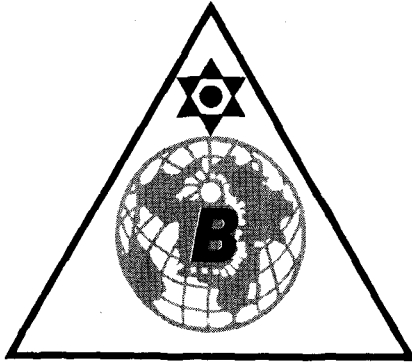
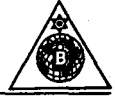


# Bhagwandas Metals Limited



29th Annual Report 2010-2011

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**BHAGWANDAS METALS LIMITED**

**BOARD OF DIRECTORS**

Sri Govind Prasad	> Chairman-Cum- Managing Director
Sri Nand Kishore Sonthalia	> Whole Time Director
Sri C. Ramasamy	> Director
Sri Narender Lunawat	> Director
Sri Nirmal Gadhiya	> Director

**AUDITORS**

**M/s. R.R. More & Co.**  
Chartered Accountants  
No.356, Mint Street  
11 nd Floor, Sowcarpet  
Chennai - 600 001

**BANKERS**

**Punjab National Bank**  
21, Raja Annamalai Road  
Purasawalkam  
Chennai - 600 084

**REGISTERED OFFICE**  
New No. 54 (Old No. 61) 1<sup>st</sup> Floor, Sembudoss Street,  
Chennai – 600 001

**GODOWN**  
Sadayankuppam Village Road, Manali,  
Chennai – 600 103

**SHARE TRANSFER AGENTS**

**M/s. CAMEO CORPORATE SERVICES LIMITED**  
Subramanian Building, V<sup>th</sup> Floor,  
No.1, Club House Road, Chennai – 600 002



**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of Bhagwandas Metals Limited will be held on Thursday, the 22<sup>nd</sup> day of September, 2011 at 10 a.m. at RANI SEETHAI HALL, 603, ANNA SALAI, CHENNAI – 600 006, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011 and the reports of the Directors and Auditors thereon.
2. To declare Dividend
3. To appoint a Director in place of Mr. C. Ramasamy who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditor and to fix their remuneration.

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass the following resolution as Ordinary Resolution with or without modification:

**a) "RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members be and is hereby accorded to the Board for the reappointment of Mr. Govind Prasad as Chairman cum Managing Director for a further period of Five years with effect from 01.01.2011 on non-rotational basis on a remuneration of not exceeding a sum of Rs.1.25 lakhs per month, (inclusive of all allowances and perquisites) as per recommendation made by the Remuneration committee and the Board of Directors at its meeting held on 22.10.2010."

**b) "RESOLVED FURTHER THAT** the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary and commission) as also the type and amount of perquisites and other benefits payable to Mr. Govind Prasad in such manner as may be agreed to between the Board of Directors and Mr. Govind Prasad provided, however, that the remuneration payable to him shall not exceed the limits specified in the explanatory statement attached herewith as also the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof."

**c) "RESOLVED FURTHER THAT** the company on attaining adequate profits the Board of Directors/Remuneration committee constituted by the Board do hereby authorise to vary the terms of remuneration and perquisites with the liberty to revise the remuneration payable to the above Managerial Personnel, if it in its absolute discretion thinks fit in accordance with the provisions of Section 198 read with Section 309 and Schedule XIII i.e. with in

## **Bhagwandas Metals Limited**

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the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act without further reference or approval from the share holders of the company."

**d) "RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr. Govind Prasad the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, without the approval of Central Government (if required), exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof."

**e) "RESOLVED FURTHER THAT** the information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956.

**f) "RESOLVED FURTHER THAT** the board be and hereby authorized to do all such acts, deeds and to things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors to give effect to the aforesaid resolution"

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

**a) "RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members be and is hereby accorded to the Board for the reappointment of Mr. Nand Kishore Sonthalia as Whole Time Director for a further period of Five years with effect from 01.01.2011 on non-rotational basis on a remuneration of not exceeding a sum of Rs.1.25 lakhs per month, (inclusive of all allowances and perquisites) as per recommendation made by the Remuneration committee and the Board of Directors at its meeting held on 22.10.2010."

**b) "RESOLVED FURTHER THAT** the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary and commission) as also the type and amount of perquisites and other benefits payable to Mr. Nand Kishore Sonthalia in such manner as may be agreed to between the Board of Directors and Mr. Nand Kishore Sonthalia provided, however, that the remuneration payable to him shall not exceed the limits specified in the explanatory statement attached herewith as also the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof."

**c) "RESOLVED FURTHER THAT** the company on attaining adequate profits the Board of Directors/Remuneration committee constituted by the Board do hereby authorise to vary the terms of remuneration and perquisites with the liberty to revise the remuneration payable to the above Managerial Personnel, if it in its absolute discretion thinks fit in accordance with the provisions of Section 198 read with Section 309 and Schedule XIII i.e. within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act without further reference or approval from the share holders of the company."



**d) "RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr. Nand Kishore Sonthalia the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, without the approval of Central Government (if required), exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof."

**e) "RESOLVED FURTHER THAT** the information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956.

**f) "RESOLVED FURTHER THAT** the board be and hereby authorized to do all such acts, deeds and to things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors to give effect to the aforesaid resolution"

For and on behalf of the Board of Directors

Sd/-

**GOVIND PRASAD**

Chairman-cum-Managing Director

Place : CHENNAI  
Date : 22.07.2011

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**Notes:**

a. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

b. The Instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

c. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 13th September 2011 to Thursday, 22nd September 2011 (both days inclusive).

d. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.

e. Members are requested to notify immediately any change in their address to the Registrar and Share transfer Agent – M/s. Cameo Corporate Services Ltd., "Subramanian Buildings", 1, Club House Road, Chennai-600 002.

f. After declaration of dividend at the Annual General Meeting, the Dividend warrants are scheduled to be posted on or after 28.09.2011. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership, as per the details to be furnished for this purpose by National Securities Depository Limited and Central Depository Services (India) Limited.

g. Members who desire to have their Bank Account details incorporated in their Dividend warrants may please furnish the (i) Share Folio No. (ii) Name and address of Sole/First Shareholder (iii) Bank Account No. (iv) Name of the Bank and Branch (v) Full address of the Branch with Pin code. These details may be sent to the Company's Registrar & Transfer Agent, M/s. Cameo Corporate Services Ltd., "Subramanian Buildings", 1, Club House Road, Chennai-600 002.

## Bhagwandas Metals Limited

h. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 with respect to items 5 & 6 are given below.

### i. INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT FOR RE-APPOINTMENT OF DIRECTOR

1.	Name of the Director	Mr. C. Ramasamy
a.	Age	50 yrs.
b.	Date of Appointment	21.05.1998
c.	Qualification	B. Com, F.C.A
d.	Experience	27 years as Chartered Accountant
e.	No. of Shares	200
f.	Expertise	Taxation, Finance and Accounts
g.	Directorship in other Companies	Nil
h.	Chairman/Member of Committees of Companies	-Bhagwandas Metals Limited. -Audit Committee – Chairman. -Share Transfer committee – Chairman, -Remuneration Committee – Chairman.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### Item No.5

The tenure of Shri. Govind Prasad as Chairman cum Managing Director expires on 31st December 2010. Considering the exemplary service provided by him in the past and his irrevocable role in the wholesome development of the Company, the Board of Directors has recommended the reappointment of Shri. Govind Prasad as Chairman Cum Managing Director for a further period of five years with effect from 01.01.2011 as per the terms and conditions including remuneration as recommended by the Remuneration Committee and Board of Directors at its meeting held on 22nd October 2010, for approval of shareholders at the Annual General Meeting.

The Board of Directors of your Company recommends this resolution for your approval.

None of the Directors of your Company are interested in the proposed resolution except Mr. Govind Prasad and Mr. Nand Kishore Sonthalia.

#### Item No.6

The tenure of Shri. Nand Kishore Sonthalia as Whole Time Director expires on 31st December 2010. Considering the exemplary service provided by him in the past and his role in the development of the Company, the Board of Directors has recommended the reappointment of Shri. Nand Kishore Sonthalia as Whole Time Director for a further period of five years with effect from 01.01.2011 as per the terms and conditions including remuneration as recommended by the Remuneration Committee and Board of Directors at its meeting held on 22nd October 2010, for approval of shareholders at the Annual General Meeting.

The Board of Directors of your Company recommends this resolution for your approval. None of the Directors of your Company are interested in the proposed resolution except Mr. Govind Prasad and Mr. Nand Kishore Sonthalia.



