited.  
6, Mangoe Lane, 2<sup>nd</sup> Floor  
Kolkata- 700 001  
Tel no. 91-33-22435809  
Fax no. 91-33-22484787

For and on behalf of the Board

Registered Office  
14, Netaji Subhash Road  
Kolkata - 700 001

Date: July 23, 2010

*Manoj Sharma*  
Manoj Sharma  
Chairman

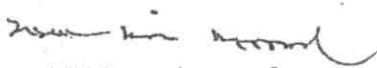
*Jugal Kishore Agarwal*  
Jugal Kishore Agarwal  
Managing Director

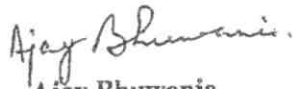


## CEO AND CFO CERTIFICATION

We, Jugal Kishore Agarwal, Managing Director and Ajay Bhuwania, Head of Finance and Accounts, responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2010 and confirm that to the best of our knowledge and belief :
- (i) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee :
- (i) significant changes in internal control during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

  
Jugal Kishore Agarwal  
Managing Director

  
Ajay Bhuwania  
Head of Finance & Accounts

Place: Kolkata  
Date: 23<sup>rd</sup> July, 2010.

Company Secretary Certificate regarding compliance of conditions of Corporate  
Governance

To the Members of  
M/s. Adhunik Industries Limited  
(Formerly Bhagwati Resources Limited)  
Kolkata

1. We have examined the compliance of conditions of Corporate Governance by Adhunik Industries Limited (Formerly Bhagwati Resources Limited), for the year ended 31.03.2010, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange (s).
2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination has been limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Kolkata  
Date : July 23, 2010



For MR & Associates  
Company Secretaries

Mohan Ram Goenka  
Partner  
C P No.: 2551

**AUDITORS' REPORT**

To  
The Members of

**Adhunik Industries Ltd**  
(Formerly Bhagwati Resources Ltd)

1. We have audited the attached Balance Sheet of **Adhunik Industries Limited** ("the Company") as at March 31, 2010 and also the Profit and Loss account and the cash flow statement for the year ended on that day annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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 misstatement. 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 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ("the order"), we enclose in the Annexure a statement on the matter 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 purposes of our audit;
  - ii. 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;
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement 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 the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

5. 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 March 31, 2010;
- b. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c. In the case of Cash Flow statement, of the cash flows for the year ended on that date.

Place: Kolkata  
Date: 23<sup>rd</sup> July, 2010



For **ABR & Co.**  
Firm Registration No 324580E  
Chartered Accountants

*Binani*

per **P. Binani**  
Partner  
Membership No: 061045



## Annexure to the Auditors' Report

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF ADHUNIK INDUSTRIES LTD AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010)

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- (b) According to the information and explanation given to us, the fixed assets were physically verified by the management in accordance to the programme of verification. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of Account
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventories at reasonable intervals during the year. As regards to the materials lying with outside parties, confirmation certificates have been obtained in most of the cases.
- (b) In our opinion and according to the information and explanation given to us, 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) The Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification carried out at the end of the year.
- (iii) (a) According to the information and explanations given to us, 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. Accordingly clauses (a) to (d) of para III of the order are not applicable to the company.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act'1956. Accordingly clause (e) to (g) of para III of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.



- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangement referred to in section 301 of the companies act 1956 that needs to be entered into the register maintained under section 301 has been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rs. 5,00,000, entered into during the financial year have been made at a prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) As informed, the Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess *have been deposited with the appropriate authorities though in general there have been delay and* as explained, there is no amount due for deposit to investor education and protection fund.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sales-tax, income-tax, custom duty, wealth-tax, excise duty and cess that have not been deposited on account of any dispute.
- (x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.



- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a Nidhi / Mutual benefit fund / Society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions. The terms and condition were of in our opinion is not prima facie prejudicial to the interest of the company.
- (xvi) In our opinion and according to the information and explanations given to us by the management, term loans are applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment
- (xviii) The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any secured debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations 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: Kolkata

