



# BHAGYANAGAR INDIA LIMITED

ISO 9001 - 2008 Certified Company

Registered Office :

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

Tel : +91 40 27845119/27841198/44665700

Fax : +-91-40-27848851/27818868

Website : www.bhagyanagarindia.com

E.mail : bil@surana.com

CIN No.: L27201TG1985PLC012449

BIL/SECT/ 26 /2020-21

Date: 1<sup>st</sup> September, 2020

The Secretary, National Stock Exchange of India Ltd, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051. <b>Scrip Code: BHAGYANGR</b>	The Secretary, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. <b>Scrip Code: 512296</b>
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Dear Sir/Madam,

**Sub: Submission of Notice of 35<sup>th</sup> Annual General Meeting and Annual Report for the financial year 2019-20 under Regulation 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

This is to inform you that the 35<sup>th</sup> Annual General Meeting ('AGM') of the members of the Company is scheduled to be held on Tuesday, 29<sup>th</sup> September, 2020 at 10.00 A.M. through Video Conference ('VC')/Other Audio Visual Means ('OAVM') without physical presence of the members at a common venue, in compliance with the provisions of the Companies Act, 2013 and Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015') read with MCA Circulars dated 5<sup>th</sup> May, 2020, 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 (collectively referred to as 'MCA Circulars') and SEBI Circular dated 12<sup>th</sup> May, 2020 ('SEBI Circular'), to transact the business as set out in the Notice convening the 35<sup>th</sup> AGM.

In this connection, please find enclosed herewith 35<sup>th</sup> Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2020 along with the Notice of AGM.

In terms of Regulation 46 of the SEBI Listing Regulations, 2015, the said Annual Report and Notice of 35<sup>th</sup> AGM and other relevant documents are also uploaded on the website of the Company at [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com).

Further, in terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014 (as amended), and Regulation 44 of SEBI Listing Regulations, 2015, the Company is providing the facility to its Members (holding shares either in physical or dematerialised form) to exercise their right to vote by electronic means through Remote e-voting or voting through electronic means during the AGM, on the businesses specified in the Notice convening the 35<sup>th</sup> AGM of the Company.

This is for your information and record.

Thanking you,

Yours faithfully,

For BHAGYANAGAR INDIA LIMITED

  
SUBHOJEET BHATTACHARJEE  
COMPANY SECRETARY



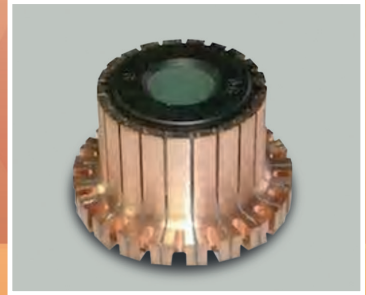
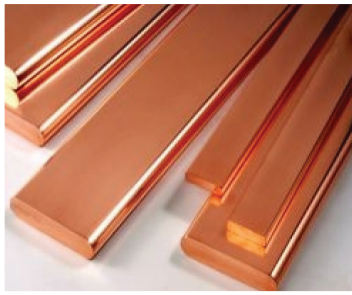
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# BHAGYANAGAR INDIA LIMITED

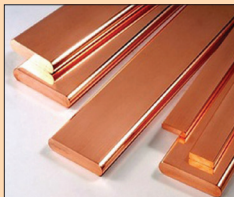
## 35<sup>th</sup> Annual Report 2019-20



Auto and Electrical Components

Copper - Sheets, Pipes, Foils and Bus Bars

# COPPER PRODUCT RANGE



## Copper Flats / Copper Bus Bars

Cross section	Width	Thickness	Standards
upto 3000 mm <sup>2</sup>	upto 200 mm	up to 50 mm	IS, BS, DIN, EN, ASTM, etc.



## Paper Insulated Copper Conductor (PICC)

Dimensions	Copper Strips	Copper wires
	Width: 3mm – 16mm	Diameter: 1.2mm -2.5mm
	Thickness: 1.22mm-6mm	



## Copper Foils

Width: 11MM – 130MM
Thickness: .05MM – 3MM



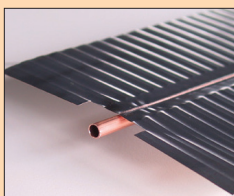
## Copper Nugget

Oxygen Free OFC	Diameter(mm)	
	(mm)	(inch)
%Cu 99.995 min	8.0	0.315
Oxygen %<10ppm	10.0	0.393
	12.5	0.492



## Copper Wires & Rods

Diameter: 1.1mm – 100mm
Applications: Automobiles



## Solar Fins

FIN: T 0.10 x W 115 x L 1892 mm
Tube: D 12.7 x G 0.4 x L 1922 mm

**G Mangilal Surana** – **Chairman Emeritus**

### BOARD OF DIRECTORS

Narender Surana	–	Managing Director
Devendra Surana	–	Managing Director
R Surender Reddy	–	Independent Director
O Swaminatha Reddy	–	Independent Director (upto 26.06.2020)
Kamlesh Gandhi	–	Independent Director
Madhumathi Suresh	–	Independent Director
N.Krupakar Reddy	–	Whole-time Director (upto 30.05.2020)
N.C.Bhardwaj	–	Whole-time Director (from 23.06.2020)

#### STATUTORY COMMITTEES

##### AUDIT COMMITTEE

Kamlesh Gandhi	-	Chairman
O Swaminatha Reddy	-	Member (upto 26.06.2020)
R Surender Reddy	-	Member
Devendra Surana	-	Member

##### NOMINATION & REMUNERATION COMMITTEE

R Surender Reddy	-	Chairman
O Swaminatha Reddy	-	Member (upto 26.06.2020)
Kamlesh Gandhi	-	Member
Madhumathi Suresh	-	Member

##### STAKEHOLDERS RELATIONSHIP COMMITTEE

Madhumathi Suresh	-	Chairman
Narender Surana	-	Member
Devendra Surana	-	Member

##### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Narender Surana	-	Chairman
Devendra Surana	-	Member
Madhumathi Suresh	-	Member

##### CHIEF FINANCIAL OFFICER

Surendra Bhutoria

##### COMPANY SECRETARY

Subhojeet Bhattacharjee

##### BANKERS

- HDFC Bank Limited
- RBL Bank Limited
- State Bank of India
- ICICI Bank Limited

##### STATUTORY AUDITORS

###### Luharuka & Associates

Chartered Accountants  
5-4-187/3&4, Soham Mansion,  
2<sup>nd</sup> Floor, Above Bank of Baroda  
M G Road, Secunderabad - 500 003

##### INTERNAL AUDITORS

###### Sekhar & Co.,

Chartered Accountants  
133/4, R. P. Road,  
Secunderabad – 500 003

##### COST AUDITORS

###### Lavanya & Associates

H. No. 8-3-976/29, Shalivahana Nagar,  
Srinagar Colony (Post), Hyderabad - 500 073

##### SECRETARIAL AUDITOR

###### Rakhi Agarwal

Company Secretary in Practice  
6-3-660, Flat 520, Block 4, Amrit Apartments,  
Kapadia Lane, Somajiguda, Hyderabad- 500082

##### REGISTRAR & TRANSFER AGENTS

###### KFin Technologies Private Limited

KFintech, Tower – B,  
Plot No 31 & 32, Selenium Building,  
Financial District, Nanakramguda,  
Gachibowli, Hyderabad - 500 032  
Tel No.040-67162222 / 040-79611000  
E-mail : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Web Site : [www.kfintech.com](http://www.kfintech.com)

##### WORKS

###### Copper Division

- Bhagyanagar India Limited**  
Plot No. P-9/13(1) & P-9/14,  
IDA, Nacharam, Hyderabad - 500076.
- Harinam Wires**  
Plot No. P 9/13 (A),(B),(C)  
IDA, Nacharam, Hyderabad - 500076.
- Hardware Park**  
Plot No. 228, Raviryal Village,  
Maheshwaram Mandal  
Ranga Reddy Dist, Hyderabad - 532409

##### Non-Conventional Energy

###### Wind Power

Kapatgudda, Gadag District,  
Karnataka – 582 101

##### REGISTERED OFFICE

###### Bhagyanagar India Limited

5<sup>th</sup> Floor, Surya Towers, S.P. Road  
Secunderabad, India- 500 003  
Tel: 040-27845119, 040-44665750  
Fax: +91 40 27818868  
E-mail: [surana@surana.com](mailto:surana@surana.com)  
Investor Complaints: [cs@surana.com](mailto:cs@surana.com),  
[investorservices\\_bil@surana.com](mailto:investorservices_bil@surana.com)  
Website: [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com),  
[www.surana.com](http://www.surana.com)  
CIN: L27201TG1985PLC012449

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## NOTICE OF 35<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 35<sup>th</sup> Annual General Meeting of the members of Bhagyanagar India Limited will be held on Tuesday the 29<sup>th</sup> September, 2020 at 10.00 A.M. (IST), through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility to transact the following businesses.

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a) the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Shri Narendra Surana, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **To consider the appointment of Shri Naresh Chand Bhardwaj as Whole-time Director of the Company:**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 152, 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment thereof for the time being in force], Shri Naresh Chand Bhardwaj (DIN: 0008761949), who was appointed by the Board of Directors as an Additional Director cum Whole-time Director of the Company, with effect from 23<sup>rd</sup> June, 2020 and who holds office up to the date of this Annual General Meeting in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Whole-time Director of the Company, subject to liable to retire by rotation, to hold office for a period of three (3) years w.e.f. 23<sup>rd</sup> June, 2020, with a remuneration of ₹ 1,11,000/- per month (inclusive of all allowances & perquisites), which may be revised, within the limits laid down in

Schedule V, by the Nomination & Remuneration Committee at any time during the tenure of his appointment.

**RESOLVED FURTHER THAT** Shri Naresh Chand Bhardwaj, shall also be entitled for reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits / amenities and other privileges, as may from time to time, be available to other senior executives of the Company as per the service rules of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in the absolute discretion, it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or as may be otherwise considered by it to be in the best interests of the Company."

4. **To approve and ratify the remuneration of Cost Auditors for the financial year 2020-21:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), the cost audit fees of ₹ 25,000/- (Rupees Twenty Five Thousand Only) to be paid to M/s Lavanya & Associates, Cost Accountants in practice, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2020-21 be and is hereby ratified and approved.

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

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

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**  
**(DIN-00077296)**

Place: Secunderabad  
Date : 08.08.2020



## NOTES:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.  
  
KFin Technologies Private Limited, Registrar & Transfer Agent of the Company, (earlier known as Karvy Fintech Private Limited) ("KFin" or "KFintech") shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first serve basis.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
3. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
4. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2020 to 29.09.2020 (both days inclusive) for the purpose of annual closure.
6. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice. Director seeking appointment/re-appointment have furnished requisite declarations under section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.
7. **Dispatch of Annual Report through electronic mode:** In accordance with the MCA General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the financial year ended 31<sup>st</sup> March, 2020 pursuant to section 136 of the Act and Notice calling the Annual General Meeting pursuant to section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ KFintech or the Depository Participant(s). The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member.  
  
A copy of the Notice of this AGM alongwith Annual Report for the Financial Year 2019-2020 is available on the website of the Company at [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com), website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of KFin at <https://evoting.karvy.com>.
8. Members are requested to register/update their email addresses for receiving all communication (including Annual Report) from the Company electronically:
  - a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [investorservices\\_bil@surana.com](mailto:investorservices_bil@surana.com) or to KFin Tech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
9. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
10. In accordance with the proviso to Regulation 40(1) of the SEBI Listing Regulations, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
11. **Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:** Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been claimed for seven consecutive years or more shall be transferred to IEPF Authority.  
  
The Company has transferred 18,593 equity shares to Investor Education and Protection Fund during the financial year ended 31<sup>st</sup> March, 2020.

To claim the equity shares and dividend which were transferred to IEPF, the shareholders may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

In accordance with the IEPF Rules, the Company has sent individual communication to all Members to claim their dividends before due date to avoid transfer of dividends / shares to IEPF Authority and a Notice in this regard is also published in the Newspapers. It may be noted that unclaimed dividend for the financial year 2012-13 declared on 27.09.2013 is due to be transferred to the IEPF on 27.10.2020 and accordingly the shareholders are requested to claim their unclaimed dividend on or before the said due date. The details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority have been uploaded on company's website at <http://www.bhagyanagarindia.com/investor-relations.php>.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed Dividend amounts lying with the Company as on 21<sup>st</sup> September, 2019 (date of last Annual General Meeting) on the website of the Company ([www.bhagyanagarindia.com](http://www.bhagyanagarindia.com)) and also on the website of Ministry of Corporate Affairs.

The Shareholders who have not encashed their dividends are requested to make their claim either to M/s KFin Technologies Private Limited, Registrars and Share Transfer Agent or to Registered Office of the Company.

#### **INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM:**

1. Attending the AGM: Members may access the platform to attend the AGM through VC at <https://emeetings.kfintech.com> by using their remote e-voting credentials. The link for the AGM will be available in the shareholder/Members login where the "Event" and the "Name of the company" can be selected. Please note that the Members who have not registered their e-mail address or do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Notice.
2. The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 15 minutes after such schedule time.
3. Members are encouraged to join the Meeting using Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge or Mozilla Firefox 22.

4. Members will be required to grant access to the web-cam to enable two-way video conferencing.
5. Members are advised to use stable Wi-Fi or LAN connection to participate at the AGM through VC in a smooth manner. Participants may experience audio/video loss due to fluctuation in their respective networks.
6. **Submission of questions / queries prior to AGM:** The shareholders who do not wish to speak during the AGM but desiring any additional information with regards to Accounts/ Annual Reports or has any question or query are requested to write to the Company at email id: [investorservices\\_bil@surana.com](mailto:investorservices_bil@surana.com) mentioning their name, demat account number/ folio number, email id and mobile number. Questions/queries received by the Company till 5.00 p.m. on Saturday, 26<sup>th</sup> September, 2020 will only be considered and responded during the AGM.
7. **Speaker Registration before AGM:** Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by visiting the link <https://ris.kfintech.com/agmvcspeakerregistration> on or before 26<sup>th</sup> September, 2020, 5.00 P.M. (IST), **Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session during the AGM, hence shareholders are encouraged to send their questions etc. in advance.**

Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of questions, number of speakers and time for each speaker depending upon the availability of time for the AGM.

8. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
9. Members who need technical assistance before or during the AGM, can contact KFinTech at <https://ris.kfintech.com/agmqa/agmqa/login.aspx>.
10. Corporate members intending to send their authorised representatives to attend the Annual General Meeting through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") pursuant to the provisions of Section 113 of Companies Act, 2013 are requested to send a certified copy of the relevant Board resolution to the Company.



### INSTRUCTIONS FOR E-VOTING:

In terms of the provisions of Section 108 and 109 of the Companies Act, 2013 (the Act) read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this Section of the Notice) and Regulation 44 of the SEBI Listing Regulations, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to members holding shares as on 22<sup>nd</sup> September, 2020 (end of day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process and poll.

The procedure and instructions for e-voting are as follows:

1. Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
2. Enter the login credentials (i.e., user-id & password). Your folio/DP and Client ID will be your User-ID.

User - ID for Members holding shares in Demat Form:

- For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
- For CDSL: 16 digits beneficiary ID.
- For Members holding shares in Physical Form:
- EVENT No. followed by Folio Number registered with the Company.
- Password: Your Unique password is printed on separate sheet / via email forwarded through the electronic notice.

Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

3. Please contact our toll free No. [1800 3454 001] for any further clarifications.
4. Members can cast their vote online from 09.00 A.M. (IST) on 25<sup>th</sup> September, 2020 to 5.00 P.M. (IST) on 28<sup>th</sup> September, 2020.
5. After entering these details appropriately, click on "LOGIN".
6. Members will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0- 9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through KFIN Technologies Private Limited e-voting platform. System will prompt you to change your password and update any

contact details like mobile no., email ID, etc. on first login. You may also enter the 'Secret Question' and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

7. You need to login again with the new credentials.
8. On successful login, system will prompt to select the 'Event' i.e. 'Bhagyanagar India Limited'.
9. If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and casted your vote earlier for any Company where the System Provider was KFIN Technologies Private Limited, then your existing login id and password given earlier are to be used.
10. On the voting page, you will see Resolution description and against the same the option FOR/ AGAINST/ ABSTAIN for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/ AGAINST' taken together should not exceed your total shareholding. If the Member do not wish to cast, select 'ABSTAIN' After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
11. Once you 'CONFIRM' your vote on the Resolution, you will not be allowed to modify your vote.

### INSTRUCTIONS FOR MEMBERS FOR VOTING DURING THE AGM SESSION:

1. The e-voting window shall be activated upon instructions of the Chairman during the AGM.
2. E-voting during the AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the AGM.
3. Members / shareholders, attending the AGM through Video Conference and who have not cast their vote on resolutions through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM.
4. Members who have voted through remote e-voting will be eligible to attend the AGM, however, they shall not be allowed to cast their vote again during the AGM.

### GENERAL INFORMATION:

1. The Company's equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 and National Stock Exchange of India Ltd., Exchange Plaza, 5<sup>th</sup> Floor, Plot No.

C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 and the Company has paid the Listing Fees to the said Stock Exchanges.

2. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at KFin Technologies Private Limited (Unit: Bhagyanagar India Limited), KFinTech, Tower- B, Plot No. 31 & 32, selenium Building Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, Telangana State, India
3. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investorservices\\_bil@surana.com](mailto:investorservices_bil@surana.com).

#### GENERAL INSTRUCTIONS:

1. Members holding shares either in demat or physical mode who are in receipt of Notice, may cast their votes through e-voting.
2. Members opting for e-voting, for which the USER ID and initial password are provided in a separate sheet. Please follow steps from Sl. No. (1) to (11) under heading 'INSTRUCTIONS FOR E-VOTING' above to vote through e-voting platform.
3. The e-voting period commences from 09.00 A.M. (IST) on 25<sup>th</sup> September, 2020 to 5.00 P.M. (IST) on 28<sup>th</sup> September, 2020. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of 22<sup>nd</sup> September, 2020 may cast their vote electronically. Once the vote on a resolution

is cast by the member, the member shall not be allowed to change it subsequently.

4. The Company has appointed Mrs. Rakhi Agarwal, Company Secretary in Practice, Hyderabad as the Scrutinizer to conduct the voting process (e-voting) in a fair and transparent manner.
5. The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the Annual General meeting unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report containing the details with respect to votes cast in favour, against, neutral/abstained, shall submit the Report to the Chairman of the Company.
6. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 35<sup>th</sup> Annual General Meeting of the Company scheduled to be held on 29<sup>th</sup> September, 2020, the results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com), within 48 hours of conclusion of the Annual General Meeting.

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

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**  
**(DIN-00077296)**

Place: Secunderabad  
Date : 08.08.2020

## EXPLANATORY STATEMENT

Pursuant To Section 102(1) of the Companies Act, 2013

### Item No.3:

The Board of Directors of the Company ('the Board') at the meeting held on 23<sup>rd</sup> June 2020, on recommendation of the Nomination and Remuneration Committee ('the Committee'), appointed in terms of Section 161 of the Companies Act, 2013 ('the Act'), Shri Naresh Chand Bhardwaj an Additional Director cum Whole-time Director of the Company, to hold office for a period of three (3) years w.e.f. 23<sup>rd</sup> June, 2020, subject to approval of shareholders at this Annual General Meeting, on remuneration as mentioned in the resolution.

Shri N.C.Bhardwaj has been in the position of Vice President of Company's production unit since 13.07.2013 and considering his dedication and vast experience, the Board proposes to appoint him as Whole-time Director of the Company which will be helpful in enhancing the productivity of the Company's production unit. Accordingly, the Board at the meeting held on 8<sup>th</sup> August, 2020, on recommendation of the Nomination and Remuneration Committee, recommended for the approval of the Members, the appointment of Shri Naresh Chand Bhardwaj as Whole-time Director of the Company as set out in the Resolution relating to his appointment.

Requisite Notice under Section 160 of the Act proposing the appointment of Shri Naresh Chand Bhardwaj has been received by the Company, and consent has been filed by Shri N.C. Bhardwaj pursuant to Section 152 of the Act.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act, the terms of appointment and remuneration as set out in Item No.3 are now being placed before the members for their approval by way of Special Resolution.

The following additional detailed information Pursuant to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013:

<b>I. General Information:</b>		
1	Nature of Industry	The Company is engaged in the business of manufacturing copper products.
2	Date of expected date of commencement of commercial production	The Company incorporated in the year 1985 since then the Company is in its commercial operations.
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
4	Financial performance based on given indicators	The following are the financial parameters of the Company as on 31 <sup>st</sup> March, 2020: Total Income - ₹ 563.26 Cr EBIDTA - ₹ 15.91 Cr Profit Before Tax- ₹ 1.17 Cr Profit After Tax- ₹ 1.04 Cr (Note: Figures are extracted from consolidated financial results)
5	Foreign Investments or collaborations, if any.	Nil
<b>II. Information about the appointees:</b>		
1	Background details and Experience	Shri N.C. Bhardwaj, Diploma holder in Electrical Engineering is having 3 decades of rich experience in LT, HT, Control, Instrumentation, Signal, Quad, PIJF, Optical Fiber Cables and Copper Multi Products. He has been in the position of Vice President of Company's production unit since 13/07/2013 and considering his dedication and vast experience, the Board proposes to appointment him as Whole-time Director of the Company which will be helpful in enhancing the productivity of the Company's production unit.
2	Age	57 years
3	Date of first appointment	23/06/2020
4	Board Meetings attended during the year 2019-20	Not Applicable
5	Past Remuneration (per month)	₹ 1,11,000/-
6	Recognition or awards	-

7	Job Profile and his suitability	Shri N.C. Bhardwaj has been in the position of Vice President of Company's production unit since 13.07.2013 and considering his dedication and vast experience, the Board proposes to appointment him as Whole-time Director of the Company which will be helpful in enhancing the productivity of the Company's production unit.
8	Remuneration proposed (per month)	₹ 1,11,000/- (inclusive of all allowances & perquisites)
9	Comparative remuneration profile with respect to industry, size of company, profile of the position and person	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is Commensurate with industry standards and similarly positioned businesses.
10	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Shri N.C. Bhardwaj does not have any pecuniary relationship with the Company except remuneration drawn as Whole-time Director.
<b>III. Other Information</b>		
1	Reasons of loss or inadequate profits	Company is primarily engaged in manufacture of copper and its allied products. Due to economic slowdown and consequent adverse market conditions prevailing, there was lower profitability. Further in view of imported raw material due to fluctuations in foreign exchange currency also affects the margins of the Company. The macroeconomic factors and the stability in the rupee parity also augurs very well for the company.
2	Steps taken or proposed to be taken for improvement	The Company is focusing on strengthening its core competency in copper business, by expanding its manufacturing capacity to double its capacity from the exiting 15000 MT p.a. Further, new value added products introduced by the company is getting good traction from OEM customers across various sectors such as Automobile, Electrical Switch Gears, Heaters etc. and thereby contributing to the profitability in the years to come.
3	Expected increase in productivity and profits in measurable terms:	Considering the prevalent volatile conditions in the foreign exchange currency, the turnover and profitability are not precisely predictable. However, based on the current business plans and Demand for copper globally on increasing usage of the metal in electric vehicles, solar and wind power sectors, the Company believes that it would be able to sustain the volatile market conditions and emerge successfully in terms of good turnover and profits in the days to come.