## DIRECTORS' REPORT

Your Directors have pleasure in presenting their report for the year ended 31st March 2011 together with the Balance Sheet as at 31st March 2011 and the Profit and Loss account for the year ended on that date.

### FINANCIAL HIGHLIGHTS

(Rupees in Lakhs)

Sl. No.	Particulars	Audited financial Statement for the year ended March 31st 2011	Audited financial Statement for the year ended March 31st 2010
1.	Income from Operation	6945	5523
2.	Profit before Interest, Depreciation, Extraordinary Items and Tax	66	54
3.	Interest	9	8
4.	Depreciation	6	7
5.	Profit before Extraordinary items and Tax	51	39
6.	Provision for taxation, Fringe Benefit Tax & Deferred Tax	16	12
7.	Profit after Extraordinary item and Tax	35	27
8.	Dividend Proposed	22	Nil
9.	Share Capital	364	364
10.	Reserves & Surplus	293	284

### OPERATIONS

During the year 2010-2011, the Company has earned a net profit after tax of Rs 34.74 Lakhs as against Rs.26.93 Lakhs earned in the previous year. On the sales front, the Company has achieved a turnover of about Rs.6945 Lakhs during the year 2010-2011 as against Rs.5523 Lakhs achieved in 2009-2010.



## **Bhagwandas Metals Limited**

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### **DIVIDEND**

The Directors wish to recommend a Dividend of 6% (0.60paise per equity share of Rs.10/- fully paid up) on the paid up capital of the company aggregating to Rs. 21,89,280 for the year ended 31st March 2011.

### **PROSPECTS FOR THE CURRENT YEAR**

During the current year 2011-2012, the Company has achieved a turnover of Rs. 1632 Lakhs in the first quarter ending 30.06.2011.

### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. C.Ramasamy, Director of the Company is liable to retire by rotation and your Directors recommend his reappointment.

The term of office of Mr.Govind Prasad, Chairman cum Managing Director and Mr. Nand Kishore Sonthalia, Whole Time Director expires on 31.12.2010. The Board of Directors at their meeting held on 22.10.10 reappointed them as the Chairman cum Managing Director and Whole Time Director with effect from 01.01.2011 for a Further period of 5 years. The necessary resolution reappointing them as Chairman cum Managing Director and Whole Time Director is placed before the shareholders as Item no 5 & 6 in the notice attached herewith.

### **AUDITORS**

M/s. R.R. More & Co. , Chartered Accountants, retire at this meeting and being eligible are proposed for reappointment. They also expressed their willingness to continue in office if reappointed, at the ensuing annual general meeting.

### **FIXED DEPOSITS**

During the year under review, the Company has not accepted any Fixed Deposits from the public.

### **PARTICULARS AS REQUIRED UNDER SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956**

#### **Conservation of Energy:-**

Though the company has not carried on any manufacturing activities, it had taken steps to conserve energy in its office/ godown use, consequent to which energy consumption has been minimized. No additional Proposals/Investments was made to conserve energy. Since the company has not carried on any industrial activities, disclosures regarding impact of measures on cost of production of goods, total energy consumption, etc., are not applicable.



**Technology Absorption:-**

The company has not adopted / intend to adopt any technology for its business and hence no reporting is required to be furnished under this heading.

**Foreign Exchange Inflow & Outgo:-**

Since the company has not carried on any export during the financial year under review, the disclosures requirement relating to exports, initiatives taken to increase exports; development of new export markets for products and services and export plans is not applicable to the company.

Foreign Exchange earned during the year :- Rs. Nil (31.03.2010 Rs.Nil)

Foreign Exchange used during the year :- Rs. Nil (31.03.2010Rs.Nil)

Value of Imports on CIF Basis – Rs. 19,92,03,896 (31.03.2010 - Rs. 7,65,09,258/- )

**PERSONNEL**

None of the employees of the Company is in receipt of salary in excess of the limits laid down in section 217(2A) read with Companies (Particulars of Employees) Rules 1975 as amended.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) Appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and of the profit of the Company for the year ended 31st March, 2011.
- c) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report and Auditors' Certificate regarding compliance of the same are made part of this Annual Report

## **Bhagwandas Metals Limited**

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### **COMPLIANCE CERTIFICATE**

In accordance with Section 383A of the Companies Act, 1956, and Companies (Certificate) Rules, 2001, the company has obtained a certificate from M/s. Lakshmmi Subramanian & Associates, Chennai, secretary in the whole time practice confirming that the company has complied with all the provisions of Companies Act, 1956 and a copy of such certificate is annexed to the report.

### **ACKNOWLEDGEMENTS**

The Directors acknowledge with gratitude and wish to place on record their appreciation for the valuable support and kind co-operation extended to the Company by the Company's Bankers, Financial Institution, Government Authorities, Shareholders and the Employees.

For and on behalf of the Board of Directors

Place : Chennai  
Date : 22.07.2011

Sd/-  
**GOVIND PRASAD**  
Chairman- Cum-Managing Director



## CORPORATE GOVERNANCE REPORT AS ON 31.03.2011

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's focus on Corporate Governance is to attain higher level of transparency and accountability in all facets of its operations and its dealing with shareholders, employees, customers, banks, regulatory and Government Agencies. Accordingly the company always seeks to ensure they attain their performance rule with integrity. The Company sincerely believes that all its operations and actions must serve towards its main object of attaining optimum level of financial stability thereby enhancing the shareholders value through prudential financial management and sound business decisions over a sustained period of time. The company is regularly reviewing the Board processes and the Management systems for further improvement.

### 2. BOARD OF DIRECTORS

#### a. Composition

The total strength of the Board as on 31.03.2011 is five out of which 2 are Promoter Directors namely Mr. Govind Prasad, Chairman-cum-Managing Director and Mr. Nand Kishore Sonthalia, Whole Time Director. Both these Directors are Executive Directors of the Company. The rest three of the Directors are non-executive independent Directors.

#### b. Board Meetings

The meetings of the Board of Directors are normally held at the registered office in Chennai. Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The Board meets at least once a quarter to review the quarterly performance and the financial results. The gap between two Board Meetings did not exceed four months. Four Board Meetings were held during the financial year 2010-2011 on 29.04.2010, 29.07.2010, 22.10.2010 and 29.01.2011

#### c. Attendance of each Director at the Board Meetings and the last Annual General Meeting

1.	Mr. Govind Prasad	4
2.	Mr. C.Ramasamy	4
3.	Mr. Nirmal Gadhiya	4
4.	Mr. Nand Kishore Sonthalia	3
5.	Mr. Narender Lunawat	2

Mr. Govind Prasad, Mr. C. Ramasamy, Mr. Nirmal Gadhiya, Mr. Nand Kishore Sonthalia and Mr. Narender Lunawat attended the last Annual General Meeting held on 24th September 2010.

**d. Code of Conduct**

The Code of conduct for all the members of the board / senior management of the company has been posted on the Company's website [www.metal-bml.com](http://www.metal-bml.com)

**3. AUDIT COMMITTEE**

**a. Composition**

1.	Mr. C.Ramasamy – Chairman
2.	Mr. Nirmal Gadhiya – Member
3.	Mr. Narender Lunawat – Member

**b. Brief description of terms of reference**

- Overseeing the Company's overall financial reporting process.
- Reviewing with management the quarterly and annual financial statements with primary focus on accounting policies and practices and compliance therewith, stock exchange requirements and other legal requirements concerning financial statements.
- Reviewing the internal control system, internal audit and the reports.

During the year under report, the Audit Committee met 4 times on 29.04.2010, 29.07.2010; 22.10.2010, & 29.01.2011.

**c. Attendance at the Audit Committee**

1.	Mr. C.Ramasamy	4
2.	Mr.Nirmal Gadhiya	4
3.	Mr. Narender Lunawat	2

**4. SHAREHOLDERS/ INVESTORS' GRIEVANCE COMMITTEE**

**a. COMPOSITION**

1.	Mr. C.Ramasamy – Chairman
2.	Mr. Nirmal Gadhiya – Member
3.	Mr. Narender Lunawat – Member

**b. FUNCTION**

The main function of the Committee is to look into the matter of Investors Grievance pertaining to



- i. Non Receipt of Annual Reports
- ii. Non receipt of dividends
- iii. Any other investor complaint

During the year 2010-2011, no Shareholders/investor grievance Committee meeting was held as there was no investor complaints. There was no Investor Complaints pending as on 31st March 2011.

**c. Compliance Officer :** Mr. Nand Kishore Sonthalia  
Whole Time Director

d. Investor Complaints, if any can be addressed to [investorgrievance@metal-bml.com](mailto:investorgrievance@metal-bml.com) for redressal of the same.