Date: 23<sup>rd</sup> July, 2010

For **ABR & Co.**

Firm Registration No 0324580E

*Chartered Accountants*

*Tzinani*

per **P. Binani**

Partner

Membership No: 061045



# ADHUNIK INDUSTRIES LIMITED

(Formerly Known as Bhagwati Resources Ltd)  
BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	2009-2010	2008-2009
		Rs.	Rs.
<b>SOURCES OF FUNDS :-</b>			
Shareholders' Funds:			
Share Capital	1	467,637,500	2,000,000
Share Capital Suspense	2		465,637,500
Share Application Pending Allotment	3	43,450,000	43,450,000
Reserves And Surplus	3	217,648,662	137,105,655
Loan Funds:			
Secured Loans	4	499,140,521	559,889,413
Un-Secured Loans	5	190,461,095	39,172,531
Deferred Tax Liabilities		67,415,004	66,926,785
<b>TOTAL</b>		<b>1,485,752,782</b>	<b>1,314,181,884</b>
<b>APPLICATION OF FUNDS :-</b>			
Fixed Assets:			
a) Gross Block	6	433,712,904	428,377,279
b) Less : Depreciation		96,572,942	75,678,403
c) Net Block		337,139,962	352,698,876
d) Capital Work In Progress		85,655,188	
		422,795,150	352,698,876
Investments	7	400,000	400,000
Current Assets, Loans & Advances:			
a) Inventories	8	576,206,326	531,964,480
b) Sundry Debtors	9	621,134,394	552,301,850
c) Cash & Bank Balances	10	35,371,988	33,484,633
d) Loans & Advances	11	320,839,173	223,673,355
		1,553,551,881	1,341,424,318
Less : Current Liabilities and Provisions			
a) Current Liabilities	12	308,751,720	291,386,141
b) Provisions		182,242,529	89,052,977
		490,994,249	380,439,118
Net Current Assets		1,062,557,632	960,985,200
Miscellaneous Expenditure (To the extent not written off or adjusted)	13		97,808
<b>TOTAL</b>		<b>1,485,752,782</b>	<b>1,314,181,884</b>
Accounting Policies & Notes to Accounts			

Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date  
ABR & Co  
Firm Regn no: 0324580E  
Chartered Accountants

*P. Binani*  
(P. Binani)  
Partner  
Mem No. : 061045



As Approved  
For & on behalf of the Board

*Mahesh Kumar* Director  
*Mahesh Kumar* Director

*Bhavat Agrawal*  
Company Secretary

Place : Kolkata  
Date : 23rd July 2010

# ADHUNIK INDUSTRIES LIMITED

(Formerly Known as Bhagwati Resources Ltd)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedule	2009-2010	2008-2009
		Rs	Rs
<b>Income</b>			
Business Income	14	4,144,470,586	4,288,194,838
Less Excise Duty		200,693,632	331,176,263
		3,943,776,954	3,957,018,575
Other Income	15	1,825,648	9,767,101
Increase / (Decrease) in Stock in Trade	16	4,809,218	82,498,510
		3,950,411,820	4,049,284,186
<b>Expenditure</b>			
Purchases & Raw Material Consumption		3,493,004,985	3,664,478,287
Manufacturing Expenses	17	100,027,025	84,998,771
Personnel Cost	18	12,167,554	11,598,415
Administrative & Selling Expenses	19	97,008,700	74,715,779
Interest & Finance Charges	20	15,227,414	21,822,254
Depreciation		20,894,540	20,218,362
Preliminary Expenses Written off		97,808	236,312
		3,738,428,026	3,878,068,180
Profit before Tax		211,983,794	171,216,006
Provision for Tax			
Current Tax		71,954,091	55,151,682
Deferred Tax		488,219	2,988,875
Fringe Benefit Tax			261,347
Income Tax for earlier years		4,287,228	135,339
Profit after Tax		135,254,256	112,678,763
Balance brought forward from previous year		137,105,655	24,660,882
Profit available for appropriation		272,359,911	137,339,645
Proposed Dividend		46,763,750	200,000.00
Dividend Distribution Tax		7,947,499	33,990.00
Balance Carried to Balance sheet		217,648,662	137,105,655
Basic Earnings per Share		2.89	2.41
Diluted Earnings per Share		2.73	2.26
Accounting Policies & Notes to Accounts	21		

Schedules referred to above form an integral part of the Profit & Loss Account

As per our report of even date  
ABR & Co  
Firm Regn no: 0324580E.  
Chartered Accountants

*T Binani*  
(P. Binani)  
Partner  
Mem No. : 061045

Place : Kolkata  
Date : 23rd July 2010



As Approved  
For & on behalf of the Board

*Bhawat Agwal* Director  
*Mahesh Agarwal* Director

*Bhawat Agwal*  
Company Secretary

# ADHUNIK INDUSTRIES LIMITED

(Formerly Known as Bhagwati Resources Ltd)