The Board of Directors recommends the Special Resolution for your approval.

None of the Directors except Shri N.C.Bhardwaj himself, is concerned or interested in the resolution. None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

#### Item No.04:

The Board of Directors, on recommendation of the Audit committee, at their meeting held on 23.06.2020 has approved the appointment and remuneration of the M/s. Lavanya & Associates, Cost Accountants in practice, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31.03.2021 on a remuneration of ₹ 25,000/- (Twenty Five Thousand).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.04 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31.03.2021.

The Board of Directors recommends the Ordinary Resolution for your approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution

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

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**  
**(DIN-00077296)**

Place: Secunderabad  
Date: 08.08.2020

**Particulars of Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are as under:-**

**1) Shri Narender Surana, Managing Director:**

Name of Director	<b>Shri Narender Surana</b>
DIN	00075086
Date of Birth	06.07.1960
Qualification	B.E (Chemical)
Expertise in specific functional areas	Shri. Narender Surana is the Managing Director of Bhagyanagar India Limited and M/s Surana Telecom and Power Limited and Director of Surana Solar Limited and other Companies of Surana Group, one of the leading Industrial house in Telangana and Andhra Pradesh. He has over 35 years of experience in the telecom cable, metals and solar industry. He has been the President of Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI). He was also the Founder President of Young Entrepreneurs Organization (Y.E.O) of Hyderabad Chapter. He is the recipient of Andhra Pradesh Best Entrepreneur Award.
Inter-se relationship with other Directors and Key Managerial Personnel	Shri Narender Surana is a Brother of Shri Devendra Surana, Managing Director of the Company
Nature of appointment (appointment/ reappointment)	Retires by rotation and offers himself for re-appointment.
List of other Companies in which Directorship is held as on 31 <sup>st</sup> March, 2020.	<ol style="list-style-type: none"> <li>1. Surana Solar Limited</li> <li>2. Surana Telecom and Power Limited</li> <li>3. Bhagyanagar Properties Limited</li> <li>4. Surana Infocom Private Limited</li> <li>5. Bhagyanagar Energy and Telecom Private Limited</li> <li>6. Scientia Infocom India Private Limited</li> <li>7. Innova Technologies Private Limited</li> <li>8. AP Golden Apparels Private Limited</li> <li>9. Bhagyanagar Securities Private Limited</li> <li>10. Surana Solar Systems Private Limited</li> <li>11. Tejas Technopark Private Limited</li> <li>12. Indian Solar Power Producers Association</li> <li>13. Tejas India Solar Energy Private Limited</li> <li>14. Aryavaan Renewable Energy Private Limited</li> <li>15. Bhagyanagar Copper Private Limited</li> <li>16. Globecom Infra Ventures India Private Limited</li> </ol>
Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31 <sup>st</sup> March, 2020.	<ol style="list-style-type: none"> <li>1. Bhagyanagar India Ltd (Stakeholders Relationship Committee)</li> <li>2. Bhagyanagar India Limited (CSR Committee)</li> <li>3. Surana Solar Limited (Audit Committee)</li> <li>4. Surana Solar Limited (Stakeholders Relationship Committee)</li> <li>5. Surana Solar Limited (CSR Committee)</li> <li>6. Surana Telecom and Power Ltd (Audit Committee)</li> <li>7. Surana Telecom and Power Ltd (Stakeholders Relationship Committee)</li> <li>8. Surana Telecom and Power Limited (CSR Committee)</li> <li>9. Bhagyanagar Properties Ltd (Nomination and Remuneration Committee)</li> <li>10. Bhagyanagar Properties Ltd (Stakeholders Relationship Committee)</li> <li>11. Bhagyanagar Properties Ltd (CSR Committee)</li> </ol>
No. of shares held	33,84,152 Equity shares

2) **Shri Naresh Chand Bhardwaj, Whole-time Director:**

Name of Director	<b>Shri Naresh Chand Bhardwaj</b>
DIN	0008761949
Date of Birth	20.10.1963
Qualification	Diploma in Electrical Engineering
Expertise in specific functional areas	<p>Shri N.C.Bhardwaj is having 3 decades of rich experience in LT, HT, Control, Instrumentation, Signal, Quad, PIJF, Optical Fiber Cables and Copper Multi Products. He has successfully set-up plants of H.T.Com, ARM Ltd, &amp; Paramount Cables etc. He also worked on time and motion study for achieving monthly target and scrap at all levels, reduce raw material consumption and improved process, quality and better output of finished goods.</p> <p>He has been in the position of Vice President of Company's production unit since 13.07.2013.</p>
Inter-se relationship with other Directors and Key Managerial Personnel	Nil
Nature of appointment (appointment/reappointment)	Appointment.
List of other Companies in which Directorship is held as on 31 <sup>st</sup> March, 2020.	Nil
Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31 <sup>st</sup> March, 2020.	Nil
No. of shares held	Nil



## DIRECTORS' REPORT

To the Members of  
Bhagyanagar India Limited

The Directors have pleasure in presenting the 35<sup>th</sup> Annual Report of your Company and the Audited financial statements for the financial year ended 31<sup>st</sup> March 2020 together with Auditors' Report thereon.

### FINANCIAL RESULTS:

The performance of the Company during the year has been as under:

(Amount in ₹)

Particulars	Standalone Results		Consolidated Results	
	2020	2019	2020	2019
Sales and other Income	506,61,97,544	570,19,50,273	563,26,33,030	570,20,62,105
EBIDTA	12,05,52,369	22,05,45,183	15,91,20,135	22,14,22,963
<b>LESS :</b>				
Loss on Foreign Exchange Fluctuation	15,22,078	1,94,40,591	3,02,509	1,94,40,591
Depreciation	3,64,61,924	3,73,84,099	5,16,09,573	3,93,98,712
Interest	7,02,15,326	7,62,12,439	9,54,80,714	7,66,05,120
Profit before Taxation	1,23,53,041	8,75,07,874	1,17,27,339	8,59,78,360
Provision for Taxation : Current Tax	20,61,970	2,01,42,448	20,61,311	2,02,04,000
Deferred Tax	13,52,788	28,79,320	13,52,788	28,79,320
MAT Credit	(20,61,970)	(4,98,770)	(20,61,311)	(4,98,770)
Profit after Tax	1,10,00,253	6,49,84,876	1,03,74,551	6,33,93,810
Surplus brought forward from previous year	87,04,77,568	85,54,92,692	81,87,43,000	80,53,49,190
Balance available for appropriation	88,14,77,821	92,04,77,568	82,91,17,551	86,87,43,000
Transfer to General Reserves	-	5,00,00,000	-	5,00,00,000
Balance c/f to Balance Sheet	88,14,77,821	87,04,77,568	82,91,17,551	81,87,43,000

### PERFORMANCE AND OPERATIONS:

During the year 2019-20, the Company's consolidated revenue is declined by 1.21% as that of previous year on account of economic recession.

**External Commercial Borrowing (ECB):** ECB of US\$ 15.00 Million taken in the year 2011, to repay the FCCBs, has been completely repaid in October, 2019. Now, the Company does not have any long term liability.

### EXPANSION PLANS AND PROGRESS:

The company's competitiveness in terms of pricing has gone up post GST and volumes have increased substantially. With the kind of growth mode and in order to meet the demand, the expansion has been done through a 100% subsidiary company viz., Bhagyanagar Copper Private Limited (BCPL) with a capacity increase to 24,000 MT from the existing 15000 MT. BCPL has 65.28 Acres of land at Shabhashpally Village, Shivampet Mandal, Medak District, Telangana where copper plant has been set up and commenced its commercial operations effective from 1<sup>st</sup> March, 2019. The total capital investment is made around ₹ 58.50 Crores as of 31.03.2020.

**Impact of global crisis Covid-19:** The outbreak of novel Coronavirus (COVID-19) pandemic globally and in India and the consequent lockdown restrictions imposed by national governments is causing significant disturbance and slowdown of economic activity across the globe. The Company has assessed the possible effects that may arise from the

COVID-19 pandemic on the business. As on the current date, based on the assessment, the Company has concluded that the impact of COVID - 19 pandemic is not material on the carrying values of the assets of the business, however this has effected the operations of the company and has had impact on sales and profitability among others. Due to the nature of the pandemic and the resultant operational guidelines that may be announced by the governments in future, the Company will continue to monitor the developments to identify significant impact, if any in the future period.

### SUBSIDIARIES/ ASSOCIATES:

Your Company has only one wholly owned (100%) subsidiary company viz., Bhagyanagar Copper Private Limited (formerly Aanvik Mercantile Private Limited), engaged in the same line of business of manufacture of copper products. There has been no material change in the nature of its business.

In terms of proviso to sub section (3) of Section 129 of the Act, 2013 read with Companies (Accounts) Rules, 2014, the salient features of the financial statement of the subsidiaries and Associates is set out in the prescribed Form AOC-1, which forms part of the annual report.

### CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind-AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements for the financial year ended 31st March, 2020 forms part of the Annual Report. As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate Audited accounts of its Subsidiaries on its website [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com) and a copy of separate Audited Financial Statements of its Subsidiaries will be provided to shareholders upon their request.

#### SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

#### SHARECAPITAL:

The paid-up Share Capital of the Company as on 31<sup>st</sup> March, 2020 is ₹ 6,39,90,000 divided into 3,19,95,000 equity shares of ₹ 2/- each.

#### TRANSFER TO RESERVES:

The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review.

#### DIVIDEND:

The Board of Directors have not recommended dividend for the financial year 2019-20 to retain the maximum possible cash in the system. The Company is constrained to skip the dividend in view of the proposed expansion plans.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's business, internal controls and their adequacy, risk management systems and other material developments during the financial year.

Management Discussion and Analysis Report is presented in a separate section forms part of the Annual Report as Annexure-II.

#### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- (a) That the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31<sup>st</sup> March, 2020 and of the profit and loss of the company for that period;

- (c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the directors have prepared the annual accounts for the financial year 31<sup>st</sup> March, 2020 on a going concern basis; and
- (e) That the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The independent directors have submitted the declaration of independence, as required pursuant to sub-section (7) of section 149 of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 stating that they meet the criteria of independence as provided in sub-section(6) of Section 149.

#### NOMINATION AND REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy which lays down a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel, Senior Management and other employees of the Company. The details of Nomination and Remuneration Committee and Policy are stated in the Corporate Governance Report.

#### PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS:

The details of Loans, Guarantees, Securities and Investments made during the financial year ended 31<sup>st</sup> March, 2020 are given in the notes to the Financial Statements in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

#### RELATED PARTY TRANSACTIONS:

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval, wherever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors on a quarterly basis. The Company has developed a Policy on Related

Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com).

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 is prepared in Form AOC-2 pursuant to clause (h) of the Companies (Accounts) Rules, 2014 and the same is annexed herewith as "Annexure-IV" to this Report.

#### **AUDIT COMMITTEE:**

The Audit Committee, as on 31.03.2020, consists of Independent Directors Shri Kamlesh Gandhi as Chairman, Shri O.Swaminatha Reddy, Shri R.Surender Reddy and the Managing Director, Shri Devendra Surana as members. The Committee inter alia reviews the Internal Control System, Reports of Internal Auditors and Compliance of various regulations. The Committee also reviews the financial statements before they are placed before the Board. All the recommendations of the Audit Committee were accepted by the Board.

The Board at its meeting held on 08.08.2020, re-constituted the Audit Committee upon resignation of Shri O.Swaminatha Reddy.

#### **EXTRACT OF ANNUAL RETURN:**

The Extract of Annual Return as per the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 in Form MGT-9 is annexed as Annexure - V and has been uploaded on company's website at <http://www.bhagyanagarindia.com/investor-relations.php>.

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

The information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in the Annexure-I forming part of this Report.

#### **RISK MANAGEMENT POLICY:**

In terms of the requirement Section 134(3)(n) of the Companies Act, 2013 and Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has developed and implemented the Risk Management Policy. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report. At present the Company has not identified any element of risk which may threaten the existence of the company.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Company considers social responsibility as an integral part of its business activities. The CSR activities of the

Surana Group are guided by the vision and philosophy of its founding father, Shri G Mangilal Surana, who embodied the value of trusteeship in business and laid the Foundation for its ethical and value-based functioning. The Company had taken an initiative in the direction and the journey was embarked in the year 1987 by Shri G. Mangilal Surana in the memory of his father Shri Gulab Chand Surana by starting a hospital "Gulab Chand Surana Charitable Hospital" is purely for the purpose of providing medical relief to the people who are in below poverty line. It is being run by qualified and registered doctors.

In compliance with requirements of Section 135 of the Companies Act, 2013, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended 31<sup>st</sup> March, 2020 in the format prescribed under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure III.

#### **BOARD EVALUATION**

During the year under review, pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the evaluation of performance of all Directors is undertaken annually. The company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprise evaluation criteria taking into consideration various performance related aspects.

The Board of Directors have expressed their satisfaction with the evaluation process.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Shri Narender Surana, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Pursuant to the provisions of Section 203 of the Act, as on 31.03.2020, Shri Narender Surana and Shri Devendra Surana, Managing Directors and Shri N. Krupkar Reddy, Whole-time Director, Shri. Surendra Bhutoria, Chief Financial Officer and Shri Subhojeet Bhattacharjee, Company Secretary were formalized as the Key Managerial Personnel of the Company.

Shri N.Krupakar Reddy, Whole-time Director resigned from the Board w.e.f. 31.05.2019 due to his pre-occupation and other commitments.

The Board, on recommendations of Nomination and Remuneration Committee appointed Shri Naresh Chand Bhardwaj as Whole-time Director w.e.f. 23.06.2020 for a period of 3 years, subject to approval of shareholders at the ensuing Annual General Meeting.

Shri O.Swaminatha Reddy, Independent Director and Shri G.Mangilal Surana, Non-Executive Director of the company resigned from the Board due to old age and health constraints effective from 26.06.2020 and 30.06.2020 respectively. Shri G.M.Surana will continue to be honoured as Chairman Emeritus of the Company.

The Board placed on record its appreciation of the valuable services and guidance rendered by them during their tenure as Director of the Company.

The brief particulars of the Directors seeking appointment /re-appointment at this Annual General Meeting are being annexed to the Notice.

#### MEETINGS OF THE BOARD:

During the financial year under review, 5 (Five) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period of 120 days as prescribed under the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015.

#### DEPOSITS:

The Company has not accepted any deposits in terms of Section 73 or 76 of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

#### LISTING OF EQUITY SHARES:

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

- (i) **BSE Limited**, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra, India; and
- (ii) **National Stock Exchange of India Limited**, Exchange Plaza, Floor 5, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India.

The Company has paid the Annual Listing Fees to the said Stock Exchanges for the Financial Year 2020-21.

#### STATUTORY AUDITORS:

M/s. Luharuka & Associates, Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 26<sup>th</sup> September, 2017, for a term of five consecutive years subject to ratification by Members at every Annual General Meeting.

However, in accordance with the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. M/s. Luharuka & Associates, Chartered Accountants have confirmed that they are not disqualified from continuing as Auditors of the Company.

There are no qualifications, reservations or adverse remarks made by M/s. Luharuka & Associates, Chartered Accountants, Statutory Auditors in their report for the Financial Year ended 31<sup>st</sup> March, 2020.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

#### INTERNAL AUDITORS:

The Board of Directors of the Company have re-appointed M/s Sekhar & Co., Chartered Accountants as Internal Auditors to conduct Internal Audit for the financial year ended 31<sup>st</sup> March, 2021.

#### COST AUDITORS:

M/s Lavanya & Associates, Cost Accountants, Hyderabad, has been appointed by the Board, on recommendations of Audit Committee, as Cost Auditor for conducting audit of the cost accounts maintained by the Company relating to Base Metals and Electricity for the financial year 2020-21.

The Company has made and maintained the cost records as specified under Section 148(1) of the Companies Act, 2013.

#### SECRETARIAL AUDITORS:

The Board of Directors of the Company appointed Mrs. Rakhi Agarwal, Company Secretary in Practice, Hyderabad, to conduct Secretarial Audit for the financial year 2020-21.

The Secretarial Audit Report of Mrs. Rakhi Agarwal, Company Secretary in Practice for the financial year 2019-20, is annexed herewith as Annexure-VI.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. During the year under review, the Company has complied with the applicable provisions of the Secretarial Standards.

#### SECRETARIAL AUDIT OF MATERIAL UNLISTED INDIAN SUBSIDIARY:

Bhagyanagar Copper Private Limited (BCPL), a material subsidiary of the Company undertakes Secretarial Audit every year under Section 204 of the Companies Act, 2013. The Secretarial Audit of BCPL for the Financial Year 2019-20 was carried out pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Report of BCPL submitted by Mrs. Rakhi Agarwal, Company Secretary in Practice, does not contain any qualification, reservation or adverse remark or disclaimer.

#### ANNUAL SECRETARIAL COMPLIANCE REPORT:

The Company has undertaken an audit for the Financial Year 2019-20 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Mrs. Rakhi Agarwal, Company Secretary in Practice has been submitted to the Stock Exchanges and is annexed at Annexure VII to this Board's Report.

#### REPORTING OF FRAUDS BY AUDITORS:

During the year under review, the Statutory Auditors, Internal Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

#### CORPORATE GOVERNANCE:

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

A separate report on corporate governance practices followed by the Company together with a Certificate from

the Company's Auditors confirming compliances forms an integral part of this Report.

#### VIGIL MECHANISM:

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website.

#### PARTICULARS OF EMPLOYEES:

A. Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as follows:

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Name of the Director	Ratio to Median Remuneration
Shri Narender Surana, MD	Nil
Shri Devendra Surana, MD	41.47
Shri N. Krupakar Reddy, WTD*	2.35

\*Resigned from the Board w.e.f. 31.05.2020

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	% increase in remuneration
Shri Devendra Surana, MD	0
Shri N.Krupakar Reddy, WTD	10.87
Shri Surendra Bhutoria, CFO	6.08
Shri Subhojeet Bhattacharjee, CS *	NA

\*Appointed as Company Secretary w.e.f. 09.03.2020.

- (iii) The percentage increase in the median remuneration of employees in the financial year – 5.59%.
- (iv) The number of permanent employees on the rolls of company – 122.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification

thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel in 2019-20 was 10.98%. Percentage increase in the managerial remuneration for the year was 1.35%.

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company - Yes.

- B. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any member interested in obtaining a copy of the same may write to the Company Secretary.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Auditors team carries out extensive audit and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

#### CHANGE IN NATURE OF BUSINESS:

There is no change in nature of business of the Company.

#### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

#### MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 31<sup>st</sup> March, 2020 to which the financial statements relates and the date of signing of this report.

#### HUMAN RESOURCES:

The industrial relations of the Company continued to be harmonious during the year under review.



**ISO 9001-2008 CERTIFICATION:**

Your Company continues to hold ISO 9001-2008 Certification by meeting all the requirements of Certification from time to time.

**POLICY ON SEXUAL HARRASSEMENT:**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Internal Complaints Committee (ICC) has been setup to redress complaint received regarding sexual harassment. During the period under review, no complaints was received by the ICC.

**CAUTIONARY STATEMENT:**

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished

goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**ACKNOWLEDGEMENTS:**

The Directors take this opportunity to place on record their sincere thanks to the suppliers, customers, strategic partners, Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

**For and on behalf of the Board of Directors**

**NARENDER SURANA**  
**MANAGING DIRECTOR**  
**DIN-00075086**

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**  
**DIN-00077296**

Place: Secunderabad  
Date: 08.08.2020



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

*(Information Under Section 134(3)(m) of The Companies Act, 2013,  
Read with Rules 8(3) of the Companies (Accounts) Rules, 2014)*

**FORM - A**

**1. CONSERVATION OF ENERGY:**

The Company has a well-structured energy management system in place and regular efforts are made to optimize process parameters and conserve energy. Additionally, while undertaking modernization and technological upgradation of production facilities, due consideration is also given in selection of plant and equipment which conforms to the best in class energy conservation parameters.

- |                                  |   |   |
|----------------------------------|---|---|
| (i) Energy Conservation measures | : | More introduction of Variable Frequency Drive (VFD) to reduce the Power Consumption |
| (ii) Total energy consumption    | : | N.A.  |

- 2. TECHNOLOGY ABSORPTION** : Efforts made in technology absorption as per Form-B

**FORM - B**

(Disclosure of particulars with respect to Technology Absorption)

**A. Research and Development (R & D) :**

- |  |   |   |
|--|---|---|
| 1. Specific areas in which R & D is carried out by the Company | : | NIL   |
| 2. Benefits derived as a result of the above R & D             | : | NIL   |
| 3. Future plan of action                                       | : | The Company plans to develop thinner Copper foils and commutator segments         |
| 4. Expenditure on R & D  | : | As no significant amount has been spent, the same has not being shown separately. |

**B. Technology absorption, adaptation and innovation:**

The Company absorbs and adapts the technologies on a continuous basis to develop specific products for the domestic and global market. The design and process parameters are optimized to customize products in line with specific customer and application needs.