## 5. SHARE TRANSFER COMMITTEE

### a) Composition

1.	Mr. C. Ramasamy	- Chairman
2.	Mr. Govind Prasad	- Member
3.	Mr. Nand Kishore Sonthalia	- Member

### b) Functions

The main functions of the Committee are:

- i. Transfer, transmission, Split and consolidation of investor holding.
- ii. Dematerialisation of shares
- iii. Replacement of lost/ mutilated/ stolen share certificates.

During the year the Committee met on 29.04.2010, 10.06.2010, 30.06.2010, 29.07.2010, 26.08.2010, 22.10.2010, 13.12.2010 and 28.03.2011

There were no pending share transfers as on 31st March 2011.

## 6. REMUNERATION COMMITTEE

### a) Composition

1.	Mr. C. Ramasamy	- Chairman
2.	Mr. Nirmal Gadhiya	- Member
3.	Mr. Narender Lunawat	- Member

## Bhagwandas Metals Limited

### b) Functions

The Remuneration Committee of the Company recommends the compensation package and other terms and conditions of Executive Directors.

During the year 2010-2011, the committee met one time on 22.10.2010 for fixing the remuneration payable to Mr. Govind Prasad & Mr. Nandkishore Sonthalia.

### Attendance by Members

1.	Mr. C.Ramasamy	1
2.	Mr. Nirmal Gadhiya	1
3.	Mr. Narender Lunawat	1

### c) Remuneration policy

The remuneration of the Executive directors is recommended by the Remuneration Committee, based on criteria such as industry benchmarks, the company's performance vis-à-vis the industry and responsibilities shouldered. The company pays remuneration by way of salary and perquisites to its Executive Directors.

The Non-executive Directors are not paid any remuneration except sitting fees. Further the company has not entered into any pecuniary relationship or transactions with the Non-executive Directors.

### d) Remuneration for the year

(i) Details of the remuneration paid to the Executive Directors for the financial year ended 31st March 2011 is given below:

Name of the Director	Salary and Allowances	Contribution to funds
Mr. Govind Prasad	6,00,000	72,000
Mr. Nand Kishore Sonthalia	5,64,000	57,600

**Note:** Contribution to funds represents contributions to Provident Fund and Superannuation Fund.

(ii) Details of Sitting Fees paid to Non-Executive Directors for the financial year ended 31st March, 2011 and their Share Holding is given below:

Non-Executive Director	Sitting Fee (in Rs.)	No of Shares Held
1. Mr. C.Ramasamy	9000	200
2. Mr. Narender Lunawath	2500	-
3. Mr. Nirmal Gadhiya	5000	-



- e) Number of other Companies or Committees in which the Director is a Director and Member / Chairman of the Committee and relationship with other Directors.

Name of Directors	Number of Directorship in other Companies (excluding Private Companies)	Number of Board Committee in which member /Chairman	Relationship with other Directors
1. Mr. Govind Prasad	-	-	Father of Mr. Nand Kishore Sonthalia
2. Mr. Nand Kishore Sonthalia	-	-	Son of Mr.Govind Prasad
3. Mr.C. Ramasamy	-	-	-
4. Mr. Narender Lunawat	0	-	-
5. Mr.Nirmal Gadhiya	2	-	-

## 7. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as follows:

DATE	TIME	LOCATION
25th September 2008	10.00 a.m	Rani Seethai Hall, 603, Anna Salai, Chennai – 6
25th September 2009	10.00 a.m	Rani Seethai Hall, 603, Anna Salai, Chennai – 6
24th September 2010	10.00 am	Rani Seethai Hall, 603, Anna Salai, Chennai – 6

- a) Special Resolution passed in the past three Annual General Meetings:

2009-2010: Nil

2008-2009: Nil

2007-2008: Nil

- b) Postal Ballots:

Postal Ballot resolution passed during the last year – NIL



**8. NOTES ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT**

As required under clause 49 VI (A), particulars of Directors seeking appointment/reappointment are given in the Annexure to the Notice of the Annual General Meeting.

**9. DISCLOSURES**

- a. There were no materially significant related party transactions. i.e. transactions of the Company of material nature, with its promoters, the Directors or the management or relatives etc that may have potential conflict with the interest of the Company at large.
- b. Transactions with Related Parties are disclosed in the Notes of Accounts in Schedule 17 forming part of the Balance Sheet.
- c. During the last 3 years, there were no strictures or penalties imposed on the Company by either Stock Exchanges or SEBI or any statutory authority for non-compliance on any matter related to capital markets.
- d. Disclosure of Accounting Treatment: No differential treatment from the Accounting Standard was followed in the preparation of the financial statements.
- e. Whistle Blower Policy: The Company does not have Whistle Blower Policy. No employee has been denied accessed to approach the Audit Committee to report any serious concerns.
- f. The company has complied with all the mandatory requirements of clause 49 of the Listing Agreement and the extent of compliance of the non- mandatory requirements is given in the end of this report.
- g. Proceeds from public issue, rights issue, preferential issue etc.- No money have been raised through public/ rights/ preferential issues during the year.

**10. MEANS OF COMMUNICATION**

The Quarterly, Half yearly and the Annual results of the Company are sent to the stock exchanges immediately after the Board's approval. The results are also published in the Newspapers Makkal Kural and Trinity Mirror. As per the requirements of clause 51 of listing agreement, the quarterly financial results, share holding pattern, annual report etc, are uploaded on the website [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in) within the time frame fixed in this regard;

**11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**GLOBAL SCENARIO**

The Global Economy is progressing at a slow pace. While USA seems to be recovering from the economic turmoil, European countries are still in a recessionary trend and the crisis does not seem to be over yet. China, India and Asian countries continued to register high levels of growth and continued to be centres of significant economic activity.



However Inflation has now emerged as the major economic challenge, driven by substantial rise in prices of almost all commodities, mineral resources and energy impacting almost all industrial sectors.

### **STEEL INDUSTRY**

It has been quite an uneventful year. Markets were slow and prices were more or less stable. Demand was erratic and margins were poor. However, the positive sign is that the economic activity is picking up and growth rate is maintained. There is noticeable capacity addition in the industry and the demand seems to be fair.

### **OPPORTUNITY AND THREAT**

The Indian Government had last year announced major investments in infrastructure projects to give a boost to the economy. While some of these projects have begun, a lot of them are still in planning and execution is expected soon. There will be sustained demand for Steel products and markets should be quite stable and healthy.

There is marked capacity addition in the Steel industry both on the main as well as secondary producers level. While capacities are being added rapidly, the demand does not seem to matching the pace and there is a fear of temporary over supply. This may have pressure on prices and keep the sentiments low.

### **OUTLOOK**

The Indian economy has performed well with good growth rates reflecting strong consumer demand for almost all goods and services. The years ahead will be challenging as the government is taking steps to control inflationary growth.

Fiscal policies to control inflation will affect access to credit and could slow down investment levels as also consumer demand. The most significant impact will be from the slow down in major infrastructure projects where financial closure could lead to major delays, which is likely to affect the demand for steel.

### **RISKS & CONCERNS**

Due to the rapid capacity expansion, supply may be more than the demand. This will put pressure on the prices and margins. Competition will be stiff and increasing. The company constantly strives to adequately project itself from various business risks and concerns and take appropriate measures to address the same.

### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. These procedures are designed to ensure;

- i) That all assets and resources are used efficiently and are adequately protected.
- ii) That all the internal policies and statutory guidelines are complied with.
- iii) The accuracy and timing of financial reports and management information.

## **HUMAN RESOURCES**

Your Company considers its employees as one of the key stakeholders. It has created a Human Resources environment which fasters speed and agility in responding to the changing environment, learning and innovation to survive and prosper and integrity in all operation.

## **CAUTIONARY STATEMENT**

The report may contain statements that the Company believes or may be considered to be "forward looking statements" that describe our objectives, plans or goals. All these forward looking statements are subject to certain risks and uncertainties, including but not limited to, Government action, economic development and other factors that could cause the actual results to differ materially from those contemplated by the relevant forward looking statements.