Cash Flow Statement for the year ended 31st March'2010

	Figures for the year ended 31st March, 2010 (In Rs.)	Figures for the year ended 31st March, 2009 (In Rs.)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax and extra ordinary item	211,983,794	171,216,006
<b>Adjustment for:</b>		
Misc. Expenditure	97,808	236,312
Depreciation	20,894,540	20,218,362
Gratuity	32,659	48,368
Interest Income	(1,243,329)	(1,292,844)
Interest Paid	15,227,414	21,822,254
Interest Subsidy	-	(8,372,575)
Dividend Income	(40,000)	(48,000)
	<u>34,969,062</u>	<u>32,611,876</u>
Operating Profit before working Capital changes	246,952,856	203,827,882
<b>Adjustments for:</b>		
(Increase)/Decrease in Trade and Other Receivable	(129,374,826)	(235,173,063)
(Increase)/Decrease in Inventories	(44,241,845)	(4,677,057)
Increase/(Decrease) in Trade Payables & Liabilities	17,414,168	(27,922,455)
	<u>(156,202,503)</u>	<u>(267,772,575)</u>
Cash Generated from Operations	90,750,383	(63,944,693)
Income Tax (Paid) / Refund	(74,185,221)	(44,685,152)
Cash Flow before extraordinary items	16,565,162	(108,629,845)
Extra-Ordinary Items		
Net Cash used in Operating Activities	<u>16,565,162</u>	<u>(108,629,845)</u>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(90,990,813)	(14,395,448)
Interest Income	1,243,329	1,292,844
Fixed Deposit made / matured during the year	(2,023,658)	(3,533,239)
Dividend Income	40,000	48,000
Net Cash used in Investing Activities	<u>(91,731,142)</u>	<u>(16,587,843)</u>
<b>C. Cash Flow from Financing Activities</b>		
Increase in Share Capital	-	46,563,800
Increase in Securities Premium	-	79,158,460
Share Application money (net)	-	(12,830,000)
Interest Paid	(15,227,414)	(21,822,254)
Interest Subsidy	-	8,372,576
Increase in Secured Loan	(60,748,892)	32,010,842
Increase in Unsecured Loan	151,288,564	(7,653,392)
Dividend Paid	(132,000)	(132,000)
Tax on Dividend	(33,990)	(33,990)
Net Cash from financing Activities	<u>5,146,268</u>	<u>123,834,042</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	(19,712)	(1,583,646)
Cash and Cash Equivalent as at the Opening of the year	10,688,403	12,272,049
Cash and Cash Equivalent as at the close of the year	<u>10,668,691</u>	<u>10,688,403</u>
Note: 1) Cash and Cash Equivalent comprises of:		
Cash in Hand	2,405,378	4,149,535
Balance with Scheduled Banks (including Bank Overdrawn)	8,263,313	6,538,868
Cheques in hand	<u>10,668,691</u>	<u>10,688,403</u>

- 2) This Cash Flow Statement has been prepared under indirect method.  
3) Previous Year Figure have been regrouped wherever necessary.

ABR & Co.  
Firm Regn no: 0324580E  
Chartered Accountants

*P. Binani*  
(P. Binani)  
Partner.  
Mem No. : 061045  
Place : Kolkata  
Date: 23rd July 2010



As Approved  
For and on behalf of the Board

Director

Director

*Bhavat Agarwal*  
Company Secretary

# ADHUNIK INDUSTRIES LIMITED

(Formerly Known as Bhagwati Resources Ltd)

Schedules annexed to and forming part of Balance Sheet and Profit & Loss Account

SCHEDULE 1: SHARE CAPITAL	2009-2010	2008-2009
Authorised 50,000,000 Equity Shares of Rs. 10 each (Previous Year 30,000,000 Equity Shares of Rs. 10 each)	500,000,000	300,000,000
Issued, Subscribed And Paid Up 46763750 (Previous Year -200,000) Equity Shares of Rs 10 each fully paid up out of above 4,65,63,750 Equity Shares of Rs. 10/- each allotted as fully paid up for consideration other than Cash pursuant to a scheme of Amalgamation to the share holder of amalgamated company	467,637,500	2,000,000
	467,637,500	2,000,000

SCHEDULE 2: SHARE CAPITAL SUSPENSE	2009-2010	2008-2009
465,63,750 Equity Shares of Rs. 10/- each to be allotted as fully paid up for consideration other than Cash pursuant to a scheme of Amalgamation.		465,637,500
		465,637,500