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Activities relating to exports and initiatives taken to increase export products and services and export plans: NIL

During the year the total Foreign Exchange used and earned are as follows:

Used	:	₹ 16,84,20,757
Earned	:	₹ Nil

**For and on behalf of the Board of Directors**

Place: Secunderabad  
Date: 08.08.2020

**NARENDER SURANA  
MANAGING DIRECTOR  
DIN-00075086**

**DEVENDRA SURANA  
MANAGING DIRECTOR  
DIN-00077296**

## MANAGEMENT DISCUSSION AND ANALYSIS

**Bhagyanagar India Ltd (BIL)** was incorporated in the year 1985, a flagship Company of Surana Group. BIL is among the oldest and largest companies producing various copper products in India. The Company has forayed into the non-conventional energy sector with a wind power project with an installed capacity of 9 MW at Kapatigudda, Karnataka State. BIL believes its industry knowledge, proactive research and specialized technology helps provide customers with improved products. The Company has steadily grown over the years with a continued focus on customer satisfaction, evolving itself into country's one of the most promising mid cap Companies.

### A) INDUSTRY STRUCTURE AND DEVELOPMENTS:

**Copper:** The Company manufactures copper products such as field coils, paper covered strips, sheets, pipes, tubes, solar fins, bus bars, commutators among others. The Company continue to focus on value added products such as Copper Field Coils (for Auto Electrical), Copper Fins (for Solar Water Heaters) and Busbars for Electrical Engineering with regular supplies to various Original Equipment Manufacturers (OEMs) such as Lucas, TVS Limited, MICO, Commutator, Emvee Solar, Amar Raja Batteries, HBL Nife and many other leading OEMs. The Company keep on adding further value added products every year in line with the requirement of our OEM customers.

The Company has already taken up expansion plans through 100% subsidiary viz., Bhagyanagar Copper Private Limited with a capacity increase to 24,000 MT from the existing 15000 MT. 1<sup>st</sup> Phase of expansion plan of copper division completed and commercial production has started from 01.03.2019.

**Wind Power:** The Company has wind power project with an installed capacity of 9 MW at Kapatigudda, Karnataka State.

### B) OPPORTUNITIES AND THREATS:

The fundamental growth drivers of the country's economy as well as Copper industry continue to remain strong despite the pressures of slowdown and inflationary conditions prevalent in the nation and also globally. The megatrends such as urbanization, building and construction sector, electric vehicles (EVs) and energy infrastructure are driving copper demand going forward. Government of India has indicated that it would be in national interests to move towards EVs in the country by 2030, which in turn expected to open huge opportunities for Indian EV market. The evolving market will have a substantial impact on copper demand. The Copper Industry in the country is continuously attracting investments from domestic and foreign investors.

The threats to the segments in which the company operates are volatility in exchange rate & metal prices.

### C) SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:

During the year under review, the Company has recorded revenue of ₹ 56235.67 Lakhs and made a net profit of ₹ 103.74 Lakhs against revenue of ₹ 56923.79 Lakhs and net profit of ₹ 633.93 Lakhs in the previous financial year 2018-19.

The following is the segment wise turnover and Profit Before Interest and Tax during the financial year 2019-20:

(₹ in Lakhs)

Segment product/unit	Turnover	PBIT
Copper	55706.21	1415.01
Wind power	512.58	123.75

The Overall economic slowdown has impacted our Company also. We remain cautious on the growth trajectory for the financial year 2020-21.

During the year under review, the company has fully repaid the ECB an amount of US\$ 15 Million taken in 2011 to repay the FCCBs. Now, the Company does not have long term liability.

**COVID-19 Pandemic:** The Financial Year 20219-20 ended with the COVID-19 pandemic disrupting the global economy and supply chains. The rampant spread of COVID-19 outbreak, across borders and geographies, has severely impacted almost the whole world and triggered significant downside risks to the overall global economic outlook. The Company has assessed the possible effects that may arise from the COVID-19 pandemic on the business. As on the current date, based on the assessment, the Company has concluded that the impact of COVID - 19 pandemic is not material on the carrying value of the assets of the business, however this has effected the operations of the company and has had impact on sales and profitability among others. We remain confident that we will overcome these challenges and Rise in the post-COVID-19 world.

### D) OUTLOOK:

Copper industry continues to show strong growth despite the pressures of slowdown and inflationary conditions in the nation and also globally. The Company's strategy for financial year 2020-21 is to have continued focus on addition of new value added products to gain traction from OEM customers across various sectors such as Automobile, Electrical Switch Gears, Heaters etc. Your company is concerned about the wide fluctuations in copper prices globally and locally and increase in foreign exchange value.

As reported, the expansion of the Business has been done through a 100% subsidiary company viz., Bhagyanagar Copper Private Limited (BCPL) with a capacity increase to 24,000 MT from the existing 15000 MT. BCPL has 65.28 Acres of land at Shabhashpally

Village, Shivampet Mandal, Medak District, Telangana where copper plant has been set up and commenced its commercial operations effective from 1<sup>st</sup> March, 2019. The Company is targeting consolidated turnover of ₹ 1000 Crores in next 2 to 3 years.

#### E) RISKS AND CONCERNS:

The Company, like any other enterprise, is exposed to business risk which can be internal risks as well as external risks. The threats to the segments in which the company operates are volatility in Exchange rate & Metal Prices. The company is concerned about the wide fluctuations in copper prices globally and locally and increase in foreign exchange value.

The major risks identified by the company are systematically addressed through extenuating actions on a continuous basis. The Company has developed and implemented the Risk Management framework. Audit Committee oversight of financials risks and controls. The Board of Directors is also apprised of the risks faced by the Company, and of the adequate and timely risk management measures taken to mitigate them.

#### F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate Internal Control Systems and Procedures with regard to purchase of Stores, Raw Materials including Components, Plant and Machinery, equipment, sale of goods and other assets. The company has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled. The Company designs and maintains accounting and internal control systems to provide reasonable assurance at reasonable cost that assets are safeguarded against loss from unauthorized use or disposition, and that the financial records are reliable for preparing financial statements and maintaining accountability for assets.

The Company has an Internal Audit System commensurate with its size and nature of business. M/s Sekhar & Co., a firm of Chartered Accountants, are acting as Internal Auditors of the Company. Planned periodic reviews are carried out by Internal Audit. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors. Compliance with laws and regulations is also ensured and confirmed by the Internal Auditors of the Company. Standard operating procedures and guidelines are issued from time to time to support best practices for internal control.

#### G) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

##### i) FINANCIAL PERFORMANCE:

###### Capital Structure:

The Equity Share Capital of the Company is ₹ 6,39,90,000 comprising of 3,19,95,000 equity shares of ₹ 2/- each fully paid.

##### Reserves and Surplus:

The Reserves and Surplus of the Company as on 31.03.2020 stand at ₹ 1,16,91,74,344 as compared to ₹ 1,15,81,74,091 in the previous year.

##### Fixed Assets:

During the year, the Company has added Fixed Assets amounting to ₹ 1,16,75,912 making the gross fixed assets as on 31.03.2020 to ₹ 1,09,33,88,977.

##### Inventories:

Inventories, as on 31<sup>st</sup> March, 2020, amounting to ₹ 43,31,61,412 as against ₹ 95,81,01,593 in the previous year.

##### Sundry Debtors:

Sundry debtors increased to ₹ 41,84,17,192 as on 31<sup>st</sup> March, 2020 as against ₹ 37,81,58,235 in the previous year. These debtors are considered good and realizable.

##### Cash and Bank Balances:

Cash and Bank balances stood at ₹ 3,77,45,593 as against ₹ 3,61,93,116 in the previous years which include amounts deposited with banks as Security.

##### Loans and Advances:

Long Term Loans and Advances increased to ₹ 14,49,38,976 as against ₹ 9,48,28,864 in the previous year.

##### Current Liabilities:

Current Liabilities for the financial year ended 31.03.2020 is ₹ 49,58,65,085 as against ₹ 107,85,95,670 in the previous Year.

#### ii) OPERATIONAL RESULTS:

##### Turnover:

During the year 2019-20, the turnover of the Company was ₹ 504,15,37,408 as compared to ₹ 569,23,79,051 in the previous year.

The Income from other sources as on 31<sup>st</sup> March, 2020 was ₹ 2,46,60,136 as compared to ₹ 95,71,222 in the previous year.

##### Depreciation:

The Company has provided a sum of ₹ 3,64,61,924 towards depreciation for the year as against ₹ 3,73,84,099 in the previous year.

##### Provision for Tax:

The Company has provided a current tax of ₹ 20,61,970 as against ₹ 2,01,42,448 in the previous year.

##### Net Profit:

The Net Profit of the Company after tax is ₹ 1,10,00,253 as against ₹ 6,49,84,876 in the previous year.

**Earnings Per Share:**

The Earnings Per Share of the Company as on 31<sup>st</sup> March, 2020 is ₹ 0.34 per share for Face Value of ₹ 2 as against ₹ 2.03 per share for face value of ₹ 2 in the previous year.

**H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

The Company believes that the Company's growth and future success depend largely on the skills of the Company's workforce, including executives and officers, as well as the designers and engineers and the attraction of critical skills. The loss of the services of one or more of these employees could impair the Company's ability to continue to implement its business strategy. The Company's success also depends, on its continued ability to attract and retain experienced and qualified employees. The Company is committed to building the competencies of its employees and improving their performance through training and development. The Company focus is on identifying gaps in its employees' competencies and preparing employees for changes in competitive environments, as well as to meet organizational challenges.

Some of the focus areas in training in the last year centered on leadership, innovation management and internationalization besides other training programmes to drive a change in the Company's employees' outlook as it continue to develop as a global competitor.

**I) DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:****Key Financial Ratios:**

Ratios	2020	2019	Change	Note no.
Debtors Turnover (no. of days)	26	21	25%	
Inventory Turnover (no.of days)	31	61	- 49%	1
Interest Coverage Ratio	1.72	2.89	- 41%	2
Current Ratio	1.87	1.42	32%	3
Debt Equity Ratio	0.004	0.007	- 37%	4
Operating Profit Margin (%)	1.90	3.71	- 49%	5
Net Profit Margin (%)	0.22	1.14	- 81%	5
Return on Net Worth (%)	0.89	5.00	- 83%	5

**Note:**

1. Inventory Turnover: Inventory level was unusually high as on 31.03.2019, which has been brought down to normal levels during the FY 2019-20.
2. Margins have contracted, due to the sluggish economic scenario, resulting into reduction in EBITDA level on standalone basis and decrease in interest coverage.
3. Better cash flow and inventory management has reduced the working capital leverage which has improved the Current Ratio.
4. The Company does not have long term borrowings.
5. The combined factors such as economic recession, squeezed margins and high interest cost have adversely impacted profitability margins.

**J) CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

**NARENDR SURANA**  
MANAGING DIRECTOR  
DIN-00075086

**DEVENDRA SURANA**  
MANAGING DIRECTOR  
DIN-00077296

Place: Secunderabad  
Date: 08.08.2020

## Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014:

1. A brief outline of Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

Promoting health care including preventive health care services to the people below and on poverty line. The CSR Policy of the Company is available on the website of the Company i.e. <http://www.bhagyanagarindia.com/investor-relations.php>

2. The composition of the CSR Committee:

Sl. No.	Name	Designation
1	Shri Narender Surana	Chairman (Executive Director)
2	Shri Devendra Surana	Member (Executive Director)
3	Smt. Madhumathi Suresh	Member (Independent Director)

3. Average Net Profit of the Company for last three financial years:

Net Profit	For the financial year ended 31 <sup>st</sup> March (Amount in ₹)		
	2018-19	2017-18	2016-17
	8,75,67,239	7,53,34,818	2,49,45,508
Average Net Profit for the preceding three financial years	<b>6,26,15,855</b>		

4. Prescribed CSR Expenditure (2% of the amount as in item No. 3 above): ₹ 12,52,317

5. Details of CSR spent during the financial year:

- (a) total amount to be spent for the financial year:

Particulars	Amount (₹)
Amount of CSR liability for the financial year 2019-20 (as per item no.4 above)	12,52,317
Add: Outstanding amount carried forward of FY 2018-19	733,651
<b>Total</b>	<b>19,85,968</b>

- (b) Amount spent during the year : ₹ 3,00,000

- (c) Amount unspent, if any : ₹ 16,85,968

- (d) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project / activity identified	Sector in which the Project is covered	Projects / Programmes 1. Local area/ others- 2. Specify the state and district where projects or programmes were undertaken	Amount outlay (budget) project/ programs wise (₹)	Amount spent on the project / programs Subheads: 1) Direct expenditure on project, 2) Overheads	Cumulative spend up to the reporting period	Amount spent: Direct/ through implementing agency*
1	Providing comprehensive public health management in state-run hospitals helping patients includes palliative care, counselling for child sexual abuse victims, helping patients through guidance, free transport, nutritional support to cancer, Counselling for TB & MDR-TB patients, subsidized implants, diagnostics besides health surveys & public health advocacy.	Promoting health care including preventive health care services	Helping Hand Foundation is located at King Koti, Hyderabad, Telangana State.	2,00,000	2,00,000	2,00,000	The Company has donated an amount of ₹ 2,00,000/- to Helping hands of Rotary Trust.

Sl. No.	CSR project / activity identified	Sector in which the Project is covered	Projects / Programmes 1. Local area/ others- 2. Specify the state and district where projects or programmes were undertaken	Amount outlay (budget) project/ programs wise (₹)	Amount spent on the project / programs Subheads: 1) Direct expenditure on project, 2) Overheads	Cumulative spend up to the reporting period	Amount spent: Direct/ through implementing agency*
2.	Contribution to international symposium on recent challenges in Engineering (ISRCE) 2019 to promote research and education in the field of engineering and technology.	Promoting education	Contribution to OU Alumini, Hyderabad	1,00,000	1,00,000	3,00,000	The Company has donated an amount of ₹ 1,00,000/- to OU Alumini, Hyderabad.

**6. In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report:**

The Company is making the efforts to identify the projects for spending the unspent amount. The Board approved that unspent amount will be carried forward to the next financial year 2020-21.

**7. We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

**For on behalf of the Corporate Social Responsibility Committee**

**Narender Surana**  
Chairman of the Committee

**Devendra Surana**  
Member of the Committee

Place: Secunderabad  
Date: 08.08.2020



## FORM NO. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

1. **Details of contracts or arrangements or transactions not at arm's length basis:** No transactions.
2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or Transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Bhagyanagar Copper Private Limited (Wholly Owned Subsidiary)	Sale of Copper	01.04.2019 to 31.03.2020	2614.15 Lakhs	23.05.2019	-
2	Bhagyanagar Copper Private Limited (Wholly Owned Subsidiary)	Job Work Charges Paid	01.04.2019 to 31.03.2020	307.33 Lakhs	23.05.2019	-
3	Surana Solar Systems Private Limited (Common Directors)	Purchase of Solar Power	01.04.2019 to 31.03.2020	251.31 Lakhs Lakhs	23.05.2019	-
4	Bhagyanagar Copper Private Limited (Wholly Owned Subsidiary)	Purchase of Copper	01.04.2019 to 31.03.2020	₹ 55597.78 Lakhs	23.05.2019	-
5	Surana Solar Limited (Common Directors holding more than two per cent of its paid-up share capital)	Purchase of Solar Modules	01.04.2019 to 31.03.2020	₹ 127.46 Lakhs	08.02.2020 23.06.2020	-

**For and on behalf of the Board of Directors**

**Place: Secunderabad**  
**Date: 08.08.2020**

**NARENDER SURANA**  
**MANAGING DIRECTOR**  
**DIN-00075086**

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**  
**DIN-00077296**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31.03.2020

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**FORM NO. MGT – 9****I. REGISTRATION AND OTHER DETAILS:**

CIN	L27201TG1985PLC012449
Registration Date	2 <sup>nd</sup> September, 1985
Name of the Company	<b>BHAGYANAGAR INDIA LIMITED</b>
Category / Sub-Category of the Company	Company Limited by Shares/Indian-Non Government Company
Address of the Registered Office and contact details	5 <sup>th</sup> Floor, Surya Towers, Sardar Patel Road, Secunderabad-500 003. Ph.No: 040-44665700
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited KFinTech, Tower-B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 008 Phone # +91-40-67162222, Fax # 91-40-23420814, Email ID: einward.ris@karvy.com Website : http://www.kfintech.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Manufacture of Copper and other copper products and alloys	24201	99.51%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Bhagyanagar Copper Private Limited	U27100TG2008PTC125034	Subsidiary	100%	2(87)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):****i) Category-wise Shareholding:**

Category Code	Category of Shareholder	No. of shares held at the beginning of the year 01/04/2019				No. of shares held at the end of the year 31/03/2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>									
<b>(1)</b>	<b>INDIAN</b>									
(a)	Individual /HUF	17895739	0	17895739	55.93	18071108	0	18071108	56.48	0.55
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	5565704	0	5565704	17.40	5567704	0	5567704	17.40	0.01
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(1) :</b>	<b>23461443</b>	<b>0</b>	<b>23461443</b>	<b>73.33</b>	<b>23638812</b>	<b>0</b>	<b>23638812</b>	<b>73.88</b>	<b>0.55</b>

Category Code	Category of Shareholder	No. of shares held at the beginning of the year 01/04/2019				No. of shares held at the end of the year 31/03/2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(2)</b>	<b>FOREIGN</b>									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Total A=A(1)+A(2)</b>	<b>23461443</b>	<b>0</b>	<b>23461443</b>	<b>73.33</b>	<b>23638812</b>	<b>0</b>	<b>23638812</b>	<b>73.88</b>	<b>0.55</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>(1)</b>	<b>INSTITUTIONS</b>									
(a)	Mutual Funds /UTI	0	250	250	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions/Banks	273059	0	273059	0.85	275749	0	275749	0.86	0.01
(c)	Central Government / State Government(s)	88350	0	88350	0.28	88350	0	88350	0.28	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	361409	250	361659	1.13	364099	0	364099	1.14	0.01
<b>(2)</b>	<b>NON-INSTITUTIONS</b>									
(a)	Bodies Corporate	477604	3757	481361	1.50	337354	3757	341111	1.07	-0.44
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 2 lakh	4799526	209649	5009175	15.66	4528974	191711	4720685	14.75	-0.90
	(ii) Individuals holding nominal share capital in excess of ₹ 2 lakh	2323501	0	2323501	7.26	2574310	0	2574310	8.05	0.78
(c)	Others									
	Clearing Members	13928	0	13928	0.04	16383	0	16383	0.05	0.01
	I E P F	163420	0	163420	0.51	181913	0	181913	0.57	0.06
	Non Resident Indians	148443	0	148443	0.46	136568	0	136568	0.43	-0.04
	NRI Non-Repatriation	31820	0	31820	0.10	20869	0	20869	0.07	-0.03
	Trusts	250	0	250	0.00	250	0	250	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(2) :</b>	<b>7958492</b>	<b>213406</b>	<b>8171898</b>	<b>25.54</b>	<b>7796621</b>	<b>195468</b>	<b>7992089</b>	<b>24.98</b>	<b>-0.56</b>
	<b>Total B=B(1)+B(2):</b>	<b>8319901</b>	<b>213656</b>	<b>8533557</b>	<b>26.67</b>	<b>8160720</b>	<b>195468</b>	<b>8356188</b>	<b>26.12</b>	<b>-0.55</b>
	<b>Total (A+B) :</b>	<b>31781344</b>	<b>213656</b>	<b>31995000</b>	<b>100.00</b>	<b>31799532</b>	<b>195468</b>	<b>31995000</b>	<b>100.00</b>	<b>0.00</b>
(C)	Shares held by custodians, against which Depository Receipts have been issued:									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A+B+C) :</b>	<b>31781344</b>	<b>213656</b>	<b>31995000</b>	<b>100.00</b>	<b>31799532</b>	<b>195468</b>	<b>31995000</b>	<b>100.00</b>	

## ii) Shareholding of Promoters:

Sl. No	Shareholders Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Advait Surana	161,541	0.50	-	10,17,036	3.18	-	2.68
2	Devendra Surana	31,34,660	9.80	-	31,34,660	9.80	-	0.00
3	Devendra Surana (HUF)	67,500	0.21	-	67,500	0.21	-	0.00
4	G M Surana (MHUF)	1,78,775	0.56	-	1,78,775	0.56	-	0.00
5	G M Surana (HUF)	1,66,380	0.52	-	1,66,380	0.52	-	0.00
6	GM Surana	17,10,990	5.35	-	0	0.00	-	-5.35
7	Manish Surana	23,37,214	7.30	-	32,01,341	10.01	-	2.71
8	Mitali Surana	3,00,000	0.94	-	3,00,000	0.94	-	0.00
9	Namrata Surana	18,70,435	5.85	-	18,70,435	5.85	-	0.00
10	Narender Surana	32,35,370	10.11	-	33,84,152	10.58	-	0.47
11	Narender Surana (HUF)	1,06,500	0.33	-	1,06,500	0.33	-	0.00
12	Nivruthi Surana	3,47,500	1.09	-	3,47,500	1.09	-	0.00
13	Rahul Surana	14,04,500	4.39	-	14,04,500	4.39	-	0.00
14	Shresha Surana	5,83,483	1.82	-	5,94,622	1.86	-	0.04
15	Sunita Surana	15,72,181	4.91	-	15,78,155	4.93	-	0.02
16	Vinita Surana	7,18,710	2.25	-	7,19,552	2.25	-	0.00
17	Surana Infocom Pvt Ltd	43,41,581	13.57	-	43,41,581	13.57	-	0.00
18	Surana Telecom and Power Limited	11,45,166	3.58	-	11,47,166	3.58	-	0.00
19	Bhagyanagar Securities Private Limited	78,957	0.24	-	78,957	0.24	-	0.00
	<b>Total</b>	<b>2,34,61,443</b>	<b>73.33</b>	<b>-</b>	<b>2,36,38,812</b>	<b>73.88</b>	<b>-</b>	<b>0.55</b>

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

Sl. No	Name of the Share Holder	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding during the year			Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1.	Surana Infocom Private Limited	4341581	13.57	01/04/2019			4341581	13.57
				31/03/2020			4341581	13.57
2.	Narender Surana	3235370	10.11	01/04/2019			3235370	10.11
				07/06/2019	7735	Purchase	3243105	10.14
				14/06/2019	7301	Purchase	3250406	10.16
				21/06/2019	12607	Purchase	3263013	10.20
				28/06/2019	7253	Purchase	3270266	10.22
				05/07/2019	3049	Purchase	3273315	10.23
				16/08/2019	219	Purchase	3273534	10.23
				23/08/2019	11630	Purchase	3285164	10.27
				30/08/2019	6464	Purchase	3291628	10.29
				06/09/2019	4254	Purchase	3295882	10.30
13/09/2019	336	Purchase	3296218	10.30				
			20/09/2019	500	Purchase	3296718	10.30	