## **GENERAL SHAREHOLDERS INFORMATION**

### **1. ANNUAL GENERAL MEETING**

DATE : 22nd September, 2011  
TIME : 10.00 a.m.  
VENUE : Rani Seethai Hall, 603, Anna Salai, Chennai – 600 006.  
FINANCIAL YEAR : 31.3.2011

### **2. TENTATIVE FINANCIAL CALENDAR**

<b>SI. NO</b>	<b>Particulars</b>	<b>Period</b>
1.	Annual General Meeting.	22nd September 2011
2.	Publication of Quarterly Results ending 30th June 2011.	Last week of July 2011.
3.	Publication of Quarterly Results ending 30th September 2011.	Last week of October 2011.
4.	Publication of Quarterly Results ending 31st December 2011.	Last week of January 2012
5.	Publication of Quarterly Results ending 31st March 2012.	Last week of April 2012



### **3. BOOK CLOSURE**

The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 13th September 2011 to Thursday, the 22nd September 2011 (both days inclusive).

#### **3A. DIVIDEND PAYMENT DATE**

On or after 28.9.2011

### **4. LISTING ON STOCK EXCHANGES**

The Company's shares are listed in the following Stock Exchanges:

- i. Madras Stock Exchange Limited  
Exchange Building 11, Second Line Beach, CHENNAI – 600 001.
- ii. Bombay Stock Exchange, P.J. Towers, Dalal Street, Fort,  
MUMBAI – 400001.

The Company has paid the listing fee to the above stock exchanges for the financial years 2010 -2011. Scrip Code : 530095

### **5. REGISTRARS AND SHARE TRANSFER AGENTS**

The Company's share transfer agents are M/s. Cameo Corporate Services Limited, Subramanian Building, V<sup>th</sup> Floor, No 1, Club House Road, Chennai – 600 002.

M/s Cameo Corporate Services Limited is acting as Common Transfer Agent for both physical and electronic transfer of Company's shares.

### **6. DEMATERIALISATION OF SHARES**

The Company has established connectivity with M/s. National Securities Depositories Limited and Central Depository Services (India) Limited to facilitate investors to trade the shares in dematerialised form. The Demat ISIN number is INE656B01019. As on 31st March 2011, about 1613315 (44.22%) of Equity shares of the Company has been dematerialised.

**7. STOCK MARKET DATA**

Month	Madras Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
	Stock Code: BHAGWANMET		Stock Code: 530095	
Apr 2010	Not quoted		6.35	5.56
May 2010	Not quoted		8.61	6.26
June 2010	Not quoted		8.63	6.28
July 2010	Not quoted		8.87	6.66
Aug 2010	Not quoted		7.98	6.70
Sep 2010	Not quoted		7.45	6.46
Oct 2010	Not quoted		7.28	5.91
Nov 2010	Not quoted		7.24	6.25
Dec 2010	Not quoted		7.27	6.05
Jan 2011	Not quoted		7.24	6.00
Feb 2011	Not quoted		6.29	5.30
Mar 2011	Not quoted		6.60	5.29

**8. DISTRIBUTION OF SHAREHOLDINGS AS ON 31.03.2011**

No. of Shares Held	Share holders		Share Amount	
	Number	% to total	Rupees	% of total
1 - 100	731	29.36	555410	1.52
101-500	1245	50.00	3505770	9.61
501-1000	234	9.40	1977780	5.42
1001-2000	167	6.71	2464000	6.75
2001-3000	36	1.45	914840	2.51
3001-4000	18	0.72	627660	1.72
4001-5000	11	0.44	510660	1.40
5000-10000	26	1.04	1824780	5.00
10000 and above	22	0.88	24107100	66.07
<b>Total</b>	<b>2490</b>	<b>100.00</b>	<b>36488000</b>	<b>100.00</b>



### 9. PATTERN OF SHARE HOLDINGS AS ON 31.03.2011

Category	No.of Holders	No. of Shares Held	Percentage of Share holding
1. Promoters	2	253925	6.96
2. Directors / Relatives	18	1846907	50.62
3. Clearing Member	-		
4. Corporate Body	59	274808	7.53
5. NRI	45	27576	0.76
6. Resident	2366	1245584	34.13
Grand Total	2490	3648800	100.00

### 10. GODOWN ADDRESS

Sadayankuppam Village Road,  
Manali, Chennai 600 103.

### 11. ADDRESS FOR CORRESPONDENCE

New No 54 (Old No 61) Sembudoss Street,  
First Floor, Chennai 600 001.

12. Email for Investor Grievance Redressal: The Investor compliance, if any, can be redressed to [investorgrievance@metal-bml.com](mailto:investorgrievance@metal-bml.com) for redressal of the same.

### NON MANDATORY REQUIREMENTS

The Company has adopted the following non-mandatory requirements of Corporate Governance recommended under Clause 49 of the Listing Agreement:

#### I) CHAIRMAN OF THE BOARD

The Company maintains the office of the chairman at its registered office and also reimburse the expenses incurred in performance of duties.

#### II) REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee to analyse the skills of the management. The policy of the Committee is to continuously monitor the availability of the potential skill and also to recommend suitable salary package.

**iii) SHARE HOLDERS RIGHTS**

By way of disclosure in News Papers, the shareholders have an access to the unaudited financial results including summary of major events and information on any accounting policies as regards the audited accounts through Annual Reports.

**iv) POSTAL BALLOT**

The Company does not contemplate the need to pass any resolution under postal ballot in the immediate future.

**v) AUDIT QUALIFICATION**

The company has unqualified financial statement.

**vi) TRAINING OF BOARD MEMBERS**

Periodical meetings are held with outside skilled consulting agencies for Board Members to appraise them in recent developments and existing laws and practices.

**vii) MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS**

-Same as above-

**viii) WHISTLE BLOWER POLICY**

As mentioned earlier, the company does not have Whistle Blower Policy.

**DECLARATION**

I, Govind Prasad, Chairman-cum-Managing Director of the Company, hereby declare that the Board of Directors has laid down a code of conduct for its Board Members and Senior Management of the Company and Board Members have affirmed Compliance with the said code of conduct.

For and on behalf of the Board of Directors

Place: Chennai

Date: 22.07.2011

Sd/-  
**GOVIND PRASAD**  
Chairman-cum-Managing Director



**CEO/CFO CERTIFICATION**

**The Board of Directors  
Bhagwandas Metals Limited  
Chennai**

We, Govind Prasad, Chairman cum Managing Director and Nandkishore Sonthalia, Whole time director of Bhagwandas Metals Limited, on the basis of the review of the financial statements and cash flow statement for the year ended 31st March, 2011 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2011 are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or purpose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee:
  - there have been no significant changes in internal control over financial reporting during the year covered by this report.
  - there have been no significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements.
  - There have been no instances of significant fraud of which we have become aware, and the involvement therein, of management or an employee having significant role in the company's internal controls system over financial reporting.

**Sd/-  
GOVIND PRASAD  
Chairman-cum-Managing  
Director**

**Sd/-  
NAND KISHORE SONTHALIA  
Whole time Director**

Place : Chennai  
Date : 22.07.2011



**Compliance Certificate**

**Registration No. 18-009418**  
**Authorised Capital: Rs. 5,00,00,000/-**

To,  
The Members,  
**M/s. BHAGWANDAS METALS LIMITED**

We have examined the registers, records, books and papers of M/s. BHAGWANDAS METALS LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2011. In our opinion and to the best of our information and according to the examinations carried out by us and information, explanations and declarations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies at the dates specified therein.
3. The company being a public limited company the applicability of Section 3(1)(iii) does not arise.
4. The Board of Directors met 4 (FOUR) times on 29.04.2010, 29.07.2010, 22.10.2010 & 29.01.2011 in respect of which meetings the proceedings were recorded in the Minutes Book maintained for the purpose.
5. The company had opted to close its Register of Members during the financial year under review from 13-Sep-2010 to 24-Sep-2010 (both days inclusive) and has complied with the provisions of Section 154 of the Act.
6. The Annual general meeting of the company for the financial year ended on 31.03.2010 was held on 24.09.2010 and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extraordinary Meeting of members was held during the year under review as per the records provided and information given to us by the management.
8. As per the information and declaration given by the management the company had not granted any loans to directors or persons or firms or companies referred in the provisions of Section 295 of the Act.



**LAKSHMI SUBRAMANIAN & ASSOCIATES**

Continued Sheet

9. As per the information and explanation given by the management, the Company has not entered into any contracts / inter-se transactions with parties specified in section 297 of the Act, during the financial year under review.

10. The company has made necessary entries in the register maintained under section 301 of the Act.

11. According to the information, explanations and declaration furnished by the management, there was no instance failing within the purview of section 314 of the Companies Act, 1956 and hence the company was not required to obtain any approval from the Board of Directors, members, Central Government during the financial year under review.

12. The Board of Directors or duly constituted committee of Directors has not received any request for issue of duplicate share certificates during the year under review.