SCHEDULE 3: RESERVES AND SURPLUS	2009-2010	2008-2009
Profit & Loss Account Balance	217,648,662	137,105,655
	217,648,662	137,105,655

SCHEDULE 4: SECURED LOAN	2009-2010	2008-2009
(Refer Note No.1,2 & 3 of Schedule 21)		
Term Loan :		
State Bank of India		16,702,318
State Bank of Mysore	41,019,676	51,460,000
Working Capital Loan :		
State Bank of India	326,936,629	327,862,075
Canara Bank	61,673,503	93,296,136
Bank of India	67,764,921	68,009,961
Vehicle Loan:		
ICICI Bank	1,745,792	2,558,923
	499,140,521	559,889,413

SCHEDULE 5: UNSECURED LOAN	2009-2010	2008-2009
From :		
Body Corporates	190,461,095	39,172,531
	190,461,095	39,172,531

SCHEDULE 7: INVESTMENTS	2009-2010	2008-2009
Long Term		
Quoted - Other than Trade		
40,000 (Previous Year - 40,000) fully paid up equity shares of Rs. 10 each in Adhunik Metaliks Ltd.	400,000	400,000
	400,000	400,000
Market Value	4,798,000	1,140,000

SCHEDULE 8: INVENTORIES	2009-2010	2008-2009
Raw Materials	346,601,769	295,473,692
Finished Goods & Rejected Materials	212,616,594	207,807,376
Stores, Spares & Consumables	16,987,963	13,920,143
Stock in Transit		14,763,269
	576,206,326	532,964,480



# ADHUNIK INDUSTRIES LTD

(Formerly Known as Bhagwati Resources Ltd)

SCHEDULE 6

Schedules annexed to and forming part of Balance Sheet and Profit & Loss Account

FIXED ASSETS

Particulars	As at 31st March, 2009		Addition During the Year (Rs.)	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	Rs.	Rs.		As at 31st March, 2010	As at 31st March, 2009	For the Year March, 2010	As at 31st March, 2010	As at 31st March, 2009	
Leasehold Land	8,429,270			8,429,270	491,935	98,387	590,322	7,838,948	7,937,335
Freehold Land	1,700,000			1,700,000				1,700,000	1,700,000
Factory Building	85,235,927			85,235,927	12,351,010	2,846,880	15,197,890	70,038,037	72,884,917
Plant & Machinery	322,734,111		5,055,287	327,789,398	60,561,683	16,951,683	77,513,366	250,276,032	262,172,428
Furniture	663,212			663,212	163,532	41,981	205,513	457,699	499,680
Office Equipment	2,688,286		21,546	2,709,832	489,740	132,883	622,623	2,087,209	2,198,546
Vehicle	4,637,294		54,850	4,692,144	729,096	456,998	1,186,094	3,506,050	3,908,198
Computer (Including Software)	2,289,179		203,942	2,493,121	891,407	365,727	1,257,134	1,235,987	1,397,772
Capital work in Progress	428,377,279		5,335,625	433,712,904	75,678,403	20,894,539	95,572,942	338,139,962	352,698,876
Total	2,289,179	428,377,279	85,655,188	2,428,377,279	1,75,678,403	20,894,539	96,572,942	1,75,678,403	1,75,678,403
Previous Year's Total	4,13,981,834	4,13,981,834	5,535,474	4,19,517,308	55,450,043	20,218,362	75,678,403	352,698,876	352,698,876





# ADHUNIK INDUSTRIES LIMITED

(Formerly Known as Bhagwati Resources Ltd)

Schedules annexed to and forming part of Balance Sheet and Profit & Loss Account.

SCHEDULE 9: SUNDRY DEBTORS	2009-2010	2008-2009
(Unsecured, considered good, unless otherwise stated)		
Debts Outstanding for More Than Six Months	28,920,172	4,050,073
Others Debts	592,214,222	548,251,777
	621,134,394	552,301,850

SCHEDULE 10: CASH & BANK BALANCES	2009-2010	2008-2009
Cash in hand (As certified by the Management)	2,405,378	4,149,535
Balance with scheduled Bank		
a) In Current Accounts	8,263,313	6,655,459
b) In Fixed Deposit Accounts (Including Interest accrued thereon)	24,703,297	22,679,639
	35,371,988	33,484,633