Sl. No	Name of the Share Holder	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding during the year			Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
				04/10/2019	46	Purchase	3296764	10.30
				06/12/2019	2629	Purchase	3299393	10.31
				13/12/2019	10424	Purchase	3309817	10.34
				20/12/2019	11753	Purchase	3321570	10.38
				27/12/2019	13093	Purchase	3334663	10.42
				31/12/2019	1939	Purchase	3336602	10.43
				14/02/2020	6523	Purchase	3343125	10.45
				21/02/2020	2245	Purchase	3345370	10.46
				28/02/2020	19237	Purchase	3364607	10.52
				06/03/2020	1621	Purchase	3366228	10.52
				13/03/2020	2845	Purchase	3369073	10.53
				20/03/2020	12896	Purchase	3381969	10.57
				27/03/2020	1183	Purchase	3383152	10.57
				31/03/2020	1000	Purchase	3384152	10.58
3.	Devendra Surana	3134660	9.80	01/04/2019			3134660	9.80
				31/03/2020			3134660	9.80
4	Manish Surana	2337214	7.30	01/04/2019			2337513	7.31
				28/06/2019	855495	Purchase	3192709	9.98
				20/03/2020	3336	Purchase	3196045	9.99
				27/03/2020	5296	Purchase	3201341	10.01
				31/03/2020			3201341	10.01
5	Namrata Surana	1870435	5.85	01/04/2019			1870435	5.85
				31/03/2020			1870435	5.85
6	G M Surana	1710990	5.35	01/04/2019			1710990	5.35
				28/06/2019	-1710990	Sale	0	0.00
				31/03/2020			0	0.00
7	Shresha Surana	583483	1.82	01/04/2019			583483	1.82
				26/07/2019	5198	Purchase	588681	1.84
				02/08/2019	200	Purchase	588881	1.84
				09/08/2019	3881	Purchase	592762	1.85
				11/10/2019	64	Purchase	592826	1.85
				18/10/2019	1000	Purchase	593826	1.86
				13/12/2019	4092	Purchase	597918	1.87
				13/12/2019	4092	Sale	593826	1.86
				03/01/2020	237	Purchase	594063	1.86
				10/01/2020	1100	Purchase	595163	1.86
				17/01/2020	2000	Sale	593163	1.85
				14/02/2020	1459	Purchase	594622	1.86
				31/03/2020			594622	1.86
8	Sunita Surana	1572181	4.91	01/04/2019			1572181	4.91
				20/03/2020	3993	Purchase	1576174	4.93
				27/03/2020	1981	Purchase	1578155	4.93
				31/03/2020			1578155	4.93
9	Rahul Surana	1404500	4.39	01/04/2019			1404500	4.39
				31/03/2020			1404500	4.39

Sl. No	Name of the Share Holder	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding during the year			Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
10	Surana Telecom and Power Limited	1145166	3.58	01/04/2019			1145166	3.58
				05/07/2019	2000	Purchase	1147166	3.59
				31/03/2020			1147166	3.59
11	Nivruthi Surana	347500	1.09	01/04/2019			347500	1.09
				31/03/2020			347500	1.09
12	Mitali Surana	300000	0.94	01/04/2019			300000	0.94
				31/03/2020			300000	0.94
13	G M Surana (MHUF)	178775	0.56	01/04/2019			178775	0.56
				31/03/2020			178775	0.56
14	G M Surana (HUF)	166380	0.52	01/04/2019			166380	0.52
				31/03/2020			166380	0.52
15	Advait Surana	161541	0.50	01/04/2019			161541	0.50
				28/06/2019	855495	Purchase	1017036	3.18
				31/03/2020			1017036	3.18
16	Narender Surana(HUF)	106500	0.33	01/04/2019			106500	0.33
				31/03/2020			106500	0.33
17	Bhagyanagar Securities Pvt Ltd	78957	0.25	01/04/2019			78957	0.25
				31/03/2020			78957	0.25
18	Devendra Surana (HUF)	67500	0.21	01/04/2019			67500	0.21
				31/03/2020			67500	0.21
19	Vinita Surana	718710	2.25	01/04/2019			718710	2.25
				19/07/2019	842	Purchase	719552	2.25
				31/03/2020			719552	2.25

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

Sl. No	Name of the Shareholder	Shareholding at the beginning of the Year		Increase / Decrease in shareholding			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	Date	No. of shares	Reason	No of Shares	% of total shares of the company
1	Sambhav Munoth	823000	2.57	01/04/2019			823000	2.57
				31/03/2020			823000	2.57
2	Dundoo Ajit Kumar	319296	1.00	01/04/2019			319296	1.00
				19/07/2019	10735	Purchase	330031	1.03
				26/07/2019	16958	Purchase	346989	1.08
				20/03/2020	2890	Purchase	349879	1.09
				31/03/2020			349879	1.09
3	Arun Kumar Jain	279165	0.87	01/04/2019			279165	0.87
				04/10/2019	5822	Purchase	284987	0.89
				11/10/2019	1195	Purchase	286182	0.89
				18/10/2019	13593	Purchase	299775	0.94
				25/10/2019	951	Purchase	300726	0.94
				01/11/2019	2349	Purchase	303075	0.95
08/11/2019	5780	Purchase	308855	0.97				



Sl. No	Name of the Shareholder	Shareholding at the beginning of the Year		Increase / Decrease in shareholding			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	Date	No. of shares	Reason	No of Shares	% of total shares of the company
				15/11/2019	4650	Purchase	313505	0.98
				22/11/2019	14384	Purchase	327889	1.02
				29/11/2019	463	Purchase	328352	1.03
				31/03/2020			328352	1.03
4	General Insurance Corporation of India	272709	0.85	01/04/2019			272709	0.85
				31/03/2020			272709	0.85
5	Narender Munoth	249774	0.78	01/04/2019			249774	0.78
				13/09/2019	1000	Purchase	250774	0.78
				20/12/2019	4850	Purchase	255624	0.80
				20/03/2020	3074	Purchase	258698	0.81
				27/03/2020	1477	Purchase	260175	0.81
				31/03/2020			260175	0.81
6	Vaibhav Mutha	257500	0.80	01/04/2019			257500	0.80
				31/03/2020			257500	0.80
7	Investor Education and Protection Fund Authority	163420	0.51	01/04/2019			163420	0.51
				06/09/2019	100	Sale	163320	0.51
				13/12/2019	14904	Purchase	178224	0.56
				20/12/2019	3689	Purchase	181913	0.57
				31/03/2020			181913	0.57
8	Vinod Chand Bothra	70000	0.22	01/04/2019			70000	0.22
				21/06/2019	20450	Purchase	90450	0.28
				28/06/2019	7452	Purchase	97902	0.31
				05/07/2019	11162	Purchase	109064	0.34
				12/07/2019	14410	Purchase	123474	0.39
				19/07/2019	18215	Purchase	141689	0.44
				26/07/2019	9971	Purchase	151660	0.47
				02/08/2019	18409	Purchase	170069	0.53
				09/08/2019	5577	Purchase	175646	0.55
				30/08/2019	825	Purchase	176471	0.55
				28/02/2020	30000	Sale	146471	0.46
				06/03/2020	30000	Sale	116471	0.36
				20/03/2020	38991	Purchase	155462	0.49
				31/03/2020			155462	0.49
9	Eureka Credit Finance Private Limited	100278	0.31	01/04/2019			100278	0.31
				03/05/2019	100000	Sale	278	0.00
				21/06/2019	100000	Purchase	100278	0.31
				27/03/2020	100278	Sale	0	0.00
				31/03/2020	92137	Purchase	92137	0.29
				31/03/2020			92137	0.29
10	AP Industrial Development Corporation	88350	0.28	01/04/2019			88350	0.28
				31/03/2020			88350	0.28

## v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Director	Shareholding at the beginning of the year (as on 01.04.2019)		Change in Shareholding during the year		Shareholding at the end of the year (as on 31.03.2020)	
		No. of Shares	% of total shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
1	G. M. Surana	17,10,990	5.35	-	17,10,990	0	0.00
2	Narender Surana	32,35,370	10.11	148782	-	33,84,152	10.58
3	Devendra Surana	31,34,660	9.80	-	-	31,34,660	9.80
4	R. Surender Reddy	7,500	0.02	-	-	7,500	0.02
5	O. Swaminatha Reddy	-	-	-	-	-	-
6	Kamlesh Gandhi	-	-	-	-	-	-
7	D. Venkata Subbiah *	-	-	-	-	-	-
8	Madhumathi Suresh	-	-	-	-	-	-
9	N. Krupakar Reddy	-	-	-	-	-	-

\* Retired from the Board w.e.f. 21.09.2019

S. No.	Name of the Key Managerial Personnel	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
1.	Surendra Bhutoria Chief Financial Officer	-	-	-	-	-	-
2.	Rachna Kewliya * Company Secretary	-	-	-	-	-	-
3.	Subhojeet Bhattacharjee # Company Secretary						

\* Resigned as Company Secretary w.e.f.12.12.2019

# Appointed as Company Secretary w.e.f. 09.03.2020

## V. INDEBTEDNESS:

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

(Amount in ₹)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,035,782,002	-	-	1,035,782,002
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	42,74,251	-	-	42,74,251
<b>Total (i+ii+iii)</b>	<b>1,040,056,253</b>	-	-	<b>1,040,056,253</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	65,63,51,146	-	-	65,63,51,146
<b>Net Change</b>	<b>65,63,51,146</b>	-	-	<b>65,63,51,146</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	38,36,23,534	-	-	38,36,23,534
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	81,573	-	-	81,573
<b>Total (i+ii+iii)</b>	<b>38,37,05,107</b>	-	-	<b>38,37,05,107</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Narender Surana, Managing Director	Devendra Surana, Managing Director	N.Krupakar Reddy, Whole Time Director	Total Amount (₹)
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Nil	1,08,00,000	4,08,000	1,12,08,000
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify....				
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>Nil</b>	<b>1,08,00,000</b>	<b>4,08,000</b>	<b>1,12,08,000</b>

**B. Remuneration to other Directors:**
**1. Independent Directors:**

Sl. No.	Particulars of remuneration	Name of Director					Total Amount (₹)
		R. Surender Reddy	O.Swaminatha Reddy	D. Venkata Subbiah*	Kamlesh Gandhi	Madhumati Suresh	
1	Sitting Fee for attending Board/Committee Meetings	80,000	90,000	20,000	80,000	40,000	3,10,000
2	Commission	-	-	-	-	-	-
3	Others, please specify	-	-	-	-	-	-
	<b>Total (B)(1)</b>	<b>80,000</b>	<b>90,000</b>	<b>20,000</b>	<b>80,000</b>	<b>40,000</b>	<b>3,10,000</b>

\* Retired from the Board w.e.f. 21/09/2019

**2. Other Non-Executive Directors:**

Particulars of remuneration	G M Surana, Director	Total Amount (₹)
- Fee for attending Board/ Committee Meetings	40,000	40,000
- Commission	-	-
- Others, please specify	-	-
<b>Total</b>	<b>40,000</b>	<b>40,000</b>

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

Sl. No.	Particulars of Remuneration	Surendra Bhutoria (CFO)	Rachna Kewliya (Company Secretary)*	Subhojeet Bhattacharjee (Company Secretary)#	Total Amount (₹)
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	20,94,000	2,99,581	23,448	24,17,029
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-

Sl. No.	Particulars of Remuneration	Surendra Bhutoria (CFO)	Rachna Kewliya (Company Secretary)*	Subhojeet Bhattacharjee (Company Secretary)#	Total Amount (₹)
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (C)</b>	<b>20,94,000</b>	<b>2,99,581</b>	<b>23,448</b>	<b>24,17,029</b>

\* Resigned as Company Secretary w.e.f.12.12.2019

# Appointed as Company Secretary w.e.f. 09.03.2020

#### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Secunderabad  
Date: 08.08.2020

**NARENDER SURANA**  
MANAGING DIRECTOR  
DIN-00075086

**DEVENDRA SURANA**  
MANAGING DIRECTOR  
DIN-00077296

**FORM NO MR 3**  
**SECRETARIAL AUDIT REPORT**

*Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014*

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

To  
The members of  
**Bhagyanagar India Limited**

I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s. Bhagyanagar India Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

1. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
2. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 ("Audit Period") according to the provisions of:
  - i) The Companies Act, 2013 (the Act) and the rules made there-under;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the Extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not applicable during the audit period.
    - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable during the audit period.
    - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable during the audit period
    - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable during the audit period
    - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable during the audit period
    - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable during the audit period

- vi) The Company's main business is into manufacture of copper, ferrous and non-ferrous metals and non-conventional energy (wind). Accordingly, the following industry specific major laws are applicable to the Company:
- (a) The Electricity Act, 2003
  - (b) Hazardous Wastes (Management and Handling) Rules, 1989
  - (c) Environment Protection Act, 1986
- vii) I have also examined compliance with the applicable clauses of the following:
- (a) The Listing Agreement entered into by the Company with the Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (b) Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board and General Meetings of the Company.

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations and Guidelines etc. mentioned above.

3. I, further report that:
- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
  - (b) Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
  - (c) It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.
4. I, further report that during the audit period, there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, regulations, guidelines, standards, etc.

Place: Hyderabad  
Date: 29.07.2020

**Rakhi Agarwal**  
**Company Secretary in Practice**  
**FCS No.7047**  
**CP No.6270**  
**UDIN: F007047B000521869**



## Secretarial Compliance Report of Bhagyanagar India Limited for the year ended 31<sup>st</sup> March, 2020

*(Pursuant to SEBI- CIR/CFD/CMD/1127/2019, Dated 8<sup>th</sup> February, 2019)*

I, Mrs. Rakhi Agarwal, Practicing Company Secretary, (FCS No.7047, Certificate of Practice No. 6270) have examined:

- (a) all the documents and records made available to us and explanation provided by M/s Bhagyanagar India Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31<sup>st</sup> March, 2020 ("Review Period") in respect of compliance with the provisions of :
  - (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company as there was no reportable event during the audit period)**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company as there was no reportable event during the audit period)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company as there was no reportable event during the audit period)**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company as there was no reportable event during the audit period)**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company as there was no reportable event during the audit period)**
- (h) Securities and Exchange Board of India (Prohibition of insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sl. No	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
None			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sl. No	Action taken by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary, if any
None				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports – **Not applicable as no observations were made in the previous report.**

Date: 14.05.2020  
Place: Hyderabad

Sd/-  
Rakhi Agarwal  
Practicing Company Secretary  
FCS No.:7047  
CP No.: 6270  
UDIN: F007047B000237332

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Transparency and accountability are the two basic tenets of Corporate Governance. At Bhagyanagar India Limited, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business, as demonstrated in the words above. Responsible corporate conduct is integral to the way we do our business. At Bhagyanagar India Limited, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles is an extension of our values and reflects our continued commitment to ethical business practices across our operations. To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for our shareholders, our people and our business partners.

The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come. The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

### 2. BOARD OF DIRECTORS:

#### a) Composition and Category of Directors:

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

In terms of compliance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations", the Company endeavour to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at March 31, 2020, the Board of Directors ("Board") comprises of Eight Directors, of which Five are Non-Executive Directors and three are Executive Directors. The Company has Four Independent Non-Executive Directors. Independent Directors including Women Director; Independent Directors comprise half of the total strength of the Board. The composition and category of the Board of Directors is as follows:

Sl. No	Name of Director	Designation	Category
1	Shri. G Mangilal Surana *	Chairman Emeritus	Non-Executive Director (Promoter)
2	Shri. Narender Surana	Managing Director	Executive Director (Promoter)
3	Shri. Devendra Surana	Managing Director	Executive Director (Promoter)
4	Shri. O Swaminatha Reddy**	Director	Independent Non-Executive Director
5	Shri. R Surender Reddy	Director	Independent Non-Executive Director
6	Shri. Kamlesh Gandhi	Director	Independent Non-Executive Director
7	Smt. Madhumathi Suresh	Director	Independent Non-Executive Director
8	Shri. N Krupakar Reddy #	Whole Time Director	Executive Director

\* Resigned from the office of Director w.e.f. 30.06.2020

\*\* Resigned as an Independent Director w.e.f. 26.06.2020

# Resigned from the office of Director w.e.f. 31.05.2020

#### b) Attendance of each director at the Board meetings and at the last Annual General Meeting:

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2020 has been set out here below:

Sl. No	Name of Director	No. of Board Meetings		Attendance at last AGM on 21.09.2019
		Held	Attended	
1	Shri G Mangilal Surana	5	4	Absent
2	Shri Narender Surana	5	5	Present
3	Shri Devendra Surana	5	5	Present
4	Shri O Swaminatha Reddy	5	5	Present
5	Shri R Surender Reddy	5	4	Absent

Sl. No	Name of Director	No. of Board Meetings		Attendance at last AGM on 21.09.2019
		Held	Attended	
6	Shri Kamlesh Gandhi	5	4	Absent
7	Shri D.Venkata Subbaiah *	5	2	Present
8	Smt Madhumathi Suresh	5	4	Present
9	Shri N Krupakar Reddy	5	3	Absent

\* Retired from the Board on 21.09.2019.

c) **Number of Other Directorships, Committee Membership(s) & Chairmanship(s):**

Sl. No.	Name of the Director	Directorship in other listed entities (category of directorship)	Other Directorships*	other Committee Membership	Other Chairmanship*
1	Shri G Mangilal Surana	Surana Solar Limited (Non-Independent, Non-Executive)	1	-	-
2	Shri Narender Surana	Surana Solar Limited (Non-Independent, Non-Executive)	16	5	-
		Surana Telecom and Power Ltd (Non-Independent, Executive)			
		Bhagyanagar Properties Limited (Non-Independent, Non-Executive)			
3	Shri Devendra Surana	Surana Solar Limited (Non-Independent, Non-Executive)	17	3	-
		Surana Telecom and Power Ltd (Non-Independent, Non-Executive)			
		Bhagyanagar Properties Limited (Non-Independent, Non-Executive)			
4	Shri O Swaminatha Reddy	Surana Solar Limited (Independent, Non-Executive)	6	2	2
		Sagar Cements Ltd (Independent, Non-Executive)			
5	Shri R Surender Reddy	Surana Solar Limited (Independent, Non-Executive)	6	5	3
		Surya Lakshmi Cotton Mills Ltd (Independent, Non-Executive)			
		Suryalata Spinning Mills Limited (Independent, Non-Executive)			
		Lakshmi Finance and Industrial Corporation Ltd (Independent, Non-Executive)			
6	Shri Kamlesh Gandhi	Kirloskar Electric Company Ltd (Independent, Non-Executive)	4	2	2
		NCL Industries Ltd (Independent, Non-Executive)			
		Sundaram -Clayton Limited (Independent, Non-Executive)			
7	Smt. Madhumathi Suresh	Surana Solar Limited (Independent, Non-Executive)	2	1	1
		Gowra Leasing and Finance Ltd (Independent, Non-Executive)			
8	Shri N Krupakar Reddy	-	4	-	-

\* includes Private Companies.

None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Chairmanships / Memberships of Committees

include only Audit and Stakeholders' Relationship Committee as covered under Regulation 26 of the SEBI Listing Regulations, 2015, as per the disclosures made by the Directors.

**d) Number of Board Meetings held and the dates on which held:**

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, Five Board Meetings were held during the financial year ended 31.03.2020, as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed One Hundred and Twenty days.

The dates on which the Board meetings were held are:

23.05.2019	07.08.2019	21.09.2019	09.11.2019	08.02.2020
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**e) Disclosure of relationship between directors inter-se:**

Shri. G Mangilal Surana, Chairman-Emeritus is the father of Shri Narender Surana and Shri Devendra Surana, Managing Directors of the Company. Other than Shri. G Mangilal Surana, Chairman-Emeritus, Shri Narender Surana, Managing Director and Shri Devendra Surana, Managing Director, none of the Directors are related to any other Director.

**f) Shares held by Non-Executive Directors:**

The number of equity shares of the Company held by the non-executive directors, as on 31.03.2020 are as follows:

Sl. No	Name of the Director	No of Equity Shares
1	Shri. G Mangilal Surana	Nil
2	Shri. O Swaminatha Reddy	Nil
3	Shri. R Surender Reddy	7,500
4	Shri. Kamlesh Gandhi	Nil
5	Smt. Madhumathi Suresh	Nil

**g) Familiarisation programmes imparted to independent directors:**

Your Company follows a structured orientation and familiarisation programme through various reports/codes/ internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. During the year 2019-20, Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. Independent Directors have been taken through various aspects of Business and operations. The framework on familiarisation programme has been posted in the website of the Company. The details of familiarization program is available on the website: [http://www.bhagyanagarindia.com/pdf/corporategovernance/policies\\_/Familiarisation-Programme-for-ID.pdf](http://www.bhagyanagarindia.com/pdf/corporategovernance/policies_/Familiarisation-Programme-for-ID.pdf)

**h) Chart / matrix setting out the skills/expertise/competence of the Board of Directors:**

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Leadership / Operational experience
- Strategic Planning
- Industry Experience, Research & Development and Innovation
- Financial, Regulatory / Legal & Risk Management
- Corporate Governance

Sl No	Name of the Director	Skill/Expertise/Competency of the Director
1	Shri. Devendra Surana	Leadership / Operational experience
		Strategic Planning
		Industry Experience, Research & Development and Innovation
		Financial, Regulatory / Legal & Risk Management
		Corporate Governance
2	Shri. Narender Surana	Leadership / Operational experience
		Industry Experience
		Financial, Regulatory / Legal & Risk Management

SI No	Name of the Director	Skill/Expertise/Competency of the Director
3	Shri Kamlesh Gandhi	Financial, Regulatory / Legal & Risk Management
		Corporate Governance
4	Shri R Surender Reddy	Leadership / Operational experience
		Financial, Regulatory / Legal & Risk Management
		Corporate Governance
5	Smt. Madhumathi Suresh	Financial, Regulatory / Legal & Risk Management
		Corporate Governance
6	Shri N.C.Bhardwaj	Leadership / Operational experience
		Industry Experience, Research & Development and Innovation

**i) Confirmation from the Board:**

The Board of Directors be and hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

**j) No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the financial year ended 31<sup>st</sup> March, 2020.**

However, Shri D.Venkata Subbaiah, Independent Director has retired from the Board of Directors after completion of his first tenure effective from the conclusion of the 34<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> September, 2019. Further Shri D.Venkata Subbaiah has conveyed his intention not to seek re-appointment for second term due to his old age and health constraints.