13. The Company, during the financial year under review, had:

i) delivered all the certificate on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act and there was no allotment of shares.

ii) not declared any dividend / interim dividend during the financial year and hence the question of opening a separate bank account with in the stipulated period does not arise.

iii) not declared any dividend and hence the question of payment / posting of dividend warrants within the stipulated time and transfer of unpaid / unclaimed dividend to "unclaimed dividend account" of the company does not arise.

iv) no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed / unpaid to be transferred to Investor Education and Protection Fund.

v) Generally Complied with the requirements of section 217 of the Act.

14. The Board of Directors of the company is well constituted, and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy has been made during the financial year under review.

15. The Company has re-appointed Managing Director/ Whole-time director during the financial year under review and the company is in the process of filing the necessary returns with Registrar of Companies.

16. The Company had not appointed any sole-selling agents during the financial year under review.

17. The Company had no transaction, which necessitated the Company to seek any approval from the Company Law Board, Regional Director, Registrar of Companies, and Central Government during the financial year under review.

18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company had not issued shares/debentures/other securities during the financial year under review.
20. The company had not bought back any shares during the financial year under review.
21. The company had not issued any redeemable preference Shares/debentures; and hence the question of redeeming any preference shares/debentures does not arise.
22. The Company had not kept in abeyance rights to dividend, rights shares, and bonus shares pending registration of transfer of shares during the financial year under review.
23. According to the information and explanation given by the management, the company had not accepted any deposits from any person and hence the question of complying with the provisions of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 does not arise.
24. The amount borrowed by the Company from banks and financial institutions during the financial year under review are within the borrowing limits of the company as fixed by the Board of Directors in terms of Section 292 of the Act. Since the borrowings made by the company is within the limits laid under Section 293(1)(d) of the Companies Act 1956, the question of compliance of the provisions of the said section does not arise.
25. According to the information, explanations and declaration furnished by the management, the company had not made any loans/ investments / given guarantees or provided securities to other bodies corporate during the year under review and have made necessary entries in the register for the purpose.
26. The company had not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.
27. The company had not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company had not altered the provisions of the memorandum with respect to name during the year under scrutiny.
29. The company had not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company had not altered its articles of association during the financial year under review.

**LAKSHMMI SUBRAMMANIAN & ASSOCIATES**

Continued Sheet

31. According to the information, explanations and declaration furnished by the management, no prosecution has been initiated against the Company or no show cause notices has been received by the company for any alleged offences under the Act and hence the question of fine or penalties does not arise.

32. The company had not received any amount as security from its employees during the financial year; hence the applicability of the provisions of section 417(1) of the Act does not arise.

33. According to the information and explanations furnished by the management, the Company had not constituted its own Provident Fund pursuant to the provisions of Section 418 of the Companies Act 1956, however the company had generally been regular in depositing both the employers and employees contribution to the Provident Fund with prescribed authorities.

Place: Chennai  
Date: 22.07.2011

Name of Company Secretary : Lakshmmi Subramanian  
C. P. No. : 1087

**Annexure A****Registers as maintained by the Company**

1. Register of Members u/s 150 of the Companies Act, 1956 (Computerized)
2. Register of Directors u/s 303 of the Companies Act, 1956 (Computerized)
3. Register of Directors Shareholdings u/s 307 of the Companies Act, 1956 (Computerized)
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299, 301 and 301(3) of the Companies Act, 1956
5. Minutes of the Annual General Meeting/Extra Ordinary General Meeting & Board Meetings u/s 193 of the Companies Act, 1956.
6. Register of Charges u/s 143 of the Companies Act. 1956.

**Annexure B**

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March 2011

Name of the Document	Date of Event	Date of filing	Due Date	Remarks
From 20 B	24.09.2010	23.11.2010	23.11.2010	In time
Form 23 AC & ACA	31.03.2010	01.10.2010	24.10.2010	In time
Form 66	24.09.2010	01.10.2010	24.10.2010	In time
Form 8	06.03.2010	09.04.2010	05.04.2010	Belatedly

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**To the Members of**

**BHAGWANDAS METALS LIMITED, Chennai.**

We have examined the compliance of the conditions of Corporate Governance by **M/s. Bhagwandas Metals Limited** for the year ended 31.03.11 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statement of the Company. In our opinion and to the best of our information and explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period not exceeding one month against the Company as certified by the Registrars of the Company.

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.

**For R.R.MORE & CO.,**  
Chartered Accountant

Place: Chennai  
Date: 22.07.11

**Sd/-**  
**CA.Raja Ram More**  
Proprietor  
M.No.021233  
FR. No.2133S



**AUDITORS' REPORT**

To the Shareholders of

**BHAGWANDAS METALS LIMITED, Chennai.**

1. We have audited the attached Balance Sheet of BHAGWANDAS METALS LIMITED, as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. 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 have 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 by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 it appears from our examination of those books;

c. The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;

d. In our opinion, the Balance Sheet, the Profit and Loss Account and the 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;

e. On the basis of the written representation received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, none of the Directors is disqualified from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon, give the information

**Bhagwandas Metals Limited**

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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 :

- i. In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2011; and
- ii In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.
- iii. In the case of cash flow statement, of the cash flow for the year ended on that date.

**For R.R. MORE & Co.**  
Chartered Accountants

Place : Chennai  
Date : 22.07.11

**Sd/-**  
**C.A. RAJA RAM MORE**  
Proprietor  
Membership No. 21233  
Firm No.2133S



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**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in Paragraph (3) of our report of even date)

In terms of the information and explanations given to us and books and records examined by us in normal course of audit and to the best of our information and belief, we state that:

- 1) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b. The fixed assets were physically verified during the year and no discrepancies were noticed during such verification.  
c. The Company has not sold substantial portion of Fixed Assets during the year.
- 2) a. The management has conducted physical verification of inventory at reasonable intervals.  
b. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c. On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between physical stock and the book records were not material in relation to the operations of the Company.
- 3) The Company has neither granted nor taken any loans secured or unsecured, from Companies, firms, or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted/ taken any loans, secured or unsecured, to / from parties listed in the registers maintained under Section 301 of the Companies Act, 1956 paragraphs iii (b) (c) (d) (e) & (f) of the Order, are not applicable.
- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- 5) a. According to the information and explanations given to us we are of the opinion that the transactions that need to be entered into the register maintained under Sections 301 of the Companies Act, 1956 have been so entered.  
b. In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or agreements entered into the register maintained under Section 301 of the act have been made at prices which are generally reasonable considering the strategic relationship and having regard to the prevailing market prices at the relevant time.
- 6) The Company has not accepted any deposits under the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under;



## **Bhagwandas Metals Limited**

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- 7) The internal audit for the Company has been carried out during the year and the system and procedures adopted by the Company is adequate commensurate with the size and nature of the Company.
- 8) To the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956 for the products of the Company.
- 9) a. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including Provident fund, investor education and protection fund, employees state insurance, Income Tax, Sales Tax, Wealth tax, Service Tax, Customs duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities.
- b. As at 31st March 2011 according to the records of the Company and information and explanations given to us, there is no undisputed dues on account of Sales Tax, Income Tax, Excise Duty, Wealth Tax, Service Tax, Customs duty and Cess which is outstanding for a period of more than 6 months from the date they became applicable.
- 10) Based on our audit procedures and information and explanations given by the management the Company has not defaulted in repayment of dues to any financial institutions (or) Bank.
- 11) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 12) The Company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- 13) 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 Companies (Auditors Report) (Amendment) Order, 2004 are not applicable to the Company.
- 14) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 15) According to the information and explanations given to us, the loans have been applied for the purpose for which they were obtained.
- 16) According to the information and explanations given to us, and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short term basis have been used for long term investment.



- 17) The Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 18) The Company has not issued any debentures during the year.
- 19) The Company has not raised any money through a public issue during the year.
- 20) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported that during the course of our audit.

**For R.R. MORE & Co.**  
Chartered Accountants

Place : Chennai  
Date : 22.07.2011

Sd/-  
**C.A. RAJA RAM MORE**  
Proprietor  
Membership No. 21233  
Firm No.2133S

**BALANCE SHEET AS AT MARCH 31, 2011**

(in Rs.)