SCHEDULE 11: LOANS, ADVANCES & DEPOSITS	2009-2010	2008-2009
(Unsecured, considered good, unless otherwise stated)		
Advances recoverable in cash or in kind for value to be received	63,140,350	53,424,768
Security deposit with various authorities	6,605,837	7,181,747
Advances to suppliers & others	47,549,434	16,083,939
Advance Income Tax	35,000,000	32,000,000
TDS & TCS Receivable	74,032,772	40,409,236
Prepaid Expenses	-137,247	187,915
Balance with excise authorities	94,373,533	74,305,750
	320,839,173	223,673,355

SCHEDULE 12: CURRENT LIABILITIES & PROVISIONS	2009-2010	2008-2009
<u>Current Liabilities</u>		
Sundry Creditors for Goods & Expenses	271,017,755	252,363,734
Sundry Creditors for Project	23,629,484	23,941,979
Book Overdraft (due to reconciliation)	-	116,591
Advance Recd From Customers	13,968,481	14,895,837
Investor Education & Protection Fund*		
- Unpaid Dividend Account	136,000	68,000
* Amount not yet due for deposit.		
	308,751,720	291,386,141
<u>Provisions</u>		
Income Tax	127,126,970	88,447,336
Gratuity	404,310	371,651
Proposed Dividend	46,763,750	200,000
Proposed Dividend Distribution Tax	7,947,499	33,990
	182,242,629	89,052,977

SCHEDULE 13: MISCELLANEOUS EXPENDITURE	2009-2010	2008-2009
(To the extent not written off or adjusted)		
Opening Balance	97,808	334,120
Less: Written off during the year	97,808	236,312
		97,808

SCHEDULE 14: Business Income	2009-2010	2008-2009
Sales	3,849,690,350	4,063,131,919
Service & Other Business Income	294,780,236	225,062,919
	4,144,470,586	4,288,194,838

SCHEDULE 15: OTHER INCOME	2009-2010	2008-2009
Interest on Fixed deposit (TDS Rs. 108,121/- P.Y. Rs.217,140/-)	1,243,329	1,292,844
Dividend Income	40,000	48,000
Interest Subsidy	-	8,372,576
Other Income	542,319	-
Liabilities not required Written off	-	53,681
	1,825,648	9,767,101



# ADHUNIK INDUSTRIES LIMITED

(Formerly Known as Bhagwati Resources Ltd)

Schedules annexed to and forming part of Balance Sheet and Profit & Loss Account

SCHEDULE 16: INCREASE/DECREASE IN STOCK IN TRADE	2009-2010	2008-2009
Opening Stock	207,807,376	125,308,866
Less : Closing Stock	212,616,594	207,807,376
Increase/(Decrease) in Stock	4,809,218	82,498,510

SCHEDULE 17: MANUFACTURING EXPENSES	2009-2010	2008-2009
Power & Fuel Expenses	60,851,348	49,547,294
Store & Spares Consumed	16,269,501	17,819,473
Repairs & Maintenance	960,513	709,117
Operating & Maintenance Charges	2,318,073	2,213,800
Other Manufacturing Expenses	835,408	508,140
Excise Duty Provided on Closing Stock	18,792,182	14,200,941
	100,027,025	84,998,771

SCHEDULE 18: PERSONNEL COST	2009-2010	2008-2009
Salaries (Including Bonus)	7,603,013	7,340,542
House Rent Allowance	619,170	388,321
Contribution to P.F/FPF/DLI/Administrative Charges	1,045,371	869,552
Director's Remuneration (Refer note no. 11 of Schedule 21)	3,000,000	3,000,000
	12,167,554	11,598,415

SCHEDULE 19: ADMINISTRATIVE & SELLING EXPENSES	2009-2010	2008-2009
Rent, Rates & Taxes	3,408,858	1,856,690
Insurance Expenses	337,975	362,092
Postage & Communication Expenses	11,064	33,022
Freight & Forwarding Expenses	12,439,309	1,020,262
Motor Vehicle & Travelling Expenses	2,379,974	1,367,560
Auditors' Remuneration	100,000	3,309
Bank Commission & Charges	65,025,726	57,512,455
Telephone charges	543,685	565,505
Fees & Subscription	1,958,474	1,331,391
Donation	423,000	68,100
Listing Fees	12,699	10,500
Certification Fees	-	100,000
Sales Promotion Expenses	2,963,534	2,288,702
Accounts & Finance Maintenance Charges	1,800,000	1,800,000
Advertisement Exp	1,384,399	3,713,920
Commission Charges	668,794	109,315
Testing Charges	207,072	80,919
Consultancy Charges	109,766	312,780
Registrar Fees	13,236	26,966
Printing & Stationery	453,105	256,914
Miscellaneous Expenditure	2,768,030	1,895,377
	97,008,700	74,715,779