**BOARD COMMITTEES:**

Details of the Board Committees and other related information are provided hereunder:

**3. AUDIT COMMITTEE:**

**(a) Brief description of terms of reference:**

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Review of financial reporting systems;
2. Ensuring compliance with regulatory guidelines;
3. Reviewing the quarterly, half yearly and annual financial results;
4. Approval of annual internal audit plan;
5. Review and approval of related party transactions;
6. Discussing the annual financial statements and auditor's report before submission to the Board with particular reference to the (i) Director's Responsibility Statement; (ii) major accounting entries; (iii) significant adjustments in financial statements arising out of audit findings; (iv) compliance with listing requirements etc.;
7. Interaction with statutory, internal and cost auditors;
8. Recommendation for appointment and remuneration of auditors; and
9. Reviewing and monitoring the auditor's independence and performance etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and



6. Statement of deviations:

- (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

In addition to the above, the Audit Committee also reviews the financial statements, minutes and details of investments made by the subsidiary companies.

**(b) Composition, Name of members and Chairman:**

As on March 31, 2020, the Audit Committee of the Board comprises of three (3) Independent Directors and one (1) Executive Director. The Chairperson of the Audit Committee is Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

Sl. No	Name of Director	Designation
1	Shri Kamlesh Gandhi	Chairman (Independent Director)
2	Shri O Swaminatha Reddy	Member (Independent Director)
3	Shri R Surender Reddy	Member (Independent Director)
4	Shri Devendra Surana	Member (Executive Director)

- Managing Director, CFO, Statutory Auditors and Internal Auditors attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.
- The minutes of the meetings of the Audit Committee are placed before the Board and discussed in the meeting.

**(c) Meetings and attendance during the year:**

- During the financial year ended March 31, 2020, four Audit Committee meetings were held on:

23.05.2019	07.08.2019	09.11.2019	08.02.2020
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- All the recommendations made by the Audit Committee were accepted by the Board unanimously.

• **Attendance at the Audit Committee Meeting:**

Sl No	Name of the Director	Number of Meetings	
		Held	Attended
1.	Shri Kamlesh Gandhi	4	4
2.	Shri O Swaminatha Reddy	4	4
3.	Shri R Surender Reddy	4	4
4.	Shri Devendra Surana	4	4

The Managing Director, CFO, Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. Due to unavoidable circumstances, Shri Kamlesh Gandhi, Chairman of the Audit Committee did not attend the 34<sup>th</sup> Annual General Meeting. Hence, he authorised Shri Devendra Surana, Managing Director of the Company to answer the queries raised by the Shareholders regarding Audit and Accounts.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

**a. Brief description of terms of reference**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Carry on the evaluation of every director's performance;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity; and
- Any other matter as the Board may decide from time to time.

**b. Composition, Name of members and Chairman:**

During the period under review, the Nomination and Remuneration Committee was re-constituted with appointment of Smt. Madhumathi Suresh, Independent Director in place of Shri D Venkata Subbiah who retired from the Committee w.e.f. 21.09.2019. The following is the composition of the Committee.

Sl. No	Name of Director	Designation
1.	Shri. R Surender Reddy	Chairman (Independent Director)
2.	Shri. O Swaminatha Reddy	Member (Independent Director)
3.	Smt. Madhumathi Suresh	Member (Independent Director)

- The Company Secretary acts as the Secretary of the Committee.
- The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.
- Due to unavoidable circumstances, Shri R.Surender Reddy, Chairman of the Nomination and Remuneration Committee did not attend the 34<sup>th</sup> Annual General Meeting. Hence, he authorised Shri O.Swaminatha Reddy, Independent Director cum Member of the NRC Committee, to answer the queries raised by the Shareholders.

**c. Meetings and attendance during the year:**

During the period from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020, Nomination and Remuneration Committee Meetings were held on 07.08.2019 and 08.02.2020.

S. No	Name of the Director	Number of Meetings	
		Held	Attended
1.	Shri. R Surender Reddy	2	2
2.	Shri. O Swaminatha Reddy	2	2
3.	Smt. Madhumathi Suresh *	2	1
4	Shri D.Venkata Subbiah #	2	1

\*Appointed as Member of the Committee w.e.f. 21.09.2019

# Retired from the Committee w.e.f. 21.09.2019

**d. Performance evaluation of Directors.**

During the year under review, pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the evaluation of performance of all Directors is undertaken annually. The company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprise evaluation criteria taking into consideration various performance related aspects.

The Board of Directors has expressed their satisfaction with the valuation process.

**e. Nomination and Remuneration policy**

- In compliance with the requirements of Section 178 of the Companies Act, 2013, Rules framed thereunder and pursuant to the provisions of Regulation 19(4) of the Listing Regulations, the Board of Directors of the Company has a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel, Functional Heads and other employees of the Company. The Policy provides for criteria and qualifications for appointment of Director, Key Managerial Personnel (KMPs) and remuneration to them, Board diversity etc. The said policy is available on the Company's website [http://www.bhagyanagarindia.com/pdf/corporate-governance/policies/Nominations-and-Remunerati on-Policy.pdf](http://www.bhagyanagarindia.com/pdf/corporate-governance/policies/Nominations-and-Remunerati%20on-Policy.pdf)
- The Non-executive directors are paid sitting fees for attending meetings of Board/Committee.

**5. INDEPENDENT DIRECTORS' MEETING:**

A separate meeting of the Independent Directors was held on 08<sup>th</sup> February, 2020 under the Chairmanship of Shri R.Surender Reddy, Independent Director, interalia, to discuss evaluation of the performance of Non-independent

Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

## 6. REMUNERATION OF DIRECTORS

### (a) Details of Remuneration paid to Non-Executive Directors:

- There were no pecuniary transactions with any Non-executive Director of the Company.
- The criteria for making payment to Non-executive Directors is available on the website of the Company i.e., [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com).
- Non-executive Directors are paid sitting fees:

Following are the details of Sitting Fees paid to the Non-executive Directors during the Financial Year ended 31<sup>st</sup> March, 2020:

S. No.	Name of Director	Sitting Fees paid (₹)
1.	Shri G Mangilal Surana	40,000
2.	Shri O Swaminatha Reddy	90,000
3.	Shri R Surender Reddy	80,000
4.	Shri Kamlesh Gandhi	80,000
5.	Shri D.Venkata Subbaiah	20,000
6.	Smt. Madhumathi Suresh	40,000
<b>Total</b>		<b>3,50,000</b>

### (b) Details of Remuneration paid to Executive Directors:

The remuneration paid to the Managing Director / Whole-time Director during the year is as follows:

(Amount in ₹)

Name of Director	Designation	Salary	HRA	Total
Shri. Narender Surana	Managing Director	Nil	Nil	Nil
Shri. Devendra Surana	Managing Director	72,00,000	36,00,000	1,08,00,000
Shri. N. Krupakar Reddy	Whole-time Director	4,08,000	Nil	4,08,000
<b>TOTAL</b>		<b>76,08,000</b>	<b>36,00,000</b>	<b>1,12,08,000</b>

There were no severance fees and stock option plan. The appointment of the Managing Director / whole-time Director is on the basis of the terms and conditions laid down in the respective resolutions passed by the members in the General Meetings.

## 7. STAKEHOLDERS RELATIONSHIP COMMITTEE:

### (a) Brief description of terms of reference:

The Stakeholders Relationship Committee oversees and reviews all matters connected with the share transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual report/dividends etc. The committee oversees the performance of the Registrar of Transfer Agents and recommends measures for overall improvement in the quality of investor services. Email-id for Investor Grievances: [investorservices\\_bill@surana.com](mailto:investorservices_bill@surana.com) or [cs@surana.com](mailto:cs@surana.com).

### (b) Composition:

During the period under review, the Stakeholders Relationship Committee was re-constituted with appointment of Smt. Madhumathi Suresh, Independent Director in place of Shri D Venkata Subbiah who retired from the Committee w.e.f. 21.09.2019. The Composition as on 31.03.2020 is as follows:

Sl. No.	Name of Director	Designation
1.	Smt. Madhumathi Suresh	Chairperson (Independent Director)
2.	Shri. Narender Surana	Member (Executive Director)
3.	Shri. Devendra Surana	Member (Executive Director)

**(c) Name and Designation of Compliance Officer:**

Shri Subhojeet Bhattacharjee, Company Secretary is acting as Compliance Officer of the Company.

**(d) Number of Shareholders complaints received so far.**

During the financial year ended 31<sup>st</sup> March, 2020, the Company has received and resolved 3 complaints.

**(e) Number of complaints not resolved to the satisfaction of shareholders is Nil.****(f) There were no pending complaints as at the year end.****8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE****(a) Brief description of terms of reference:**

The terms of reference of Corporate Social Responsibility (CSR) Committee are as follows:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company at [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com)

**Meetings held:**

During the year under review, two meetings were held on 23<sup>rd</sup> May, 2019 and 8<sup>th</sup> February, 2020.

**Composition and Attendance during the year:**

During the period under review, the CSR Committee was re-constituted with appointment of Smt. Madhumathi Suresh, Independent Director in place of Shri D. Venkata Subbaiah who retired from the Committee w.e.f. 21.09.2019.

S. No	Name of the Director	Designation	Number of Meetings	
			Held	Attended
1.	Narender Surana	Chairman	2	2
2.	Devendra Surana	Member	2	2
3.	Smt. Madhumathi Suresh *	Member	2	1
4.	Shri D.Venkata Subbaiah #	Member	2	1

\*Appointed as Member of the Committee w.e.f. 21.09.2019

# Retired from the Committee w.e.f. 21.09.2019

**9. GENERAL BODY MEETINGS:****i) Venue and Time, where last three Annual General Meetings held:**

Year	Date	Time	Venue
2018-19 34 <sup>th</sup> AGM	21 <sup>st</sup> September, 2019	10.00 A.M	Hotel Parklane, 115, Parklane, Secunderabad-500 003, Telangana
2017-18 33 <sup>rd</sup> AGM	24 <sup>th</sup> September, 2018	10.00 A.M	The Grand Solitaire Hotel, 1-240, 41 & 43, SD Road, Parklane, Secunderabad-500 003
2016-17 32 <sup>nd</sup> AGM	26 <sup>th</sup> September, 2017	10.00 A.M	The Grand Solitaire Hotel, 1-240, 41 & 43, SD Road, Parklane, Secunderabad-500 003

**ii) Whether any Special Resolutions passed in the previous 3 Annual General Meetings:**

**2018-19:** In the AGM held on 21<sup>st</sup> September, 2019 the Company has passed Special Resolutions as follows:

- (i) Re-appointment of Shri O. Swaminatha Reddy as an Independent Director of the Company.
- (ii) Re-appointment of Shri R. Surender Reddy as an Independent Director of the Company.
- (iii) Re-appointment of Shri Kamlesh Gandhi as an Independent Director of the Company.
- (iv) Re-appointment of Smt. Madhumathi Suresh as an Independent Director of the Company.

- (v) To raise funds through issue of Shares/Convertible Securities/ADR/GDR/FCCB's/ECB's etc.

**2017-18:** In the AGM held on 24<sup>th</sup> September, 2018 the Company has passed Special Resolutions as follows:

- (i) Re-appointment of Shri Devendra Surana as Managing Director of the Company.
- (ii) Re-appointment of Shri Narender Surana as Managing Director of the Company.
- (iii) Revision of Remuneration of Shri N. Krupakar Reddy, Whole-time Director of the Company.
- (iv) Appointment of Shri G. Mangilal Surana as Non-Executive Director of the Company.
- (v) Appointment of Shri O.Swaminatha Reddy as Non-Executive Independent Director of the Company.
- (vi) Appointment of Shri R. Surender Reddy as Non-Executive Independent Director of the Company.
- (vii) Appointment of Shri D. Venkata Subbaiah as Non-Executive Independent Director of the Company.
- (viii) To approve the overall limits u/s 186 for Loans/ Guarantees/ Securities/ Investment by the Company.
- (ix) To raise funds through issue of Shares/Convertible Securities/ADR/GDR/FCCB's/ECB's etc

**2016-17:** In the AGM held on 26<sup>th</sup> September, 2017 the Company has passed Special Resolutions as follows:

- (i) Re-Appointment of Shri N. Krupakar Reddy, Whole-Time Director of the Company.
- (ii) Change in Articles of Associations (AoA).
- (iii) To authorize the Board to raise the funds through issue of convertible securities/GDRs/ADRs/FCCBs / ECBs etc.

**iii) Special resolution passed last year through postal ballot:**

No Special Resolution was passed through Postal Ballot during the FY 2019-20.

**iv) Whether any Special resolution is proposed to be conducted through postal ballot: No**

**10. MEANS OF COMMUNICATION:**

**(a) Quarterly Financial Results:**

The quarterly financial results of the Company are published in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in widely circulated newspapers namely Business Standard/Financial Express (English daily) and Navatelangana (Telugu daily).

**(b) Newspapers wherein results normally published**

The financial results of the Company are published in widely circulated newspapers namely Business Standard/ Financial Express (English daily) and Navatelangana (Telugu daily).

**(c) Any website, where displayed**

The financial results of the Company are published on the Company's website: [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com).

**(d) Whether it also displays official news releases**

Official news releases along with quarterly results are displayed on the Company's website: [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com).

**(e) Presentations made to institutional investors or to the analysts.**

There are no presentations made to the investors/ analysts.

**(f) Website:**

The website [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com) contains a separate dedicated section for the Company's "Investor Relations" where shareholders' information is available. The full Annual Report, shareholding pattern etc. is also available in the 'Investor Relations' sections on the website of the Company.

**11. GENERAL SHAREHOLDER INFORMATION:**

<b>Annual General Meeting</b>	Tuesday, 29 <sup>th</sup> September, 2020 at 10.00 a.m. through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting
<b>Financial Year</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March.
<b>Date of Book Closure</b>	24.09.2020 to 29.09.2020 (both days inclusive)
<b>Dividend Payment Date</b>	N.A.
<b>The Company's equity shares are listed at</b>	<b>BSE Ltd</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400 051
<b>Scrip/Stock Code</b>	512296 on BSE BHAGYANGR on NSE
<b>ISIN Number for NSDL &amp; CDSL</b>	INE458B01036

The Listing fees for the year 2020-21 has been paid to the above stock exchanges.

**(a) MARKET PRICE DATA:**

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr' 2019	33.80	29.20	35.20	30.00
May' 2019	30.90	26.15	34.00	26.05
Jun' 2019	29.65	23.50	29.50	24.00
Jul' 2019	26.00	20.10	25.50	20.00
Aug' 2019	24.50	18.55	23.75	17.50
Sep' 2019	21.40	18.10	20.90	17.60
Oct' 2019	20.75	17.35	21.90	17.10
Nov' 2019	22.00	17.55	21.80	17.55
Dec' 2019	21.00	16.65	18.95	16.90
Jan' 2020	28.60	18.00	28.95	16.55
Feb' 2020	21.80	18.00	21.00	17.45
Mar' 2020	21.80	11.50	19.15	10.80

**(b) Performance in comparison to broad based indices of BSE Sensex:**

The performance of the Company's scrip on the BSE as compared to the Sensex is as under:

	1 <sup>st</sup> April, 2019	31 <sup>st</sup> March, 2020	% Change
Company Share Price(closing)	32.00	14.55	- 54.53
SENSEX (closing)	38,871.87	29,468.49	-24.19

(c) There was no suspension of trading in Securities of the Company during the year under review.

**(d) Registrar to an issue & Share Transfer Agents:**

Registrar to an issue & Share Transfer Agents (for shares held in both Physical and Demat mode) are as follows:

**KFin Technologies Private Limited**

KFintech, Tower – B, Plot No 31 & 32,

Selenium Building, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032

Tel No.040-67162222 / 040-79611000

E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) / [nageswara.raop@kfintech.com](mailto:nageswara.raop@kfintech.com)

Website: [www.kfintech.com](http://www.kfintech.com)

**(e) Share Transfer System**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.



**(f) Shareholding Pattern as on 31<sup>st</sup> March, 2020:**

Sl. No	Description	Total Shares	% Equity
1	Promoters	1,80,71,108	56.48
2	Promoters Bodies Corporate	55,67,704	17.40
3	Resident Individuals	72,94,995	22.80
4	Bodies Corporates	3,41,111	1.07
5	Indian Financial Institutions/Banks	2,75,749	0.86
6	Non Resident Indians	1,36,568	0.43
7	I E P F	1,81,913	0.57
8	Government	88,350	0.28
9	Clearing Members	16,383	0.05
10	Non Resident Indian Non Repatriable	20,869	0.07
11	Mutual Funds	0	0.00
12	Trusts	250	0.00
	<b>Total:</b>	<b>3,19,95,000</b>	<b>100.00</b>

**(g) Distribution of shareholding as on 31.03.2020:**

Shares holding of nominal value of	No. of Shareholders	No. of Shares	% of total shares
1 - 5000	9,893	26,17,721	8.18
5001 - 10000	182	6,63,445	2.07
10001 - 20000	85	6,14,219	1.92
20001 - 30000	24	2,87,791	0.90
30001 - 40000	11	1,84,821	0.58
40001 - 50000	10	2,27,300	0.71
50001 - 100000	13	4,19,816	1.31
100001 & Above	35	2,69,79,887	84.33
<b>Total</b>	<b>10,253</b>	<b>3,19,95,000</b>	<b>100.00</b>

**(h) Dematerialization of Shares & Liquidity**

The Company's shares are available for dematerialisation with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

3,17,99,532 equity shares were dematerialized representing 99.39% of the total paid up equity share capital of the Company as on 31.03.2020.

(i) There are no outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any convertible instruments as on the date of 31.03.2020.

**(j) Commodity price risk or foreign exchange risk and hedging activities:**

Commodity such as copper forms a major part of Business of the Company and hence commodity Price risk is one of the important risk of the Company. The Company has robust framework in place to protect its interest from risks arising out of Market Volatility. Almost 50% to 60% of the inventory is always hedged on the MCX thereby insulating it from any volatility risk.

The Company's foreign exchange risk is limited to its SBLC outstanding which is not very significant. The Company does not take any position on long-term basis. Though on short-term basis, the exposure is covered depending upon overall cost including forward premium vis-à-vis domestic borrowing cost.

**(k) Plant Locations:**

<b>Copper Division</b> <b>Bhagyanagar India Limited</b> Plot No. P-9/13(1) & P-9/14, IDA, Nacharam, Hyderabad – 500 076	<b>Wind Power Division</b> Kapatguda, Gadag District, Karnataka (9 MW)
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## (l) Address for correspondence

Sl. No.	Shareholders Correspondence for	Address
1.	Transfer/Dematerialization/ Consolidation /Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	<b>KFin Technologies Private Limited</b> KFintech, Tower – B, Plot No 31 & 32, Selenium Building, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032 Tel No.040-67162222 / 040-79611000 E-mail : <a href="mailto:einward_ris@kfintech.com">einward_ris@kfintech.com</a> / <a href="mailto:nageswara.raop@kfintech.com">nageswara.raop@kfintech.com</a> Web Site : <a href="http://www.kfintech.com">www.kfintech.com</a>
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	<b>Company Secretary</b> Bhagyanagar India Limited 5 <sup>th</sup> Floor, Surya Towers, S.P.Road, Secunderabad-500 003. Ph Nos. 040 - 27845119/ 44665750 E-mail : <a href="mailto:cs@surana.com">cs@surana.com</a> / <a href="mailto:Investorservices_bil@surana.com">Investorservices_bil@surana.com</a> Website: <a href="http://www.bhagyanagarindia.com">www.bhagyanagarindia.com</a>

## (m) Credit ratings obtained by the Company during financial year 2019-20:

Name of the instrument	Rating
Fund-based/Non-fund based – Working Capital Facilities (Long-term and Short-term)	CARE BBB; Negative

## 12. OTHER DISCLOSURES

## (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;

During the financial year ended 31<sup>st</sup> March, 2020, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes to financial statements.

## (b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

None.

## (c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website, [www.bhagyanagarindia.com](http://www.bhagyanagarindia.com). During the financial year under review, none of the Complaint has received.

## (d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non-mandatory requirements pursuant to SEBI (LODR) Regulations, 2015 is being reviewed by the Board from time to time.

## (e) Web link where policy for determining 'material' subsidiaries is disclosed;

The policy for determining 'material' subsidiaries is available on the website of the Company <http://www.bhagyanagarindia.com/investor-relations.php>

## (f) Web link where policy on dealing with related party transactions;

The policy on dealing with related party transactions is available on the website of the Company: <http://www.bhagyanagarindia.com/investor-relations.php>

**(g) Disclosure of commodity price risks and commodity hedging activities:**

The details are provided at point No. 11(j) of this report.

**(h)** The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended 31<sup>st</sup> March, 2020.

**(i) Certificate from Practicing Company Secretaries:**

The Company has received a certificate from Mrs Rakhi Agarwal, Practising Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

**(j) Instances of not accepting any recommendation of the Committee by the Board:**

There is no such instance where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

**(k) Fees to the Statutory Auditors of the Company:**

Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s Luharuka & Associates, Chartered Accountants, Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part, during the financial year are as under:

Particulars	Amount (₹)
Fees paid for Statutory Audit for the financial year 2019-20	3,85,000
Fee for other services including reimbursement of expenses	1,80,000

**(l) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Sl No	Particulars	No. of complaints
1	Number of complaints on Sexual harassment received during the year	Nil
2	Number of Complaints disposed off during the year	Not applicable
3	Number of cases pending as on end of the financial year	Not applicable

13. The Company Complied with the requirements of the Schedule V Corporate Governance report sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**14. Details of compliance with mandatory requirements and adoption of Discretionary Requirements**

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of Discretionary Requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

15. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance Status (Yes/ No)
17	Board of Directors	Yes
17A	Maximum number of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stake Holders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect of Subsidiary of Listed entity	Yes
24A	Secretarial Compliance & Audit Report	Yes
25	Obligation with respect to Independent Director	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirement	Yes
46(2) (b) to (i)	Website	Yes

**16. Code of Conduct**

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and all employees of the Company. An affirmation of compliance with the code is received from them on an annual basis.