Particulars	Schedule	ASAT 31.03.2011	ASAT 31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	3,64,68,500	3,64,68,500
Reserves & Surplus	2	2,93,19,686	2,83,90,601
<b>Loan Funds</b>			
Secured Loans	3	6,42,608	1,95,41,544
Unsecured Loans	4	-	1,01,39,150
<b>Total</b>		<b>6,64,30,794</b>	<b>9,45,39,795</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block		46,82,144	45,67,944
Less: Depreciation		28,51,781	22,82,171
Net Block	5	18,30,363	22,85,773
<b>Current Assets Loans &amp; Advances</b>			
Inventories	6	2,88,11,806	1,94,92,220
Sundry Debtors	7	6,86,44,942	9,32,06,554
Cash & Bank Balances	8	1,75,19,826	22,10,671
Loans & Advances	9	81,56,794	1,45,23,992
		12,31,33,368	12,94,33,437
<b>Less: Current Liabilities &amp; Provisions</b>	10	<b>5,88,61,937</b>	<b>3,74,25,415</b>
<b>Net Current Assets</b>		<b>6,42,71,431</b>	<b>9,20,08,022</b>
Deferred Tax (Net)	11	3,29,000	2,46,000
<b>Total</b>		<b>6,64,30,794</b>	<b>9,45,39,795</b>

Schedules 1 to 11 and 17 form integral part of this Balance Sheet

For and on behalf of the Board

As per my report of even date

For **R.R. MORE & Co.**

Chartered Accountants

Sd/-  
**GOVIND PRASAD**  
Chairman-cum-Managing  
Director

Sd/-  
**NAND KISHORE SONTHALIA**  
Director

Sd/-  
**C.A. RAJA RAM MORE**  
Proprietor  
M. No. 21233

Place : Chennai  
Date : 22-07-2011



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

(in Rs.)

Particulars	Schedule	Year ended 31.03.2011	Year ended 31.03.2010
<b>INCOME</b>			
Sales		69,44,92,565	55,23,36,428
Other Income		11,81,138	35,05,472
Increase / (Decrease) in Inventories	12	93,19,586	65,97,492
<b>Total [A]</b>		<b>70,49,93,289</b>	<b>56,24,39,392</b>
<b>EXPENDITURE</b>			
Purchase - Trading		65,81,96,398	52,69,80,479
Trading Expenses	13	2,79,00,298	1,59,54,945
Administrative Expenses	14	55,99,567	84,57,792
Selling & Distribution Expenses	15	58,54,278	51,97,778
Financial Charges	16	18,07,617	12,60,901
Depreciation		5,69,610	6,90,542
<b>Total [B]</b>		<b>69,99,27,768</b>	<b>55,85,42,437</b>
<b>NET PROFIT / (LOSS) [A-B]</b>		<b>50,65,521</b>	<b>38,96,955</b>
PROVISION FOR TAXATION		16,75,000	13,50,000
PROVISION FOR DEFERRED TAX		(83,000)	(1,46,000)
<b>NET PROFIT / (LOSS) AFTER TAXATION</b>		<b>34,73,521</b>	<b>26,92,955</b>
LESS: PROPOSED DIVIDEND		21,89,280	-
LESS: DIVIDEND TAX		3,55,156	-
<b>NET PROFIT AFTER APPROPRIATION</b>		<b>9,29,085</b>	<b>-</b>
PROFIT / (LOSS) BROUGHT FORWARD		61,70,237	34,77,282
TRANSFERRED TO BALANCE SHEET		70,99,322	61,70,237
Notes on Accounts	17		
Earnings per share		0.95	0.74

Schedules 12 to 17 form integral part of this Profit & Loss Account.

For and on behalf of the Board

As per my report of even date  
For R.R. MORE & Co.  
Chartered Accountants

Sd/-  
**GOVIND PRASAD**  
Chairman-cum-Managing  
Director

Sd/-  
**NAND KISHORE SONTALIA**  
Director

Sd/-  
**C.A. RAJA RAM MORE**  
Proprietor  
M. No. 21233

Place : Chennai  
Date : 22.07.2011

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

<b>PARTICULARS</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b><u>SCHEDULE 1 : SHARE CAPITAL</u></b>		
<b>AUTHORISED :</b>		
5000000 Equity Shares of Rs 10/- each	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
3648800 Equity Shares of Rs 10/- each	<b>3,64,88,000</b>	<b>3,64,88,000</b>
Less: Calls Unpaid	<b>19,500</b>	<b>19,500</b>
	<b>3,64,68,500</b>	<b>3,64,68,500</b>
<b><u>SCHEDULE 2: RESERVES &amp; SURPLUS</u></b>		
Share Premium	<b>2,16,68,500</b>	<b>2,16,68,500</b>
General Reserve:	<b>5,51,864</b>	<b>5,51,864</b>
Profit & Loss Account	<b>70,99,322</b>	<b>61,70,237</b>
	<b>2,93,19,686</b>	<b>2,83,90,601</b>
<b><u>SCHEDULE 3: SECURED LOANS</u></b>		
Cash Credit - Punjab National Bank (Secured by hypothecation of Stock, Debtors & Current Assets of the company and personally guaranteed by Mr. Govind Prasad & Mr. Nand Kishore Sonthalia Directors of the company)		<b>1,83,34,859</b>
Hire Purchase Finance Loan (Secured by specific fixed assets)	<b>6,42,608</b>	<b>12,06,685</b>
	<b>6,42,608</b>	<b>1,95,41,544</b>
<b><u>SCHEDULE 4: UNSECURED LOANS</u></b>		
FLC – HSBC Bank Funding		<b>1,01,39,150</b>
		<b>1,01,39,150</b>



(In Rs.)

**SCHEDULE 5 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK	
	As on 01.04.2010	Addition / (Deletion) during the year	As on 31.03.2011	As on 01.04.2010	for the year	As on 31.03.2011	As on 31.03.2010
Cutting & Strengthening Machinery	243,660.00		243,660.00	144,463.00	13,798.00	158,261.00	99,197.00
Furniture & Fixtures	677,635.00	5,200.00	682,835.00	607,704.00	13,361.00	621,065.00	69,931.00
Office Equipment	736,209.00	6,150.00	742,359.00	500,305.00	33,302.00	533,607.00	235,904.00
Computer	275,472.00	102,850.00	378,322.00	213,246.00	61,860.00	275,106.00	62,226.00
Air Conditioner	332,162.00		332,162.00	135,799.00	27,314.00	163,113.60	196,363.00
Vehicles	2,302,806.00		2,302,806.00	680,654.00	419,975.00	1,100,629.00	1,622,152.00
<b>TOTAL</b>	<b>4,567,944.00</b>	<b>114,200.00</b>	<b>4,682,144.00</b>	<b>2,282,171.00</b>	<b>569,610.00</b>	<b>2,851,781.00</b>	<b>2,285,773.00</b>
Previous Year	4,392,239.00	175,705.00	4,567,944.00	1,591,629.00	690,542.00	2,282,171.00	2,800,610.00

**Bhagwandas Metals Limited**

<b>PARTICULARS</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>SCHEDULE 6: INVENTORIES</b>		
<b>(As certified by the Management)</b>		
Trading Stock	<b>28,811,806</b>	<b>1,94,92,220</b>
	<b>28,811,806</b>	<b>1,94,92,220</b>
<b>SCHEDULE 7: SUNDRY DEBTORS</b>		
<b>(Unsecured Considered Good)</b>		
Debts outstanding for more than six months	<b>98,09,256</b>	<b>1,08,34,426</b>
Other Debts	<b>5,88,35,686</b>	<b>8,23,72,128</b>
	<b>6,86,44,942</b>	<b>9,32,06,554</b>
<b>SCHEDULE 8: CASH &amp; BANK BALANCES</b>		
Cash in Hand	<b>3,77,996</b>	<b>1,64,027</b>
Balance with scheduled Bank		
(I) In Current Account	<b>1,20,02,700</b>	<b>1,02,706</b>
(II) In Deposit Account	<b>51,39,130</b>	<b>19,43,938</b>
	<b>1,76,19,826</b>	<b>22,10,671</b>
<b>SCHEDULE 9: LOANS &amp; ADVANCES</b>		
<b>(Unsecured considered good)</b>		
Advances (recoverable in cash or kind or for the value to be received)	<b>36,48,419</b>	<b>91,35,377</b>
Deposits	<b>29,67,124</b>	<b>29,81,862</b>
Income Tax	<b>15,41,251</b>	<b>24,06,753</b>
	<b>81,56,794</b>	<b>1,45,23,992</b>
<b>SCHEDULE 10: CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
(I) Creditors for Materials	<b>4,48,93,744</b>	<b>2,65,39,105</b>
(II) Other Liabilities	<b>87,45,490</b>	<b>86,46,982</b>
<b>B. PROVISIONS</b>		
(I) Provision for Taxation	<b>18,27,815</b>	<b>15,03,507</b>
(II) Gratuity and Bonus	<b>8,50,452</b>	<b>7,35,821</b>
(III) Proposed Dividend	<b>21,89,280</b>	
(IV) Provision for Dividend Tax	<b>3,55,156</b>	
	<b>5,88,61,937</b>	<b>3,74,25,415</b>