SCHEDULE 20: INTEREST & FINANCE CHARGES	2009-2010	2008-2009
Interest		
-Term Loan	6,107,349	10,470,495
-Others	9,120,065	11,351,759
	15,227,414	21,822,254



## **ADHUNIK INDUSTRIES LIMITED**

(Formerly Known as Bhagwati Resources Ltd)

Schedule to the Balance Sheet and Profit and Loss Account

Schedule 21: Accounting Policies and Notes to Accounts

### **NATURE OF OPERATIONS**

Adhunik Industries Ltd, having manufacturing facilities at Durgapur, West Bengal is primarily engaged in the manufacture & sale of steel products.

### **SIGNIFICANT ACCOUNTING POLICIES:**

(I) **Basis of Accounting :**

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis under the historical cost convention. Except otherwise mentioned, the accounting policies applied by the Company are consistent with those used in the previous year.

(II) **Use of Estimates :**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and result of operation during the reported year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(III) **Revenue Recognition:**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (a) Revenue from sale of goods and services rendered is recognised when significant risks and rewards of ownership of products and services have passed to the customers.
- (b) Claims made in respect thereof is accounted as income in the year of receipts or acceptance by the client or evidence of acceptance received by the client.
- (c) Dividend is recognized on cash basis.

(IV) **Fixed Assets :**

- (a) Fixed assets are stated at cost, less accumulated depreciation / amortization and impairment if any. Cost comprises the purchase price inclusive of duties (net of CENVAT & VAT), taxes, incidental expenses, erection/commissioning expenses, and interest etc. upto the date the asset is put to use.
- (b) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual useful life of the respective assets.



- (c) Expenditure on New Projects and Substantial Expansion: Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction activity or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit & Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure. All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

(V) Depreciation :

- (a) The Classification of Plant and Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- (b) Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 or estimated useful life whichever is higher.
- (c) Depreciation Includes the amount written off in respect of leasehold land over the respective lease period.
- (d) Depreciation on fixed assets added / disposed off during the year, is provided on pro-rata basis with reference to the month of addition / disposal.
- (e) Discarded Fixed Assets awaiting disposal are valued at estimated realisable value and disclosed separately.
- (f) Depreciation on Insurance Spares / standby equipments is provided over the useful lives of the respective mother assets.

(VI) Fixed Assets acquired under lease :

- (a) Finance Lease
- (i) Assets acquired under lease agreements which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payment after discounting them at an appropriate discount rate at the inception of the lease term and disclosed as leased assets. Lease Payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to expenses account.
- (ii) Lease assets capitalised, if any, are depreciated over the shorter of the estimated useful life of the asset or the lease term.
- (b) Operating Lease
- Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating lease. Operating lease payments are recognized as expense in the profit and loss Account on a straight line basis over the lease term.



(VII) **Investments :**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(VIII) **Inventories :**

(a) Raw Materials, Stores & Spares, Packing Materials & Trading Goods are valued at lower of cost computed on FIFO basis and net realisable value.

(b) Finished Goods are valued at lower of cost computed on weighted average basis and net realisable value. Cost of finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

(c) By-products are valued at net realisable value.

(d) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(IX) **Cash & Cash Equivalents :**

Cash and cash equivalents in the Cash Flow comprise cash at bank and in hand (including cheques / drafts in hand), balance lying in banks in current account (including overdraft)

(X) **Excise Duty :**

Excise Duty on Finished Goods stock lying at the factories is accounted for at the point of manufacture of goods and is accordingly considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date.

(XI) **Employees Benefits :**

i. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when these are due.

ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of Financial Year.

iii. Actuarial gain/losses are immediately taken to the Profit & Loss Account and are not deferred.

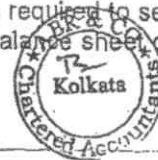
(XII) **Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(XIII) **Provisions:**

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



(XIV) Taxation:

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is 'reasonable certainty' that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

(XV) Segment Reporting:

The Company has identified Iron & Steel products as its sole operating segment and the same has been treated as primary segment.

(XVI) Contingencies:

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes to the Accounts.

(XVII) Earning per share:

Earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

(XVIII) Impairment of Assets:

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(XIX) Miscellaneous Expenditure

Preliminary expenses are amortized over a period of five years.