**17. CEO and CFO Certification**

The Managing Directors and CFO have given a Certificate to the Board as contemplated in Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed.

**18. Disclosure with respect to Demat suspense account/ unclaimed suspense account:**

Pursuant to the SEBI Circular and Regulation 39 of the SEBI Listing Regulations, 2015, during the year under review, there are no outstanding shares in the demat suspense account.

**19. Unclaimed Dividend:**

Dividends for the financial year ended 31<sup>st</sup> March, 2013 and thereafter, which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 124 of the Companies Act, 2013, Information in respect of the due date for transfer of such unclaimed dividend to the said fund is given below:

Financial Year	Date of Declaration	Due date for transfer	Unclaimed Dividend * (Amount in ₹)
2012-13	27.09.2013	27.10.2020	3,18,159
2013-14	22.09.2014	22.10.2021	2,56,204
2014-15	30.09.2015	30.11.2022	2,58,202
<b>TOTAL</b>			<b>8,32,565</b>

\* As on 31<sup>st</sup> March, 2020

The members are advised to send all the unencashed dividend warrants pertaining to the above years to our RTA for revalidation or issuance of Demand Draft in lieu thereof and encash them before the due dates for transfer to the IEPF. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.

**20.** The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company <http://www.bhagyanagarindia.com/investor-relations.php>

**21.** The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <http://www.bhagyanagarindia.com/investor-relations.php>

**22. Transfer of Shares to Investor Education and Protection Fund:**

As per the provisions of Section 124 of the Companies Act, 2013, shares of the shareholders, who has not claimed dividends for a continuous period of 7 years, shall be transferred to Investor Education and Protection Fund Authority account. Accordingly, the Company has transferred 18,593 equity shares to Investor Education and Protection Fund during the financial year ended 31<sup>st</sup> March, 2020.

**23. Company's Policy on prevention of insider trading:**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the company, your company has in place a Code of Conduct which is approved by the Board.

The Company Secretary is acting as Compliance Officer for the said purpose. The code is applicable to all such employees, officers, Directors and Promoters of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and others concerned. The compliance of the same has been affirmed by them.

## DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the code of conduct and ethics for the financial year ended March 31, 2020.

For **BHAGYANAGAR INDIA LIMITED**

Place: Secunderabad  
Date: 08.08.2020

**DEVENDRA SURANA**  
**MANAGING DIRECTOR**  
**(DIN-00077296)**

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## CEO AND CFO CERTIFICATION

We hereby certify that:

- a. we have reviewed financial statements and the cash flow statement for the Financial Year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement 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 violate of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that 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, deficiencies in the design or operation of such 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 that there are no:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year requiring disclosure 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 significant role in the company's internal control system over financial reporting.

For **Bhagyanagar India Limited**

Place: Secunderabad  
Date: 08.08.2020

**Narender Surana**  
**Managing Director**  
**DIN:00075086**

**Devendra Surana**  
**Managing Director**  
**DIN:00077296**

**Surendra Bhutoria**  
**Chief Financial Officer**

**Certificate under Schedule-V(C)(10)(i) of SEBI  
(Listing Obligations and Disclosure Requirements), Regulations, 2015**

To  
The Members of  
**Bhayanagar India Limited**  
5<sup>th</sup> Floor Surya Towers, Sardar Patel Road  
Secunderabad- 500003.

I, Rakhi Agarwal, Practicing Company Secretary, have examined the Company and Registrar of Companies Records, Books and Papers of Bhayanagar India Limited (CIN-L27201TG1985PLC012449) having its Registered Office at 5<sup>th</sup> Floor, Surya Towers, Sardar Patel Road, Secunderabad-500003 ("the Company") as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable Rules and Regulations made thereunder for the financial year ended on 31<sup>st</sup> March, 2020.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company and its officers, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such Statutory Authority as on 31<sup>st</sup> March, 2020:

Sl. No	Name of Director	Designation	DIN
1	Shri G. Mangilal Surana *	Chairman Emeritus	00078987
2	Shri Narender Surana	Managing Director	00075086
3	Shri Devendra Surana	Managing Director	00077296
4	Shri O. Swaminatha Reddy **	Independent Director	00006391
5	Shri R. Surender Reddy	Independent Director	00083972
6	Shri Kamlesh Gandhi	Independent Director	00004969
7	Smt Madhumathi Suresh	Independent Director	07124113
8	Shri N. Krupakar Reddy #	Whole Time Director	00006580

\* Resigned from the office of Director w.e.f. 30.06.2020

\*\* Resigned as an Independent Director w.e.f. 26.06.2020

# Resigned from the office of Director w.e.f. 31.05.2020

Place: Secunderabad  
Date: 08.08.2020

**Rakhi Agarwal**  
**Company Secretary in Practice**  
**FCS No.7047**  
**CP No.6270**  
**UDIN: F007047B000571182**



**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Members of  
**Bhagyanagar India Limited**  
5<sup>th</sup> Floor Surya Towers, Sardar Patel Road  
Secunderabad- 500003

1. The Corporate Governance Report prepared by Bhagyanagar India Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable Criteria') with respect to Corporate Governance for the year ended 31<sup>st</sup> March, 2020. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

**MANAGEMENT'S RESPONSIBILITY**

2. The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The management along with the Board of Directors of the Company are also responsible for ensuring that the company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**AUDITOR'S RESPONSIBILITY**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes (Revised) requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on quality Control (SQC) 1, Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on attest basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**OPINION**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31<sup>st</sup> March, 2020, referred to in paragraph 1 above.

**OTHER MATTERS AND RESTRICTION ON USE**

10. This Certificate 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.

This Certificate is addressed to and provided to the members of the Company solely for the Purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this certificate.

**For M/s. Luharuka & Associates  
Chartered Accountants  
Firm Regn No. 01882S**

**Ramesh Chand Jain  
Partner**

**M.No 023019**

**UDIN – 20023019AAAACX3318**

Date: 08.08.2020  
Place: Secunderabad

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**BHAGYANAGAR INDIA LIMITED**

### Report on the Audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of **BHAGYANAGAR INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of change in Equity for the year then ended and notes to the standalone financial statements, including the summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income) its cash flows and changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibility under those standards are further described in the 'Auditor's Responsibility for the Audit of the Financial Statements' section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our Audit of The Financial Statements under the provision of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

*We draw our attention to Note no. 34 of the Standalone financial statements, as regards to the management evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.*

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our Audit of Financial Statements of the current period, these matters were addressed in the context of our Audit of the Standalone Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Physical Inventory Verification	Principal Audit Procedures
<p>The auditor's responsibility is to ascertain whether the management has satisfactory procedures for physical verification of inventories, so that in the normal circumstances the programme of physical verification will cover all material items of inventories at least once during the year. Due to COVID-19 pandemic and resulting countrywide shutdown, the programme of physical verification of inventories of stores and spares could not be completed.</p> <p>As per relevant Guidance Note, Auditors are advised to witness implementation of physical verification programme; however, due to the unfavourable circumstances our presence was not possible.</p>	<p>Our audit procedures included but are not limited to detailed written confirmations of inventories held by the stores in-charge of different locations.</p> <p>We have tested the effectiveness of controls present for inwards and issues for consumption. We have selected samples of current year purchases present in closing stock and have verified there Goods Receipt Notes and subsequent payments made by the company.</p> <p>We have employed analytical procedures such reconciliation of quantities of opening stock, purchases, consumption and closing stock; comparison of current year gross profit ratio with the gross profit ratio for the previous year; comparison of significant ratios relating to inventories with the similar ratios for other company in the same industry.</p>

We have determined that there are no other key audit matters to communicate in our report.

#### Other Information

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtain in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of management and those charged with the governance for the financial statement**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rule, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditors Responsibilities for the audit of Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" statement on the matters Specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we further report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. on the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act;
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The Company has disclosed the impact of pending litigations which would impact its Standalone financial position.
  - II. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - III. During the year the Company has transfer the required amount to the Investor Education and Protection Fund and there is no delay in transferring of such sum.

**For Luharuka & Associates**  
Chartered Accountants  
Firm Reg No:- 01882S

**Rameshchand Jain**  
(Partner)

Date:23.06.2020  
Place: Secunderabad

Membership No.023019  
**UDIN: 20023019AAAAABN4424**

## Annexure A - to the Auditors' Report

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

We have audited the internal financial controls with reference to Standalone Financial Statements of **BHAGYANAGAR INDIA LIMITED** ("the Company") as of 31 March 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to Standalone financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Luharuka & Associates**

Chartered Accountants  
Firm Reg No:- 01882S

**Rameshchand Jain**

(Partner)

Membership No.023019

**UDIN: 20023019AAAAABN4424**

Place: Secunderabad

Date:23.06.2020



**‘Annexure- B’ referred to in Independent Auditors’ Report to the members of the  
Company on the financial statements for the year ended  
31st March, 2020, we report that**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanation given us, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable property held in the name of company.
- (ii) (a) The inventories have been physically verified at reasonable intervals by the management.
- (b) In our opinion and according to the information and explanations 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.
- (iii) The company had granted loan to one of its wholly owned subsidiary company as covered in the register maintained under section 189 of the Companies Act, 2013.
- (a) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant for such Loan are not prejudicial to the Company's interest.
- (b) In respect of the aforesaid loans, the schedule of repayment of principle and interest has been stipulated, repayment of principal and interest has been regular as per the stipulation.
- (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the cost records maintained by the company prescribed by the Central Government of India under section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however , not made a detailed examination of the cost records with a view to determine whether they are accurate or complete .
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other statutory dues, as applicable, with the appropriate authorities in India;
- (b) According to the information and explanations given to us and based on the records of the company examined by us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax and other material statutory dues for a period of more than six months from the date they become payable, except the following disputed statutory liabilities have not been deposited in view of pending Appeals.

Name of Statute	Nature of dues	Amount involved in dispute & not paid	Period to which it relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	25,69,007/-	2010-11	Appeal is pending against CESTAT
		20,00,000/-	2011-12	Appeal is pending against CESTAT
		10,13,592/-	2010-11	Appeal is pending against CESTAT

- (viii) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of loans from any financial institution or banks and has not issued debenture.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Luharuka & Associates**  
Chartered Accountants  
Firm Reg No:- 01882S

**Rameshchand Jain**  
(Partner)  
Membership No.023019  
**UDIN: 20023019AAAAABN4424**

Place: Secunderabad  
Date:23.06.2020

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2020**

(Amount in ₹)

Particulars	Note	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	447,213,930	472,330,463
(b) Financial Assets			
- Investments	6	200,200,000	200,200,000
- Loans	7	144,938,976	94,828,864
(c) Deferred tax assets (net)	8	12,671,549	11,962,368
		<b>805,024,455</b>	<b>779,321,695</b>
<b>Current assets</b>			
(a) Inventories	9	433,161,412	958,101,593
(b) Financial assets		-	
- Trade receivables	10	418,417,192	378,158,235
- Cash and cash equivalents	11	37,745,593	36,193,116
(c) Current Tax Assets (net)	12	13,865,487	10,382,804
(d) Other current assets	13	26,059,434	146,831,288
		929,249,118	1,529,667,036
<b>Total assets</b>		<b>1,734,273,574</b>	<b>2,308,988,731</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	63,990,000	63,990,000
(b) Other Equity	15	1,169,174,344	1,158,174,091
		1,233,164,344	<b>1,222,164,091</b>
<b>Total Equity</b>		<b>1,233,164,344</b>	<b>1,222,164,091</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
- Borrowings	16	5,244,145	8,228,970
		<b>5,244,145</b>	<b>8,228,970</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
- Borrowings	17	374,476,173	860,980,000
- Trade Payables	18	81,758,383	35,757,116
- Other Current financial liabilities	19	5,072,154	173,105,912
(b) Other current liabilities	20	33,658,375	7,852,642
(c) Provisions	21	900,000	900,000
		495,865,085	1,078,595,670
<b>Total liabilities</b>		<b>501,109,230</b>	<b>1,086,824,640</b>
<b>Total equity and liabilities</b>		<b>1,734,273,574</b>	<b>2,308,988,731</b>

Significant accounting policies and key accounting estimates and judgements 1 to 4

See accompanying notes form an integral part of Standalone financial statements. 30 to 47

**As per our report of even date attached**  
**For Luharuka & Associates**  
Chartered Accountants,

**Rameshchand Jain**  
Partner  
M. No. 023019  
Firm Reg No.01882S

Place: Secunderabad,  
Date : June 23, 2020

**For and on behalf of the BOD of Bhagyanagar India Limited**

**Narender Surana**  
Managing Director  
DIN: 00075086

**Surendra Bhutoria**  
Chief Financial Officer

**Devendra Surana**  
Managing Director  
DIN: 00077296

**Subhojeet Bhattacharjee**  
Company Secretary  
M.No. A60802

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(Amount in ₹)

	Particulars	Note No.	For the year 31.03.2020	For the year 31.03.2019
<b>I</b>	<b>INCOME</b>			
	Revenue from Sale of Product		5,039,849,547	5,685,197,542
	Infrastructure Leasing and Sales		1,687,861	7,181,509
			<b>5,041,537,408</b>	<b>5,692,379,051</b>
	Less: Excise Duty		-	-
	<b>NET REVENUE FROM OPERATIONS</b>	22	<b>5,041,537,408</b>	<b>5,692,379,051</b>
	<b>OTHER INCOME</b>	23	24,660,136	9,571,222
	<b>TOTAL INCOME</b>		<b>5,066,197,544</b>	<b>5,701,950,273</b>
<b>II</b>	<b>EXPENSES</b>			
	Cost of Raw Materials and Components Consumed	24	4,566,642,684	5,170,134,734
	(Increase)/Decrease in Inventories			
	Work-in-Progress and Stock in Trade	25	10,179,520	(85,368,752)
	Employee Benefit Expenses	26	52,242,378	60,031,741
	Finance Costs	27	70,215,326	76,212,439
	Depreciation and Amortisation Expenses	28	36,461,924	37,384,099
	Other Expenses	29	318,102,671	356,048,138
	<b>TOTAL EXPENSES</b>		<b>5,053,844,503</b>	<b>5,614,442,399</b>
<b>IV</b>	<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I - II)</b>		12,353,041	87,507,874
<b>V</b>	<b>AMORTISATION OF INTANGIBLE ASSETS</b>		-	-
<b>VI</b>	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (IV-V)</b>		12,353,041	87,507,874
<b>VII</b>	<b>EXTRAORDINARY ITEMS</b>		-	-
<b>VIII</b>	<b>PROFIT BEFORE TAX (VI+VII)</b>		<b>12,353,041</b>	<b>87,507,874</b>
<b>IX</b>	<b>TAX EXPENSE</b>			
	1. Current Tax		2,061,970	20,142,448
	2. Deferred Tax		1,352,788	2,879,320
	3. MAT Entitlement Credit		(2,061,970)	(498,770)
<b>X</b>	<b>PROFIT AFTER TAX (VIII-IX)</b>		11,000,253	64,984,876
<b>XI</b>	<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
<b>A</b>	Items that will not be reclassified to profit or loss		-	-
<b>B</b>	Items that will be reclassified to profit or loss		-	-
	<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		-	-
<b>XII</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (X+XI)</b>		<b>11,000,253</b>	<b>64,984,876</b>
<b>XIII</b>	<b>EARNINGS PER EQUITY SHARE</b>			
	1. Basic		0.34	2.03
	2. Diluted		0.34	2.03

Significant accounting policies and key accounting estimates and judgements 1 to 4

See accompanying notes form an integral part of Standalone financial statements. 30 to 47

**As per our report of even date attached**

**For Luharuka & Associates**

Chartered Accountants,

**Rameshchand Jain**

Partner

M. No. 023019

Firm Reg No.01882S

Place: Secunderabad,

Date : June 23, 2020

**For and on behalf of the BOD of Bhagyanagar India Limited**

**Narender Surana**

Managing Director

DIN: 00075086

**Surendra Bhutoria**

Chief Financial Officer

**Devendra Surana**

Managing Director

DIN: 00077296

**Subhojeet Bhattacharjee**

Company Secretary

M.No. A60802

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020****A. Equity Share capital**

Particulars	No of shares	In Rupees
Balance as at 1 April 2018	31,995,000	63,990,000
Changes in equity share capital during 2018-19	-	-
<b>Balance as at 31 March 2018</b>	<b>31,995,000</b>	<b>63,990,000</b>
Balance as at 1 April 2019	31,995,000	63,990,000
Changes in equity share capital during 2019-20	-	-
<b>Balance as at 31 March 2020</b>	<b>31,995,000</b>	<b>63,990,000</b>

**B. Other equity**

(Amount in ₹)

Particulars	Reserve & Surplus				
	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Total
Balance at 1 April, 2018	855,492,692	200,000,000	16,676,523	21,020,000	1,093,189,215
Profit for the year	64,984,876	-	-	-	64,984,876
Other Comprehensive Income (net of tax)	-	-	-	-	-
Add: Transferred (to)/from Retained Earnings	(50,000,000)	50,000,000	-	-	-
<b>Balance at 31 March, 2019</b>	<b>870,477,568</b>	<b>250,000,000</b>	<b>16,676,523</b>	<b>21,020,000</b>	<b>1,158,174,091</b>
Balance at 1 April, 2019	870,477,568	250,000,000	16,676,523	21,020,000	1,158,174,091
Profit for the year	11,000,253	-	-	-	11,000,253
Other Comprehensive Income (net of tax)	-	-	-	-	-
Add: Transferred (to)/from Retained Earnings	-	-	-	-	-
<b>Balance at 31 March, 2020</b>	<b>881,477,821</b>	<b>250,000,000</b>	<b>16,676,523</b>	<b>21,020,000</b>	<b>1,169,174,344</b>
Significant accounting policies and key accounting estimates and judgements	1 to 4				
See accompanying notes form an integral part of Standalone financial statements.	30 to 47				

As per our report of even date attached  
**For Luharuka & Associates**  
Chartered Accountants,

**Rameshchand Jain**  
Partner  
M. No. 023019  
Firm Reg No.01882S

Place: Secunderabad,  
Date : June 23, 2020

For and on behalf of the BOD of Bhagyanagar India Limited

**Narender Surana**  
Managing Director  
DIN: 00075086

**Surendra Bhutoria**  
Chief Financial Officer

**Devendra Surana**  
Managing Director  
DIN: 00077296

**Subhojeet Bhattacharjee**  
Company Secretary  
M.No. A60802

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(Amount in ₹)

Particulars	2019-20		2018-19	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit (Loss) before Tax and Exceptional Items</b>		<b>12,353,041</b>		<b>87,507,874</b>
Adjustments for Non-Operating Activities:				
Depreciation	36,101,924		37,024,099	
Amortisation of lease rent	360,000		360,000	
Foreign Exchange Reserve Amortised			-	
Sundry balance writtern off	2,187,065		3,238,973	
Sundry balance writtern back	(3,947,359)		(809,811)	
Interest paid	70,215,326		76,212,439	
(Profit)/loss on sale of fixed assets	(2,177,682)		(2,459,637)	
Dividend received	-		(635,118)	
Interest received	(18,227,816)	<b>84,511,458</b>	(5,080,593)	<b>107,850,352</b>
Operating Profit before Working Capital Changes		96,864,499		195,358,226
<b>Movement in Working Capital</b>				
Increase/ (Decrease) in other current liabilities	25,805,733		(5,310,474)	
Increase/ (Decrease) in provisions	-		-	
Increase/ (Decrease) in other financial liabilities	(168,033,758)		44,383,942	
Increase/ (Decrease) in trade payables	49,948,626		14,252,776	
(Increase)/ Decrease in other current assets	120,771,854		(24,055,945)	
(Increase)/ Decrease in trade receivables	(42,446,022)		(35,508,894)	
(Increase)/ Decrease in inventory	524,940,181	<b>510,986,614</b>	(589,746,435)	<b>(595,985,030)</b>
<b>Cash Generation From Operations</b>		<b>607,851,113</b>		<b>(400,626,804)</b>
Direct Taxes (Net)		<b>(4,966,940)</b>		<b>(18,676,292)</b>
<b>Net Cash from Operating Activities (A)</b>		<b>602,884,173</b>		<b>(419,303,096)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Loans given	(50,110,112)		(82,800,645)	
Interest received	18,227,816		5,080,593	
Purchase of fixed assets	(11,675,912)		(20,766,347)	
Investment in of Shares & Other Investments (Net)	-		(53,050,000)	
Sale of fixed assets	2,472,800		3,163,188	
Dividend Received	-		635,118	
<b>Net Cash from / (Used in) Investing Activities (B)</b>		<b>(41,085,408)</b>		<b>(147,738,093)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Paid	(70,215,326)		(76,212,439)	
(Repayment) of borrowings from bank	(489,488,652)		529,336,668	
Unpaid Dividend Paid	(271,200)		(149,003)	
(Increase)/Decrease in restricted deposits	5,712,528		7,085,696	
Net Cash (used in) /from Financing Activities (C)		(554,262,650)		460,060,922
Net Increase/(decrease) in cash & cash equivalents (A+B+C)		<b>7,536,115</b>		<b>(106,980,267)</b>
Opening cash and cash equivalent at the beginning of the year		<b>4,755,247</b>		<b>111,735,504</b>
<b>Closing cash and cash equivalent at the end of the year</b>		<b>12,291,362</b>		<b>4,755,247</b>
<b>Net Increase/(decrease) in cash &amp; cash equivalents</b>		<b>7,536,115</b>		<b>(106,980,257)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

(Amount in ₹)

Notes :

1. Components of cash and cash equivalents	2019-20	2018-19
Cash in hand	84,531	362,880
Balances with banks	12,206,831	32,372,624
Investment in Liquid Funds	-	79,000,000
	<b>12,291,362</b>	<b>111,735,504</b>

2. Accompanied notes to accounts forms an integral part of the Standalone financial statements.

**As per our report of even date attached**  
**For Luharka & Associates**  
Chartered Accountants,

**Rameshchand Jain**  
Partner  
M. No. 023019  
Firm Reg No.01882S

Place: Secunderabad,  
Date : June 23, 2020

**For and on behalf of the BOD of Bhagyanagar India Limited**

**Narender Surana**  
Managing Director  
DIN: 00075086

**Surendra Bhutoria**  
Chief Financial Officer

**Devendra Surana**  
Managing Director  
DIN: 00077296

**Subhojeet Bhattacharjee**  
Company Secretary  
M.No. A60802



## SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

### 1. Corporate Information

Bhagyanagar India Ltd (“the company”) is a Company registered under the Companies Act, 1956. It is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). It was incorporated on 2<sup>nd</sup> September, 1985 having its registered office at 5th Floor, Surya Towers, Sardar Patel Road, and Secunderabad-500003. The company’s CIN No. is L27201TG1985PLC012449. The company is engaged in the manufacture of copper products.