<b>PARTICULARS</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b><u>SCHEDULE 11: DEFERRED TAX (Net)</u></b>		
Deferred Tax Asset		
Provision for employee related expenses	2,63,000	2,27,000
Difference between book and IT depreciation	66,000	19,000
Deferred Tax Assets (Net)	<u>3,29,000</u>	<u>2,46,000</u>
<b><u>SCHEDULE 12: INCREASE / DECREASE IN INVENTORIES</u></b>		
Closing Stock	2,88,11,806	1,94,92,220
Less: Opening Stock	<u>1,94,92,220</u>	<u>1,28,94,728</u>
	<u>93,19,586</u>	<u>65,97,492</u>
<b><u>SCHEDULE 13: TRADING EXPENSES</u></b>		
Carriage Inward	20,74,420	32,33,050
Custom Duty	1,95,60,226	98,53,583
Clearing & Forwarding	62,65,652	28,68,312
	<u>2,79,00,298</u>	<u>1,59,54,945</u>
<b><u>SCHEDULE 14: ADMINISTRATIVE EXPENSES</u></b>		
Audit Fee		
- Statutory Audit	16,545	16,545
- Tax Audit	5,515	5,515
Advances Written Off	-	5,52,713
Bad Debts	2,08,785	21,84,424
Director's Remuneration & Related Expenses	10,89,869	10,90,650
Donation	21,000	-
Electricity Charges	1,70,517	1,59,891
General Expenses	1,81,932	1,46,315
Insurance	57,158	62,784
Other Miscellaneous Expenses	3,19,244	2,17,054
Postage & Telephone Charges	2,26,034	2,81,465
Printing & Stationery	80,729	65,555
Professional Charges	3,38,053	3,45,663
Rates & Taxes	2,20,769	3,58,619
Rent	7,74,000	8,07,120
Repairs & Maintenance	1,36,192	1,20,992
Salaries & Other Benefits	12,35,135	13,45,135
Subscription Charges	26,406	35,817
Sitting Fees	19,500	18,500
Forex Gain / Loss Account	-	1,03,541
Service Charges	41,085	18,565
Share Transfer Expenses	70,228	69,200
Traveling & Conveyance Expenses	1,42,303	2,93,542
Vehicle Running & Maintenance	2,18,563	1,58,187
	<u>65,99,567</u>	<u>84,57,792</u>



**Bhagwandas Metals Limited**

<b>PARTICULARS</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>SCHEDULE 15: SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement	51,763	2,33,905
Brokerage & Commission	1,58,207	9,50,102
Carriage Outward & Cooly Charges	55,09,433	39,46,687
Sales Promotion	1,34,875	67,084
	<b>58,54,278</b>	<b>51,97,778</b>
<b>SCHEDULE 16: FINANCIAL CHARGES</b>		
LC & Bank Charges	8,70,633	4,99,991
Interest	9,36,984	7,60,910
	<b>18,07,617</b>	<b>12,60,901</b>

**SCHEDULE 17: NOTES ON ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES****a. Accounting Convention**

Accounts are prepared under the historical cost convention and on the basis of going concern concept.

**b. Sales**

Sales are recognised on despatch to customers.

**c. Fixed Assets**

All fixed assets are valued at cost less depreciation.

**d. Depreciation**

Depreciation has been provided on written down value basis at the rates applicable in Schedule XIV of the Companies Act, 1956.

**e. Inventories**

Trading Stock is valued at cost or net realisable value whichever is less.

**f. Gratuity and Provident Fund****(i). Defined Contribution Plan:**

Contribution as per the Employees provident fund & miscellaneous provisions act 1952 towards provident fund & family pension fund are provided for and payments in respect there of are made to relevant authorities on actual basis and accounted as an expense in the year it is incurred.

**(ii). Defined Benefit Plan:****Gratuity:**

The company provides for the gratuity concerning all employees. The plan provides for lump sum payment to employees on retirement, death while in employment or on termination of employment. The company accounts for liability of future gratuity benefit on projected unit credit method carried on annually for assessing liability as at the balance sheet date.



### g. Taxation

Income Tax expenses comprises of current and deferred tax charge or realisation. The deferred tax charge or credit is recognised subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

When there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised if there is a certainty of realisation of such assets. Such assets are reviewed at each Balance Sheet date to reassess realisation.

2. **CONTINGENT LIABILITIES:** As per the information provided by the management there is no contingent liability against the company.

### 3. TRADING ACTIVITY

Information regarding opening stock, turnover and closing stock

Particulars	Year Ended 31.03.2011		Year Ended 31.03.2010	
	Qty Mts	Value (in Rs)	Qty Mts	Value (in Rs)
A. Opening Stock	769.641	1,94,92,220	512.447	1,28,94,728
B. Purchases	25,251.344	65,81,96,398	21,458.722	65,81,96,398
C. Turnover	24,833.009	69,44,92,565	21,201.528	69,44,92,565
D. Closing Stock	1187.976	2,88,11,806	769.641	1,94,92,220

### 4. MANAGERIAL REMUNERATION

Paid/Payable to Whole Time Director	For the year 2010-2011	For the year 2009-2010
Salaries	10,80,000	10,80,000
House Rent Allowance	84,000	84,000
<b>Total</b>	<b>11,64,000</b>	<b>11,64,000</b>

**5. Parties balances are subject to confirmation**

**6. OTHER INCOME**

Other income includes the following:

Particulars	For the year 2010-2011	TDS For the Year 2010 – 2011	For the year 2009-2010	TDS For the Year 2009 - 2010
Interest Earned	11,02,955	41,251	2,37,132	25,173
Miscellaneous Income	78,183	-	32,68,340	-
<b>Total</b>	<b>11,81,138</b>	<b>41,251</b>	<b>35,05,472</b>	<b>25,173</b>

**7. SALARIES AND OTHER BENEFITS**

Salaries and other benefits include the following:

Particulars	For the year 2010-2011	For the year 2009-2010
Salaries and Bonus	8,32,630	7,60,302
Contribution to Provident Fund And Other Funds	2,50,745	2,29,545
Staff Welfare Expenses	39,760	46,114
Gratuity	1,12,000	3,09,173
<b>Total</b>	<b>12,35,135</b>	<b>13,45,134</b>

**8. RELATED PARTY DISCLOSURE**

**A. List of Related Parties**

Name of the Related Party	Nature of Relationship
MGM Steels	A Partnership concern in which our chairman Mr. Govind Prasad is a Partner.

**B. Key Management Personnel and their relatives**

- Mr. Govind Prasad, Chairman-cum-Managing Director
- Mrs. Gita Agrawal (Wife)
- Mr. Nand Kishore Sonthalia (Director)
- Mrs. Bobby Sonthalia (Wife)

**C. RELATED PARTY TRANSACTIONS**

Name of the Related Party	Nature of Transactions	Value	
		31.03.2011	31.03.2010
Govind Prasad	Salary & Allowance	6,00,000	6,00,000
Nand Kishore Sonthalia	Salary & Allowance	4,80,000	4,80,000
Gita Agrawal	Rent Paid	1,80,000	1,80,000
Bobby Sonthalia	Rent Paid	6,00,000	6,00,000

**9. SEGMENT REPORTING**

Since the Company is not a manufacturing company and the operations are only in India, segment reporting is not applicable to the company.