**NOTES TO ACCOUNTS :**

- (1) (A) Term Loan from State Bank of Mysore is secured by way of
- First charge by way of fixed assets and hypothecation of stock, book debts and other current assets of the Windmill.
  - Guarantee and certain collateral securities have been provided by the Promoters / Directors in their personal capacity.
- (B) Term Loans aggregating to Rs. 10,832,000 (Previous Year Rs. 10,832,000) are repayable within one year.
- (2) Working capital from State Bank of India, Canara Bank, Oriental Bank of Commerce and Bank of India are secured by:
- First charge by way of hypothecation of stock, book debts and other current assets except Windmill.
  - Second charge on Fixed assets of the company except windmill.
  - Guarantee and certain collateral securities have been provided by the Directors in their personal capacity
- (3) Vehicle Loan is secured against hypothecation of respective vehicles.
- (4) The breakup of Deferred Tax Liability as on 31st March 2010 is as follows:

	31st March 2010	31st March 2009
i) Timing Difference on Depreciable Assets	499,320	3,005,315
ii) Other Timing Difference	(11,101)	(16,440)
	4,88,219	2,988,875

- (5) In the opinion of the management, current assets, loans and advances have the value at which these are stated in the balance sheet, if realized in the ordinary course of business, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required
- (6) The outstanding balances of Sundry debtors / creditors are subject to confirmation as letters of confirmation of balances from several parties have not been received and hence the balances are subject to adjustments, if any, on reconciliation / settlement of account
- (7) Based on the information/documents available with the company, there has been no amount due to micro, small and medium scale undertakings as per the requirement of section 22 of the Micro, Small & Medium Enterprises Development Act, 2006.
- (8) In the opinion of the management, leave is meant to be availed of and the employees has been advised to plan their leave in advance while in service and also immediately before superannuation. Accordingly, leave encashment liability for the year has been recognised and provided for only when such encashment was allowed
- (9) Revenue in respect of rejected/scrapped materials is recognized as and when these are sold or amount there against is ascertained.



(10) Raw materials consumed are accounted after adjustment of normal shortage/surplus of raw materials and rejected raw materials.

(11) a) Directors' Remuneration:

	2009-2010 Rs.	2008-2009 Rs.
Basic	1,500,000	1,500,000
House Rent Allowance	290,000	290,000
Bonus	250,000	250,000
Other	960,000	960,000
<b>TOTAL</b>	<b>3,000,000</b>	<b>3,000,000</b>

b) Computation of Profit for the purpose of Managerial Remuneration:

	2009-2010 Rs.	2008-2009 Rs.
Profit before tax as per profit & loss account	211,983,794	171,216,006
Add:		
Depreciation ( as per Accounts)	20,894,540	20,218,362
Managing Directors' Remuneration	3,000,000	3,000,000
	<b>235,878,334</b>	<b>194,434,368</b>
Less:		
Depreciation (u/s 350 of the Companies Act, 1956)	20,894,540	20,218,362
Managing Directors' Remuneration	3,000,000	3,000,000
	<b>23,894,540</b>	<b>23,218,362</b>
Profit for the year	211,983,794	171,216,006
Net profit under section 349 of the Companies Act, 1956	<b>211,983,794</b>	<b>171,216,006</b>

(12) Earnings per Share (EPS)

In terms of Accounting Standard 20, the calculation of EPS is given below: -

	2009-10	2008-09
Net Profit after tax (Rs.)	135,254,256	112,678,763
Weighted average No of Equity Shares outstanding in calculation of Basic EPS	46,763,750	46,763,750
Basic Earnings per Share (in Rupees)	2.89	2.41
Weighted average No of Equity Shares outstanding in calculation of Diluted EPS	49,551,981	49,789,315
Diluted Earnings per Share (in Rupees)	2.73	2.26
Nominal Value of Share	10	





(13) Related Party

Related party disclosure is identified by the management in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India:

(a) Name of the related parties :

Key Management Personnel

Mr. Mahesh Kumar Agarwal  
Mr. Nirmal Kumar Agarwal  
Mr. Mohan Lal Agarwal  
Mr. Jugal Kishore Agarwal  
Mr. Manoj Kumar Agarwal  
Mr. Manish Kumar Rungta  
Mr. Manoj Sharma