### 2. Basis of preparation

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

### 3. Use of estimates and judgments:

Use of estimates and judgments: The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

### 4. Significant Accounting Policies:

#### (a) Revenue Recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The Company has evaluated and there is no material impact of this amendment on the Financial Statement of the Company.

#### Other income:

Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

#### (b) Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All significant costs relating to the acquisition and installation of property, plant and equipment are capitalized. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The

identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on useful lives, determined based on internal technical evaluation. Freehold land is carried at cost.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(c) Investment Properties**

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment Property is measured at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment Properties are depreciated using the straight-line method as per the provisions of Schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.

**(d) Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

**(e) Depreciation and amortization:**

Depreciation is provided on the straight-line method over the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased/sold during a period is proportionately charged.

**(f) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is: -

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies all other liabilities as non-current.

**(g) Financial assets**

Financial assets comprise of cash and cash equivalents.

***Initial recognition:***

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

***Subsequent Measurement:***

- (i) Financial assets measured at amortised cost: Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

The Company while applying above criteria has classified the following at amortised cost:

- a) Trade receivable
- b) Cash and cash equivalents
- c) Other Financial Asset

***Impairment of Financial Assets:***

Financial assets are tested for impairment based on the expected credit losses.

***De-recognition of Financial Assets:***

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**(h) Impairment of Non-Financial Assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**(i) Cash and Cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks are subsequently measured at amortized cost and short term investments are measured at fair value through statement of profit & loss account.

**(j) Financial liabilities**

***Initial recognition and measurement:***

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost. A preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability.

***Subsequent measurement:***

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

***De-recognition of financial liabilities:***

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(k) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**(l) Employee Benefits**

Employee benefits are charged to the Statement of Profit and Loss for the year.

**Provident Fund**

Retirement benefits in the form of Provident Fund are defined contribution scheme and such contributions are recognised, when the contributions to the respective funds are due. There are no other obligation other than the contribution payable to the respective funds.

**Gratuity**

The Company has not created any gratuity fund. However adequate provisions have been made in the accounts for gratuity liability. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

**Compensated absences**

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

**Short-term employee benefits**

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**(m) Income Taxes**

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

**Deferred income tax**

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the end of reporting period. Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

**Minimum Alternative Tax (MAT)**

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 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 statement of profit and loss 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.

**(n) Leases****As a lessee**

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessor**

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Lease-hold land:

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

**(o) Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**(p) Fair value measurement**

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date. Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3— Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**(q) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(r) Cash dividend to equity holders of the Company**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## Notes forming part of the Standalone Financial Statements

### Note : 5 Property, Plant and Equipment

(Amount in ₹)

#### Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31<sup>st</sup> March, 2020

Particulars	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installation	Office Equipment	Vehicles	Furniture and Fixtures	Computers	Library	Grand Total
Gross carrying Value as of April 01, 2019	150,312,954	5,974,814	47,565,789	743,199,262	36,561,544	17,340,786	58,190,575	16,179,680	7,742,451	2,010	1,083,069,865
Additions				10,640,496		242,524	792,892		-		11,675,912
Deletions		360,000	324,000				672,800				1,356,800
<b>Gross carrying Value as at March 31, 2020</b>	<b>150,312,954</b>	<b>5,614,814</b>	<b>47,241,789</b>	<b>753,839,758</b>	<b>36,561,544</b>	<b>17,583,310</b>	<b>58,310,667</b>	<b>16,179,680</b>	<b>7,742,451</b>	<b>2,010</b>	<b>1,093,388,977</b>
Accumulated depreciation as at April 01, 2019	-	-	24,957,596	482,225,096	31,133,127	15,547,975	34,191,977	15,293,757	7,387,864	2,010	610,739,402
Depreciation			1,006,045	29,712,173	960,994	371,863	3,873,444	37,413	140,003	-	36,101,925
Accumulated depreciation on disposals			-	-	-	-	666,280	-	-	-	666,280
<b>Accumulated depreciation as at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>25,963,641</b>	<b>511,937,269</b>	<b>32,094,121</b>	<b>15,919,828</b>	<b>37,399,141</b>	<b>15,331,170</b>	<b>7,527,867</b>	<b>2,010</b>	<b>646,175,047</b>
<b>Carrying Value as at March 31, 2020</b>	<b>150,312,954</b>	<b>5,614,814</b>	<b>21,278,148</b>	<b>241,902,489</b>	<b>4,467,423</b>	<b>1,663,482</b>	<b>20,911,526</b>	<b>848,510</b>	<b>214,584</b>	<b>-</b>	<b>447,213,930</b>

#### Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31<sup>st</sup> March 2019

Particulars	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installation	Office Equipment	Vehicles	Furniture and Fixtures	Computers	Library	Grand Total
Gross carrying Value as at April 01, 2018	150,312,954	6,334,814	47,889,789	731,587,756	36,561,544	17,129,893	52,251,784	16,179,680	7,589,283	2,010	1,065,839,507
Additions				11,611,506		210,893	8,790,780		153,168		20,766,347
Disposals		360,000	324,000				2,851,989				3,535,989
<b>Gross carrying Value as at March 31, 2019</b>	<b>150,312,954</b>	<b>5,974,814</b>	<b>47,565,789</b>	<b>743,199,262</b>	<b>36,561,544</b>	<b>17,340,786</b>	<b>58,190,575</b>	<b>16,179,680</b>	<b>7,742,451</b>	<b>2,010</b>	<b>1,083,069,865</b>
Accumulated depreciation as at April 01, 2018	-	-	24,054,309	452,490,473	30,144,965	15,115,861	32,082,096	14,556,393	7,235,626	2,010	575,681,733
Depreciation			1,155,832	29,734,623	988,162	432,114	3,823,767	737,364	152,238	-	37,024,100
Accumulated depreciation on disposals			252,545				1,713,886				1,966,431
<b>Accumulated depreciation as at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>24,957,596</b>	<b>482,225,096</b>	<b>31,133,127</b>	<b>15,547,975</b>	<b>34,191,977</b>	<b>15,293,757</b>	<b>7,387,864</b>	<b>2,010</b>	<b>610,739,402</b>
<b>Carrying Value as at March 31, 2019</b>	<b>150,312,954</b>	<b>5,974,814</b>	<b>22,608,193</b>	<b>260,974,166</b>	<b>5,428,417</b>	<b>1,792,811</b>	<b>23,998,598</b>	<b>885,923</b>	<b>354,587</b>	<b>-</b>	<b>472,330,463</b>
<b>Carrying Value as at March 31, 2018</b>	<b>150,312,954</b>	<b>6,334,814</b>	<b>23,835,480</b>	<b>279,097,283</b>	<b>6,416,579</b>	<b>2,014,032</b>	<b>20,169,688</b>	<b>1,623,287</b>	<b>353,657</b>	<b>-</b>	<b>490,157,774</b>

## Notes forming part of the Standalone Financial Statements

**Note: 6**

(Amount in ₹)

Investments	Sub note	As at 31.03.2020		As at 31.03.2019	
		No.s	Value	No.s	Value
<b>Equity Instruments (Unquoted - At Cost)</b>					
<b>A) Investment in Subsidiaries</b>					
Bhagyanagar Copper Pvt Ltd		20,000,000	200,000,000	20,000,000	200,000,000
(Equity shares of ₹ 10/-each fully paid up)					
<b>SUB - TOTAL (A)</b>		-	200,000,000	-	200,000,000
<b>B) Investment at Fair Value through OCI</b>					
<b>1. Investment in Equity Instruments (Unquoted)</b>					
Mana Effluent Treatment Plant		200	200,000	200	200,000
(Equity shares of ₹ 1000/-each fully paid up)					
<b>SUB - TOTAL (1+2)</b>			200,000		200,000
<b>GRAND TOTAL (A+B)</b>			<b>200,200,000</b>		<b>200,200,000</b>

**Note: 7**

(Amount in ₹)

Loans	Sub note	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good.</b>			
(a) Security Deposits		10,037,076	10,022,076
(b) Loans and Advances to Related Parties			
(i) Loan to Subsidiary Co's	7(a)	134,901,900	84,806,788
<b>TOTAL</b>		<b>144,938,976</b>	<b>94,828,864</b>

No Loan and Advances are due from directors or other officers of the company or private companies in which any director is a partner, member or Director, either severally or jointly with any other person.

**7(a) Loan to Subsidiary Co's:**

(Amount in ₹)

Name of the Company	Balance as on 31.03.2020	Balance as on 31.03.2019
Bhagyanagar Copper Private Limited	134,901,900	84,806,788
	<b>134,901,900</b>	<b>84,806,788</b>

**Note: 8**

(Amount in ₹)

Deferred Tax Assets (Net)	Sub note	As at 31.03.2020	As at 31.03.2019
(a) Deferred Tax Asset at the beginning of the year		(4,059,359)	(1,180,039)
Less: Deferred Tax Asset/ (Liability) for the year, on account of timing difference.		(1,352,788)	(2,879,320)
(b) Others		-	-
MAT Credit Entitlement		18,083,697	16,021,727
<b>TOTAL</b>		<b>12,671,549</b>	<b>11,962,368</b>

**Note: 9**

(Amount in ₹)

Inventories	Sub note	As at 31.03.2020	As at 31.03.2019
<b>(As Valued and Certified by the Management)</b>			
Raw Materials		318,972,123	833,732,784
Work-in-Progress		114,189,289	124,368,809
<b>TOTAL</b>		<b>433,161,412</b>	<b>958,101,593</b>



## Notes forming part of the Standalone Financial Statements

**Note: 10**

(Amount in ₹)

Trade Receivables	Sub note	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good	10(a)/10(b)	418,417,192	378,158,235
Considered Doubtful		-	-
		418,417,192	378,158,235
Less: Provision for Doubtful Receivables		-	-
<b>TOTAL</b>		<b>418,417,192</b>	<b>378,158,235</b>

10(a) Trade Receivables is hypothecated against Working capital Limits - WCCL, Cash Credit and Buyers Credit.

10(b) No Trade or other receivables are due from directors or other officers of the company. Further, no trade or other Receivables are due from firms or private companies in which any director is a partner or director or member.

**Note: 11**

(Amount in ₹)

Cash and cash Equivalents	Sub note	As at 31.03.2020	As at 31.03.2019
(a) Cash & Cash Equivalents			
(i) Balances in current account		12,206,831	4,688,194
(ii) Cash On Hand		84,531	67,044
(b) Other Balances			
(i) In Dividend account		833,365	1,104,566
(ii) Deposit held to the extent of margin money		24,620,848	30,333,376
<b>TOTAL</b>		<b>37,745,593</b>	<b>36,193,180</b>

**Note: 12**

(Amount in ₹)

Current Tax Assets (Net)	Sub note	As at 31.03.2020	As at 31.03.2019
(a) Income tax Receivable		15,927,457	74,869,472
Less: Provision for Taxes		2,061,970	64,486,668
<b>TOTAL</b>		<b>13,865,487</b>	<b>10,382,804</b>

**Note: 13**

(Amount in ₹)

Other Current Assets	Sub note	As at 31.03.2020	As at 31.03.2019
<b>(Unsecured, Considered Good Unless Otherwise Stated)</b>			
(i) Balances with Statutory Authorities		2,205,746	89,325,530
(ii) Advances To Suppliers		15,753,368	54,174,116
(iii) Sundry Advances		8,100,320	3,331,578
<b>TOTAL</b>		<b>26,059,434</b>	<b>146,831,288</b>

**Note : 14**

Share Capital	As at 31st March 2020		As at 31st March 2019	
	Number	Rupees	Number	Rupees
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	125,000,000	250,000,000	125,000,000	250,000,000
<b>Issued</b>				
Equity Shares of ₹ 2/- each	31,995,000	63,990,000	31,995,000	63,990,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 2/- each fully paid	31,995,000	63,990,000	31,995,000	63,990,000
<b>Total</b>	<b>31,995,000</b>	<b>63,990,000</b>	<b>31,995,000</b>	<b>63,990,000</b>

a. Terms /Rights attached to Shareholders

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. In the event of liquidation, the equity

## Notes forming part of the Standalone Financial Statements

shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

b. Reconciliation of Equity Shares Outstanding at the Beginning and at the end of the Reporting Period

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	31,995,000	63,990,000	31,995,000	63,990,000
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	31,995,000	63,990,000	31,995,000	63,990,000

c. Detail of shareholders holding more than 5% of issued Share Capital.

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SURANA INFOCOM PRIVATE LIMITED	4,341,581	13.57	4,341,581	13.57
NARENDER SURANA	3,490,652	10.91	3,341,870	10.44
DEVENDRA SURANA	3,202,160	10.01	3,202,160	10.01
MANISH SURANA	3,201,341	10.01	2,337,214	7.30
NAMRATA SURANA	1,870,435	5.85	1,870,435	5.85
	<b>16,106,169</b>		<b>15,093,260</b>	

The Shareholder Information has been extracted from the records of the company including register of Shareholders/Members and is based on the legal ownership of shares

**Note : 15**

(Amount in ₹)

Other Equity	Sub note	As at 31.03.2020	As at 31.03.2019
<b>General Reserves</b>			
Balance as per Last Account		250,000,000	200,000,000
<b>Add:</b> Transferred from Retained Earnings		-	50,000,000
		<u>250,000,000</u>	<u>250,000,000</u>
<b>Capital Reserves</b>			
Balance as per Last Account		16,676,523	16,676,523
<b>Balance at the year end</b>		<u>16,676,523</u>	<u>16,676,523</u>
<b>Capital Redemption Reserve</b>			
Balance as per Last Account		21,020,000	21,020,000
<b>Balance at the year end</b>		<u>21,020,000</u>	<u>21,020,000</u>
<b>Retained Earnings</b>			
<b>Add:</b> Profit during the year/period		870,477,568	855,492,692
<b>Less:</b> Dividend Tax of Earlier Year		11,000,253	64,984,876
Amount available for Appropriation		-	-
Transfer to General Reserve		881,477,821	920,477,568
<b>Balance at the year end</b>		<u>881,477,821</u>	<u>870,477,568</u>
<b>TOTAL</b>		<b>1,169,174,344</b>	<b>1,158,174,091</b>

**The Description, Nature and Purpose of each reserve with in equity are as follows:**

**General Reserve:** This reserve is the retained earnings of the company, which are kept aside out of the Company's profit to meet future (known or unknown) obligations.

**Retained Earnings:** Retained earnings comprise of net accumulated profit/(loss) of the company, after declaration of dividend.

**Capital Reserve:** Capital Reserve was created on account of merger of various entities with the company.

**Capital Redemption Reserve:** Capital Redemption Reserve was created on account of Buy back of Shares of the Companies.

## Notes Forming part of Standalone Financial Statements

## Note : 16

(Amount in ₹)

Non Current Liabilities - Borrowings	Sub note	Non Current Portion		Current Maturities*	
		As at	As at	As at	As at
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
(a) Term loan from ICICI Bank		-	-	-	162,669,880
(b) Car Loan - Kotak Bank	a	2,836,483	4,942,629	2,669,040	2,669,040
(c) Car Loan - Yes Bank	b	2,407,662	3,286,341	1,234,176	1,234,176
<b>TOTAL</b>		<b>5,244,145</b>	<b>8,228,970</b>	<b>3,903,216</b>	<b>166,573,096</b>

## a. Car Loan - Kotak Bank

Car Loan from Kotak Bank is availed at the interest rate of 8.04% . The Loan is repayable in 60 equal monthly instalments of ₹ 222,420/- starting on 05-07-2017 and ending on 05-06-2022

## b. Car Loan - Yes Bank

Car Loan from Yes Bank is availed at the interest rate of 8.62% . The Loan is repayable in 60 equal monthly instalments of ₹ 102,848/- starting on 02-09-2018 and ending on 02-08-2023

## Note: 17

(Amount in ₹)

Current Liabilities - Borrowings	Sub note	As at 31.03.2020	As at 31.03.2019
<b>Secured</b>			
<b>Working Capital Facilities from Banks</b>			
- Working Capital Demand Loan		149,000,000	100,000,000
- Cash Credit		159,555,137	660,230,973
- Buyers Credit		65,921,036	100,748,963
<b>TOTAL</b>		<b>374,476,173</b>	<b>860,980,000</b>

## Particulars of Nature of Security

Working capital loan is secured by first charge on entire current assets of the company on pari passu basis with other banks along with immovable properties forming part of Fixed Assets of the Company and personal guarantee of the Managing Directors.

## Note: 18

(Amount in ₹)

Trade Payables	Sub note	As at 31.03.2020	As at 31.03.2019
For Goods & Services			
- Total Outstanding dues of Micro and Small Enterprises		-	-
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises		81,758,383	35,757,116
<b>TOTAL</b>		<b>81,758,383</b>	<b>35,757,116</b>

**Note:** The amount includes payable to Related Party : Surana Solar Systems Pvt Ltd- ₹ 2,14,93,537 and Surana Solar Limited - ₹ 1,27,44,371

## Note: 19

(Amount in ₹)

Other Financial Liabilities	Sub note	As at 31.03.2020	As at 31.03.2019
(a) Current Maturities on Long Term Debt (Refer Note:16 (a))		3,903,216	166,573,096
(b) Interest Accrued but not due on borrowings		81,573	4,274,251
(c) Unclaimed Dividends		833,365	1,104,565
(d) Security Deposits		254,000	1,154,000
<b>TOTAL</b>		<b>5,072,154</b>	<b>173,105,912</b>

## Notes Forming part of Standalone Financial Statements

**Note: 20** (Amount in ₹)

Other Current Liabilities	Sub note	As at 31.03.2020	As at 31.03.2019
(a) Statutory Dues Payable		3,088,676	1,620,770
(b) Liability for Expenses		8,282,063	3,175,554
(c) Advance from Customers		22,287,636	3,056,318
<b>TOTAL</b>		<b>33,658,375</b>	<b>7,852,642</b>

**Note: 21** (Amount in ₹)

Provisions	Sub note	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits-Bonus		900,000	900,000
<b>TOTAL</b>		<b>900,000</b>	<b>900,000</b>

**Note: 22** (Amount in ₹)

Revenue from Operations	Sub note	For the Year 31.03.2020	For the Year 31.03.2019
(a) Sale of Products			
Copper Products		6,471,803,194	7,805,555,138
Sale of Wind Power		51,258,130	53,506,443
	<b>SUB - TOTAL</b>	<b>6,523,061,324</b>	<b>7,859,061,581</b>
Less: Inter-Unit Sales		638,540,729	1,192,573,881
	<b>GROSS SALES</b>	<b>5,884,520,595</b>	<b>6,666,487,700</b>
Less: Sales Tax/ GST		844,671,048	981,290,158
	<b>NET SALES</b>	<b>5,039,849,547</b>	<b>5,685,197,542</b>
(b) Infrastructure Leasing and Sales		1,687,861	7,181,509
<b>TOTAL</b>		<b>5,041,537,408</b>	<b>5,692,379,051</b>

**Note: 23** (Amount in ₹)

Other Income	Sub note	For the Year 31.03.2020	For the Year 31.03.2019
(a) Interest Income			
Interest on Loans, Deposits and Others		18,227,816	5,080,593
(b) Profit on Sale of Sundry Assets		2,177,682	2,459,637
(c) Miscellaneous Income		83,811	713,948
(d) Rental Income		223,468	507,233
(e) Balances no Longer Payable Written Back		3,947,359	809,811
<b>TOTAL</b>		<b>24,660,136</b>	<b>9,571,222</b>

**Note: 24** (Amount in ₹)

Cost of Raw Materials and Components Consumed	Sub note	For the Year 31.03.2020	For the Year 31.03.2019
Opening Stock Raw Materials		833,732,784	329,355,101
Add: Purchases net of Modvat		4,690,422,752	6,867,086,298
Less: Closing Stock Raw Materials		318,972,123	833,732,784
Less: Inter-Unit Purchases		638,540,729	1,192,573,881
<b>Raw Material Consumed</b>		<b>4,566,642,684</b>	<b>5,170,134,734</b>

## Notes forming part of the Standalone Financial Statements

## Note: 25

(Amount in ₹)

(Increase)/Decrease in Inventories	Sub note	For the Year 31.03.2020	For the Year 31.03.2019
Opening Stock WIP		124,368,809	39000057
Less: :Closing Stock WIP		114,189,289	124,368,809
<b>(Increase)/Decrease in Stock</b>		<b>10,179,520</b>	<b>(85,368,752)</b>

Notes forming part of the Standalone Financial Statements

## Note: 26

(Amount in ₹)

Employee Benefits Expense	Sub note	For the Year 31.03.2020	For the Year 31.03.2019
Salaries, Wages and Other Employee Benefits		47,933,008	55,356,839
Contribution To Provident And Other Funds		4,309,370	4,674,902
<b>TOTAL</b>		<b>52,242,378</b>	<b>60,031,741</b>

## Note: 27

(Amount in ₹)

Finance Costs	Sub note	For the Year 31.03.2020	For the Year 31.03.2019
Interest Expense			
Cash Credit & Others		61,292,640	50,928,468
Long Term Loan		4,155,128	16,217,228
Financial Charges		4,767,558	9,066,743
<b>TOTAL</b>		<b>70,215,326</b>	<b>76,212,439</b>

## Note: 28

(Amount in ₹)

Depreciation and Amortisation Expenses	Sub note	For the Year 31.03.2020	For the Year 31.03.2019
Depreciation		36,101,924	37,024,099
Amortisation Expenses - Lease Rent		360,000	360,000
<b>TOTAL</b>		<b>36,461,924</b>	<b>37,384,099</b>

## Note: 29

(Amount in ₹)

Other Expenses	Sub note	For the Year 31.03.2020	For the Year 31.03.2019
Consumption Of Stores And Spare Parts		25,995,509	36,203,241
Processing & Conversion Charges	Note	31,964,410	5,753,336
Power And Fuel		128,841,888	152,559,685
Rent		1,800,000	1,728,348
Repairs			
Buildings		46,524	530,871
Machinery		60,743,017	57,312,324
Others		7,626,955	7,335,568
Insurance		2,697,061	2,634,276
Rates And Taxes		2,912,729	2,001,607
Packing And Forwarding		18,758,206	26,975,311
Remuneration To Directors		10,800,000	10,625,806
Foreign Exchange Fluctuation (Net)		1,522,078	19,440,591
Other Miscellaneous Expenses		23,558,894	32,107,974
Director's Sitting Fees		320,400	324,200
Payments To The Auditor			
for Statutory Audit		335,000	335,000
for Tax Audit		70,000	70,000

## Notes forming part of the Standalone Financial Statements

Note: 29

(Amount in ₹)

Other Expenses	Sub note	For the Year 31.03.2020	For the Year 31.03.2019
for Taxation/Other Matters		70,000	70,000
for Reimbursement Of Expenses		40,000	40,000
<b>TOTAL</b>		<b>318,102,671</b>	<b>356,048,138</b>

Note: The amount includes ₹ 307.32 lakhs towards Jobwork Charges paid to BCPL.