**10. DISCLOSURE IN ACCORDANCE WITH REVISED AS-15 ON "EMPLOYEES BENEFITS"**

Accrued Gratuity Liability	As on 31-	As on 31-
	Mar-2011	Mar-2010
<b>Movements in Accrued Liability</b>		
	In Rs. 000's	In Rs. 000's
Accrued Liability as at beginning of the period:	712	496
Interest Cost	57	36
Current Service Cost	10	231
Past Service Cost	0	0
Curtailment Cost	0	0
Settlement Cost	0	0
Benefits Paid	0	(93)
Actuarial gain / loss	(46)	42
<b>Accrued Liability as at the end of the period:</b>	<b>824</b>	<b>712</b>
(No Fund is being maintained)		
Amounts to be recognized in the Balance Sheet		

**Bhagwandas Metals Limited**

Sheet	In Rs. 000's	In Rs. 000's
Present Value of obligations as on the accounting date:		
Fair Value of the Plan Assets:	824	712
(Zero as no fund is being maintained)	0	0
Liability to be recognized in the Balance Sheet:	(824)	(712)
<b>Expenses to be recognized in P/L Account</b>	<b>In Rs. 000's</b>	<b>In Rs. 000's</b>
Interest Cost	57	36
Current Service Cost	101	231
Past Service Cost	0	0
Expected Return on Plan Assets	0	0
Curtailment Cost (Credit)	0	0
Settlement Cost (Credit)	0	0
Net Actuarial (gain) / loss	(46)	42
<b>Net Expenses to be recognized in P/L a/c</b>	<b>112</b>	<b>309</b>
<b>Reconciliation</b>		
	<b>In Rs. 000's</b>	<b>In Rs. 000's</b>
Net Liability as at the beginning of the period:	712	496
Net Expenses in P/L a/c	112	309
Benefits Paid	0	(93)
<b>Net Liability as at the end of the period:</b>	<b>824</b>	<b>712</b>
<b>Principal Actuarial Assumptions</b>		
Interest Rate (Liabilities)	8.00%	8.00%
Return on Assets	N.A.	N.A.
Mortality Table	LIC(94-96)	LIC(94-96)
Resignation Rate per annum	0.00%	0.00%
Salary Escalation Rate	10.00%	10.00%

**11. EARNINGS PER SHARE**

Particulars	31.03.2011	31.03.2010
Profit/(loss) after tax	34,73,521	26,92,955
No. of Equity Shares	36,48,800	36,48,800
Face Value per Share	Rs. 10	Rs. 10
Basic Earnings Per Share for the year	Rs. 0.95	Rs.0.74

12. Interest under Schedule 15 includes interest on fixed loan of Rs 1,31,479/- (31.03.2010 -Rs. 1,69,665/-)



	For the year 2010-2011	For the year 2009-2010
13. Earnings in foreign currency	Nil	Nil
14. FOB value of Exports (in Rupees)	Nil	Nil
15. Expenditure in foreign currency	Nil	Nil
16. Value of imports on CIF basis (in Rupees)	19,92,03,896	7,65,09,25€

17. Under the Micro, Small & Medium Enterprises Development Act 2006, certain disclosures are to be made relating to such enterprises. In view of the insufficient information from suppliers regarding their coverage under the said act, no disclosures have been made in the accounts. However, in view of the management, the impact of interest if any, that may be payable in accordance with the provisions of the act is not expected to be material.

18. The company has provided interest for electricity payable up to 31-03-2001. In view of the cases filed by the company before the Hon'ble High Court disputing the amount due, the management is of the opinion that there will not be further liability on the company beyond the amount already provided for.

19. Previous year figures have been reclassified/ regrouped wherever found necessary.

For and on behalf of the board

As per our report of even date

For **R.R. More & Co**  
Chartered Accountants

Sd/-  
**GOVIND PRASAD**  
Chairman-cum-Managing  
Director

Sd/-  
**NAND KISHORE SONTHALIA**  
Director

Sd/-  
**C.A. RAJA RAM MORE**  
Proprietor  
M. No. 21233

Place: Chennai  
Date : 22-07-2011

**Bhagwandas Metals Limited**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

(In Rs.)

<b>PARTICULARS</b>	<b>2010-2011</b>	<b>2009-2010</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	50,65,521	38,96,955
Adjustments for:		
Depreciation	5,69,610	6,90,542
Interest & Financial Charges	18,07,617	12,60,901
Interest Income	(11,02,955)	(2,37,132)
<b>Operating Profit Before Working Capital Changes</b>	<b>63,39,793</b>	<b>56,11,266</b>
Adjustments for:		
(Increase)/Decrease in inventories	(93,19,586)	(65,97,492)
(Increase)/Decrease in Trade & Other Receivables	2,93,87,559	(4,77,02,440)
Increase/(Decrease) in Trade & Other Payables	1,72,17,087	2,25,26,139
<b>Cash Generated from Operations</b>	<b>4,36,24,853</b>	<b>(2,61,62,527)</b>
Interest & Financial Charges Paid	(18,07,617)	(12,60,901)
Direct Taxes Paid	15,41,251	20,60,000
Interest Income	11,02,955	2,37,132
<b>Net Cash from Operating Activities(A)</b>	<b>4,44,61,442</b>	<b>(2,51,26,296)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,14,200)	(1,75,705)
Sale of Fixed Assets	-	-
<b>Net Cash Used in Investing Activities(B)</b>	<b>(1,14,200)</b>	<b>(1,75,705)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of finance Liabilities	(1,01,39,150)	1,01,39,150
Increase/(Decrease) in Bank Borrowings	(1,88,98,936)	1,47,76,932
Dividend Paid	-	-
<b>Net Cash Used in Financing Activities(C)</b>	<b>(2,90,38,086)</b>	<b>2,49,16,082</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>1,53,09,156</b>	<b>(3,85,919)</b>
<b>OPENING CASH AND CASH EQUIVALENTS (Cash and Bank balances)</b>	<b>22,10,671</b>	<b>25,96,590</b>
<b>CLOSING CASH AND CASH EQUIVALENTS(D+E) (Cash and Bank balances)</b>	<b>1,75,19,827</b>	<b>22,10,671</b>

For and on behalf of the Board

As per my report of even date  
For R.R. More & Co.  
Chartered Accountants

Sd/-  
**GOVIND PRASAD**  
Chairman-cum-Managing  
Director

Sd/-  
**NAND KISHORE SONTALIA**  
Director

Sd/-  
**C.A. RAJA RAM MORE**  
Proprietor  
M. No. 21233

Place : Chennai  
Date : 22.07.2011



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.      State code.

Balance Sheet Date          
Date Month Year

**II. Capital Raised during the year (Amount in Rupees)**

Public Issue

Rights Issue

Bonus Issue

Private Placement

Conversion

**III. Position of Mobilisation and Deployment of Funds (Amounts in Rupees)**

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investment

Net Current Assets

Deferred Tax

Accumulated Losses



**IV. Performance of Company (Amount in Rupees)**

Turnover	Total Expenditure
6 9 4 4 9 2 5 6 5	6 9 9 9 2 7 7 6 8
+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax
<input checked="" type="checkbox"/> 5 0 6 5 5 2 1	<input checked="" type="checkbox"/> 3 4 7 3 5 2 1
Earning Per Share in Rs.	Dividend Rate %
0 . 9 5	6

**V. Generic Names of Two Principle Products / Services of Company (as per monetary terms)**

Item Code No. (ITC Code) 7 2 . 1 3 . 2 0 0 9

Product Description M S A N G L E S

Item Code No. (ITC Code) 7 2 . 1 6 . 3 3 0 0

Product Description A N G L E S S H A P E S

For and on behalf of the Board

As per my report of even date  
For **R.R. MORE & Co.**  
Chartered Accountants

Sd/-  
**GOVIND PRASAD**  
Chairman-cum-Managing  
Director

Sd/-  
**NAND KISHORE SONTALIA**  
Director

Sd/-  
**C.A. RAJARAM MORE**  
Proprietor  
M. No. 21233

Place : Chennai  
Date : 22-07-2011



# Bhagwandas Metals Limited

54, (Old No.61), Sembudoss Street, Chennai - 600 001

## ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Meeting hall.

Name of the attending member .....

Folio No. .... No. of shares .....

Name of Proxy\* .....

\*(If proxy attends instead of member)

I hereby record my presence at the Twenty Ninth Annual General Meeting of the Company.

Venue : RANI SEETHAI HALL, 603, Anna Salai, CHENNAI - 600 006.

Date : Thursday, 22nd September, 2011

Time : 10.00 a.m.

### REQUEST TO MEMBERS

1. Members and their proxies should bring the attendance slip duly filled in for attending the meeting.
2. Members are requested to bring their copies of annual report to the meeting.

### SIGNATURE OF MEMBER/PROXY



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## PROXY FORM

Please complete this attendance slip and hand it over at the entrance of the Meeting hall.

I/ We ..... Folio No.\* .....

being a Member/Members of Bhagwandas Metals Limited hereby appoint ..... of ..... in the district of ..... of failing him ..... of ..... in the district of ..... as my/ our proxy to attend and vote for me/ us and on my/ our behalf at the Annual General Meeting of the Company to be held on 22nd September 2011 and at any adjournment thereof.

Signed this ..... day of ..... 2011.

For office use	
Proxy No.	
Date of receipt	
No. of shares	

Affix Re. 1 Revenue Stamp
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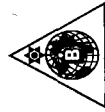
N.B.: The instrument appointing proxy should be deposited with Company's Registered office at least 48 hours before the commencement of the meeting.

\* Please fill in the particulars as given in the address slip.

NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING

BOOK-POST  
PRINTED MATTER

*If Undelivered Please return to :*



**Bhagwandas Metals Limited**

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