Relatives of Key Management personnel

Mr. Ghanshyam Das Agarwal (Brother of Director)  
Mrs. Pramila Agarwal (Wife of Mr. Jugal kishore Agarwal)  
Mrs. Sonika Agarwal (Wife of Mr. Manoj kumar Agarwal)  
Mr. Nirmal Agarwal (Husband of Mrs. Anita Agarwal)  
Mr. Naveen Agarwal ( Son of Mr. Jugal Kishore Agarwal )  
Mr. Sachin Agarwal ( Son of Mr. Jugal Kishore Agarwal )

Enterprises over which Key Management Personnel / Relatives have significant influence

Adhunik Corporation Ltd.  
Adhunik Shristi Ltd  
Adhunik Steels Ltd.  
Adhunik Cement (Assam) Ltd.  
Adhunik Alloys & Power Ltd.  
Adhunik Cement Ltd.  
Sungrowth Shares & Stock Ltd.  
Mahananda Suppliers Ltd.  
Zion Steel Limited  
Adhunik Meghalaya Steels Private Limited  
Futuristic Steels Limited  
Pragati Ispat Udyog  
Swarnarekha Steel Industries Ltd  
Ganges Enterprises  
Adhunik Infotech Ltd.  
Adhunik Metalik Ltd.  
Vasundhara Resources Limited  
Adhunik Power & Natural Resource Ltd  
Orissa Manganese and Minerals (P) Ltd



b) Aggregated Related Party Disclosures:

Nature of Transactions	Key Managerial Persons/ Relatives of Key Management Personnel	Enterprises over which Management Personnel/Relatives have significant influence	Total Amount (Rs.)
Dividend Received	NIL (NIL)	40,000 (48,000)	40,000 (48,000)
Expenditure for services/others	102,000 (84,000)	5,326,008 (6,597,485)	5,428,008 (6,681,485)
Director's Remuneration	30,00,000 (30,00,000)	NIL (Nil.)	30,00,000 (30,00,000)
Sales	NIL (NIL)	662,459,181 (504,203,337)	662,459,181 (504,203,337)
Purchases	NIL (NIL)	963,810,990 (1,213,287,424)	963,810,990 (1,213,287,424)
Commission Income	NIL (NIL)	NIL (2,40,000)	NIL (2,40,000)
Balance outstanding as at the year end - Debit	NIL (NIL)	23,889,967 (7,695,523)	23,889,967 (7,695,523)
Balance outstanding as at the year end - Credit	NIL (NIL)	27,567,916 (2,198,933)	27,567,916 (2,198,933)

(14) Details of remuneration payable to the Statutory Auditors:

Particulars	2009-2010 Rs	2008-2009 Rs
Audit Fees	75,000	3,309
Tax Audit Fees	25,000	---
TOTAL	1,00,000	3,309

(15) Quantitative information of goods manufactured / traded

a) Particulars in respect of Licensed / Installed Capacity and Production (Per Annum):

Items	Unit	Licensed Capacity		Installed Capacity (As certified by the Management & relied upon by the Auditors)		Production	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
TMT Bar, Wire Rod, Round, Flat, Mis Roll etc	MT	200,000	200,000	132,000	132,000	105,498.842	94,665.275



## ADHUNIK INDUSTRIES LIMITED

(Formerly Known as Bhagwati Resources Ltd)

Additional Information pursuant to Part IV of the Schedule VI to the Companies Act, 1956:  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### i) Registration Details

Registration No. L65921WB1979PLC03220 State code 21  
Balance Sheet Date 31.3.2010

### ii) Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

### iii) Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	1,976,747	Assets	1,976,747
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#### Sources of Funds:

Paid up Share Capital	467,632	Reserve & Surplus	217,649
Share Application Money	43,450	Unsecured Loans	190,461
Secured Loans	499,141	Deferred Tax Liability	57,415

#### Application of Funds:

Net Fixed Assets	422,795	Investments	406
Net Current Assets	1,062,558	Accumulated Losses	Nil
Misc. Expenditure	-		

### iv) Performance of Company (Amount in Rs. Thousands)

Income	3,950,412	Total Expenditure	3,738,428
Profit Before Tax	211,983	Profit after Tax	135,254
Basic EPS	2.89	Dividend rate	Nil
Diluted EPS	2.73		

### v) Generic Name of Principal Products, Services of the Company:

Item Code No.	0117
Product Description	Iron & Steel

As Approved  
For & on behalf of the Board

Place: Kolkata  
Date: 23rd July 2010

*[Signature]* Director *[Signature]* Director

*[Signature]*  
Company Secretary