### 30. Related Party Disclosure

#### (a) Name of the Related Parties and related party relationship

##### Enterprises owned or significantly influenced by key management personnel or their relatives:

- (i) Surana Telecom and Power Limited
- (ii) Bhagyanagar Properties Limited
- (iii) Bhagyanagar Ventures Private Limited
- (iv) Surana Solar Systems Private Limited
- (v) Metropolitan Ventures India Limited
- (vi) Scientia Infocom India Private Limited
- (vii) Surana Solar Limited
- (viii) Solar Dynamics Private Limited
- (ix) Bhagyanagar Metals Private Limited

##### Subsidiary Companies

- (i) Bhagyanagar Copper Private Limited (Formerly Known as 'Aanvik Mercantile Private limited)

##### Key Managerial Personnel

- (i) Narender Surana
- (ii) Devendra Surana
- (iii) Surendra Bhutoria
- (iv) Rachna Kewliya (CS upto 12<sup>th</sup> Dec, 2019)
- (v) Subhojeet Bhattacharjee (Appointed as CS w.e.f. 9<sup>th</sup> March, 2020)

##### Relatives of Key Managerial Personnel

- (i) Namrata Surana
- (ii) Nivriti Surana

- (b) The following transactions were carried out with related parties in the ordinary course of business during the year:

(Amount in ₹)

Nature of Transaction	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	Enterprises owned or significantly influenced by key management personnel or their relatives		Subsidiary Company		KMP or their relatives	
Purchase of Goods	1,27,46,370/-	6,28,33,908/-				
Purchase of Solar Power	2,51,30,765/-	2,61,79,264/-				
Investment In shares				- 5,30,50,000/-		
Job Work Charges			3,07,32,947/-	37,50,512/-		
Sale of goods			26,14,15,175/-	27,44,311/-		
Purchase of goods			55,59,78,537/-	-		
Interest Received			1,61,34,948/-	-		
Remuneration					1,58,21,900/-	1,51,63,636/-

## Notes forming part of the Standalone Financial Statements

(Amount in ₹)

Name of the Related Parties	Nature of Transaction	2019-20	2018-19
	<b>Loans / Advances (given)</b>		
	Opening Balance	8,48,06,788/-	20,47,423/-
<b>Subsidiary Company</b>	Add: Given During the year	5,00,95,112/-	8,27,59,365/-
	Less: Recovered During the year	Nil	-
	<b>Closing Balance</b>	<b>13,49,01,900/-</b>	<b>8,48,06,788/-</b>

31. Disclosure pursuant to Securities Exchange Board Of India (Listing Obligation and Disclosure Requirement and Regulation 2015) and Section 186 of the Companies Act 2013 is disclosed in note no.30
32. In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.
33. **Impact of COVID-19:** The outbreak of novel Coronavirus (COVID-19) .Pandemic globally and in India and the consequent lockdown restrictions imposed by national governments is causing significant disturbance and slowdown of economic activity across the globe. The Company has assessed the possible effects that may arise from the COVID-19 pandemic on the business. As on the current date, based on the assessment, the Company has concluded that the impact of COVID – 19 pandemic is not material on the carrying value of the assets of the business, however this has effected the operations of the company and has had impact on sales and profitability among others. Due to the nature of the pandemic and the resultant operational guidelines that may be announced by the governments in future, the Company will continue to monitor the developments to identify significant impact, if any in the future period.
34. The management has considered the possible effects, if any, that made result from the pandemic relating to COVID-19 on the carrying amount of trade receivables and inventories. In developing the assumptions and estimates relating to the uncertainty as at the balance sheet date in relation to the recoverable amount of these assets. The management has considered the global economic conditions prevailing as that the date of approval of these financial results and has used internal and external source of information to the extent determined by it. The actual outcome of these assumptions and estimate may vary in future due to the impact of the pandemic.
35. The company's unit which has to suspend operations temporarily due to government directives relating to COVID-19, have since resume partial operations, as per the Guidelines and norms prescribed by the government authorities.

## 36. Earnings Per Share (EPS)

(Amount in ₹)

Particulars	2019-20	2018-19
Net Profit after Tax	1,10,00,253/-	6,49,84,994/-
Net Profit after Tax available for equity share holders - For Basic and Diluted EPS	1,10,00,253/-	6,49,84,994/-
Weighted Average No. Of Equity Shares For Basic EPS (No.s)	3,19,95,000	3,19,95,000
Weighted Average No. Of Equity Shares For Diluted EPS (No.s)	3,19,95,000	3,19,95,000
Nominal Value of Equity Shares	2/-	2/-
Basic Earnings Per Equity Share	0.34	2.03
Diluted Earnings Per Equity Share	0.34	2.03

## 37. (i) Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹)

Particulars	As at 31-03-2020	As at 31-03-2019
Contingent Liabilities	35,37,892/-	53,71,077/-
<b>Commitments:</b>		
Guarantees issued by banks	1,20,00,000/-	1,79,22,400/-
Corporate Guarantee given for Wholly-Owned Subsidiary – BCPL	16,67,72,121/-	9,99,91,498/-



## Notes forming part of the Standalone Financial Statements

### (ii) Foreign Currency Exposure:

Particulars	As at 31-03-2020	As at 31-03-2019
	USD	USD
Hedged	-	5,93,776
Unhedged	7,24,112	33,06,291

### 38. Retirement and Other Employees Benefits

The Company's employee benefits primarily cover provident fund, gratuity and leave encashment.

Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to the Profit & Loss account in the year in which they accrue.

Gratuity liability is a defined benefit obligation and is based on the actuarial valuation done. The gratuity liability and the net periodic gratuity cost is actually determined after considering discounting rates, expected long term return on plan assets and increase in compensation level. All actuarial gain/ losses are immediately charged to the Profit & Loss account and are not deferred.

The following table summarizes the components of Net Benefit expenses recognized in the Profit & Loss account and amount recognized in the Balance Sheet for the respective plans.

#### a Expenses recognised in the Profit & Loss Account

Particulars	Gratuity	
	2019-20	2018-19
Current service cost	3,97,267	10,70,282
Interest cost	71,463	10,97,603
Expected Return on Planned Assets	1,19,310	(12,75,097)
Net Actuarial Loss/ (Gain) recognized in the year	3,20,562	4,02,808
Expenses recognised in Statement of Profit & Loss	<b>6,69,981</b>	<b>12,95,596</b>

#### b Change in Present value of obligation during the year ended 31st March, 2020

Particulars	Gratuity	
	2019-20	2018-19
Present Value of obligation as at beginning of the year	9,52,846	14,587,496
Interest Cost	71,463	10,97,603
Current Service Cost	3,97,267	10,70,282
Benefits Paid-Actuals	(54,000)	(19,31,440)
Actuarial (Gain)/ Loss on Obligations	3,20,562	4,02,808
<b>Present Value of obligation as at end of the year</b>	<b>16,88,138</b>	<b>15,226,749</b>

#### c Change in fair value of Plan Assets during the year ended 31st March, 2020

Particulars	Gratuity	
	2019-20	2018-19
Fair value of Plan Assets as at the beginning of the year	13,92,203	12,958,488
Expected Return on Plan Assets	1,19,310	1,097,425
Contributions	6,91,608	3,979,186
Benefits Paid	(54,000)	(1,123,711)
<b>Fair value of Plan Assets as at the end of the year</b>	<b>21,49,123</b>	<b>16,911,388</b>

#### D Actuarial Gain/ loss recognized

Particulars	Gratuity	
	2019-20	2018-19
Actuarial (Gain) / Loss for the year -Obligation	3,20,562	4,02,808
Total Loss for the Year	3,20,562	4,02,808
Actuarial (Gain) / Loss recognized in the year	3,20,562	4,02,808

## Notes forming part of the Standalone Financial Statements

## E Actuarial assumption

Particulars	Gratuity	
	2019-20	2018-19
Discount rate used	7.25%	7.5%
Salary escalation	6%	6%

## 39. Raw material consumed during the year (Amount in ₹)

Sl. No.	Particulars	2019-20	2018-19
i	Copper	449,32,86,300	491,23,05,082
ii	Others	8,35,35,904	17,24,60,900
iii	<b>Inter Unit Transfers</b>		
	(a) Copper Rod / Wires	62,93,29,300	117,26,63,500
	(b) Others	92,11,300	1,99,03,200
	<b>SUB-TOTAL</b>	<b>521,53,62,804</b>	<b>627,73,39,863</b>
	Less: Inter Unit Purchases	63,85,40,600	119,25,66,700
	<b>TOTAL</b>	<b>457,68,22,204</b>	<b>508,47,65,982</b>

Note: Material which are included in others do not individually exceed 10 % of consumption.

## 40. Details of imported and indigenous raw materials, spares and packing materials consumed

(Amount in ₹)

Particulars	2019-20		2018-19	
	Value	% of Total Consumption	Value	% of Total Consumption
Raw materials & Components				
(a) Imported	59,71,96,234	13	2,252,525,618	44
(b) Indigenous	397,96,25,970	87	2,832,240,364	56
<b>TOTAL</b>	<b>457,68,22,204</b>	<b>100</b>	<b>508,47,65,982</b>	<b>100</b>
Stores & Spare Parts (including consumed for repair)				
(a) Imported	2,75,97,985	38	1,63,23,326	19
(b) Indigenous	4,48,47,475	62	6,96,28,480	81
<b>TOTAL</b>	<b>7,24,45,460</b>	<b>100</b>	<b>8,59,51,806</b>	<b>100</b>

## 41. CIF Value of Imports

(Amount in ₹)

Particulars	2019-20	2018-19
Raw material / Traded Goods	59,71,96,234	225,25,25,618
Stores & Spares	2,75,97,985	1,63,23,326
<b>Total</b>	<b>62,47,94,219</b>	<b>226,88,48,944</b>

## 42. Earnings in Foreign Currency

(Amount in ₹)

Particulars	2019-20	2018-19
Export Sales	-	20,047,976
<b>Total</b>	<b>-</b>	<b>20,047,976</b>

## Notes forming part of the Standalone Financial Statements

### 43. Expenditure in Foreign Currency

(Amount in ₹)

Particulars	2019-20	2018-19
Travelling	5,88,729	1,73,500
Interest on ECB	45,73,419	1,66,78,852
Repayment of ECB	16,32,58,609	13,09,52,850
<b>Total</b>	<b>16,84,20,757</b>	<b>14,78,05,202</b>

### 44. Segment Reporting:

#### Factors used to identify the reportable segments:

The Company has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information

SI No.	Reportable segments	Product/Service
1.	Manufacturing of Copper Products	Copper Products
2.	Wind Power	Generation of Wind Power Energy

(Amount in ₹)

Particulars	Copper Products		Renewable Energy		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>REVENUE</b>						
External Sales	4,98,85,91,417	5,63,16,91,099	5,12,58,130	5,35,06,443	5,03,98,49,547	5,68,51,97,542
Other Operating income	-	-	-	-	16,87,861	71,81,509
<b>Total Revenue</b>	<b>4,98,85,91,417</b>	<b>5,63,16,91,099</b>	<b>5,12,58,130</b>	<b>5,35,06,443</b>	<b>5,04,15,37,408</b>	<b>5,69,23,79,051</b>
<b>RESULTS</b>						
Segment results	11,68,61,357	21,15,69,401	1,23,75,323	1,59,18,483	12,92,36,680	22,74,87,884
Unallocable income/Expenses	-	-	-	-	(4,66,68,313)	(6,37,67,391)
Operating Profit	-	-	-	-	8,25,68,367	16,37,20,313
Interest Expenses	-	-	-	-	7,02,15,326	7,62,12,439
Profit from Ordinary Activities	-	-	-	-	1,23,53,041	8,75,07,874
<b>Net Profit</b>	-	-	-	-	<b>1,23,53,041</b>	<b>8,75,07,874</b>
<b>Other Information</b>						
Segment Assets	1,33,49,28,928	1,88,36,29,074	16,04,25,945	18,09,37,057	1,49,53,54,873	2,06,45,66,131
Unallocable Assets	-	-	-	-	23,89,18,683	24,44,22,717
<b>Total Assets</b>	-	-	-	-	<b>1,73,42,73,556</b>	<b>2,30,89,88,848</b>
Segment Liabilities	46,64,39,456	90,22,36,010	22,14,227	5,82,355	46,86,53,683	90,28,18,365
Unallocable Liabilities	-	-	-	-	2,72,11,402	17,57,77,241
<b>Total Liabilities</b>	-	-	-	-	<b>49,58,65,085</b>	<b>1,07,85,95,606</b>
Capital Expenditure	1,10,75,912	1,19,75,567	-	-	1,10,75,912	1,19,75,567
Unallocable Capital Expenditure	-	-	-	-	-	87,90,780
<b>Total Capital Expenditure</b>	-	-	-	-	<b>1,10,75,912</b>	<b>2,07,66,347</b>
Depreciation	74,38,144	75,72,068	2,36,52,013	2,36,52,013	3,10,90,157	3,12,24,081
Unallocable Depreciation	-	-	-	-	53,71,767	61,60,018
<b>Total Depreciation</b>	-	-	-	-	<b>3,64,61,924</b>	<b>3,73,84,099</b>

## Notes forming part of the Standalone Financial Statements

### 45. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

#### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

#### B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

##### Trade receivables

- i. Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- ii. Receivables resulting from other than sale of properties: The firm has established credit limits for customers and monitors their balances on ongoing basis. Credit Appraisal is performed before leasing agreements are entered into with customers. The risk is also marginal due to customers placing significant amount of security deposits for lease and fit out rentals.

##### Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department in accordance with the Company's policy. Investments of surplus funds are reviewed and approved by the Company's Board of Directors on an annual basis. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2018 and 2017 is the carrying amounts.

#### C. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Amount in ₹)

Year Ended	On Demand	3 to 12 Months	1 to 5 Years	>5 Years	Total
<b>31-Mar-20</b>					
Borrowings	-	37,83,79,389	52,44,145	-	38,36,23,534
<b>31-Mar-19</b>					
Borrowings	-	1,02,75,53,032	82,28,970	-	1,035,782,002

### 46. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

## Notes forming part of the Standalone Financial Statements

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(Amount in ₹)

Particulars	31-Mar-20	31-Mar-19
Borrowings (Long term and Short term including Current maturity of Long term Borrowings) Note 16 & 17	38,36,23,534	1,03,57,82,002
Other Payable (current and non-current, excluding current maturity of long term borrowings) Note 18,19,20 & 21	11,74,85,696	5,01,42,574
Less Cash and Cash Equivalents	3,77,45,575	3,61,93,360
<b>Net Debt</b>	<b>46,33,63,655</b>	<b>104,97,31,216</b>
Equity Share capital	6,39,90,000	6,39,90,000
Other Equity	116,91,74,344	1,15,81,74,091
<b>Total Capital</b>	<b>123,31,64,344</b>	<b>122,21,64,091</b>
<b>Capital and Net debt</b>	<b>169,65,27,999</b>	<b>227,18,95,307</b>
<b>Gearing ratio (in %)</b>	<b>27.31</b>	<b>46.20</b>

47. Previous year's figures have been regrouped and rearranged, wherever found necessary.

### As per our report of even date attached

#### For Luharuka & Associates

Chartered Accountants,

#### Rameshchand Jain

Partner

M. No. 023019

Firm Reg No.01882S

Place: Secunderabad,

Date : June 23, 2020

### For and on behalf of the BOD of Bhagyanagar India Limited

#### Narender Surana

Managing Director

DIN: 00075086

#### Surendra Bhutoria

Chief Financial Officer

#### Devendra Surana

Managing Director

DIN: 00077296

#### Subhojeet Bhattacharjee

Company Secretary

M.No. A60802

## Independent Auditors' Report on Consolidated Financial Statements

To the Members of  
**BHAGYANAGAR INDIA LIMITED**

### Report on Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated Financial Statements of **BHAGYANAGAR INDIA LIMITED** (herein after referred to as "The Holding Company") and one of its subsidiary **BHAGYANAGAR COPPER PRIVATE LIMITED** (Earlier 'Aanvik Mercantile Private Limited' ) (collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31 March 2020, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement , the consolidated statement of change in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of other financial information of the subsidiary, the aforesaid consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2020, and their consolidated profit including other comprehensive Income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

#### Basis For Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibility under those standards are further described in the 'Auditor's Responsibility for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, in accordance with ethical requirement that are relevant to our audit of consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants and are relevant provision of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

*We draw our attention to Note 45 of the financial statements, as regards to the management evaluation of COVID – 19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.*

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our Audit of Consolidated Financial Statements of the current period. These matters were addressed in the context of our Audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

##### Physical Inventory Verification

The auditor's responsibility is to ascertain whether the management has satisfactory procedures for physical verification of inventories, so that in the normal circumstances the programme of physical verification will cover all material items of inventories at least once during the year.

Due to COVID-19 pandemic and resulting countrywide shutdown, the programme of physical verification of inventories of stores and spares could not be completed. As per relevant Guidance Note, Auditors are advised to witness implementation of physical verification programme; however, due to the unfavourable circumstances our presence was not possible.

##### Principal Audit Procedures

Our audit procedures included but are not limited to detailed written confirmations of inventories held by the stores in-charge of different locations.

We have tested the effectiveness of controls present for inwards and issues for consumption. We have selected samples of current year purchases present in closing stock and have verified there Goods Receipt Notes and subsequent payments made by the company.

We have employed analytical procedures such reconciliation of quantities of opening stock, purchases, consumption and closing stock; comparison of current year gross profit ratio with the gross profit ratio for the previous year; comparison of significant ratios relating to inventories with the similar ratios for other company in the same industry.

We have determined that there are no other key audit matters to communicate in our report.

## Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Ind AS consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are responsible for overseeing the company's financial reporting process of the Group.

## Auditors Responsibilities for the audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, we report, to the extent applicable that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of aforesaid consolidated financial statements.
- b. In our opinion proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the group company.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with relevant books of account and records maintained for the purpose of preparation of consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors of Holding Company as on March 31, 2020, and taken on record by the Board of Directors of Holding Company and the report of the statutory auditors of subsidiary company, incorporated in India, none of the directors of the Group Companies, incorporated in India, is disqualified as on March 31, 2020, from being appointed as a directors in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- g. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations which would impact its consolidated financial Statement.
  - (ii) The Group did not have any long-term contracts including derivative contracts as at March 31, 2020; as such the question of commenting on any material foreseeable losses thereon does not arise
  - (iii) There has been no delaying in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, incorporated in India.

For **Luharuka & Associates**  
Chartered Accountants  
Firm Reg No:- 01882S

**Rameshchand Jain**  
(Partner)  
Membership No.023019  
**UDIN: 20023019AAAABK7247**

Place: Secunderabad  
Date: 23.06.2020

## Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated Financial Statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of **BHAGYANAGAR INDIA LIMITED** ("the Holding Company") and one of its subsidiary company, **BHAGYANAGAR COPPER PRIVATE LIMITED** (Earlier 'Aanvik Mercantile Private Limited' ) (together referred to as "the Group"), which are company incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Luharuka & Associates**  
Chartered Accountants  
Firm Reg No:- 01882S

**Rameshchand Jain**  
(Partner)  
Membership No.023019  
**UDIN: 20023019AAAABK7247**

Place: Secunderabad  
Date: 23.06.2020

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(Amount in ₹)

Particulars	Note	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	813,900,097	770,986,623
(c) Financial Assets			
- Investments	6	200,000	300,000
- Loans	7	13,037,076	13,022,076
(d) Deferred tax assets (net)	8	12,670,891	11,962,368
		<b>839,808,064</b>	<b>796,271,067</b>
<b>Current assets</b>			
(a) Inventories	9	569,314,673	980,917,960
- Trade receivables	10	470,571,644	378,158,235
- Cash and cash equivalents	11	38,284,116	40,257,376
(b) Current Tax Assets (net)	12	14,771,224	10,441,476
(c) Other current assets	13	101,231,367	207,700,161
		<b>1,194,173,024</b>	<b>1,617,475,208</b>
<b>Total assets</b>		<b>2,033,981,088</b>	<b>2,413,746,275</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	63,990,000	63,990,000
(b) Other Equity	15	1,165,539,921	1,155,103,818
		1,229,529,921	1,219,093,818
<b>Total Equity</b>		<b>1,229,529,921</b>	<b>1,219,093,818</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
- Borrowings	16	213,086,883	96,384,629
		<b>213,086,883</b>	<b>96,384,629</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
- Borrowings	17	401,207,783	860,980,000
- Trade Payables	18	104,169,970	42,475,270
- Other Current financial liabilities	19	47,414,006	184,941,751
(b) Other current liabilities	20	37,672,525	8,970,807
(c) Provisions	21	900,000	900,000
		<b>591,364,284</b>	<b>1,098,267,828</b>
<b>Total liabilities</b>		<b>804,451,167</b>	<b>1,194,652,457</b>
<b>Total equity and liabilities</b>		<b>2,033,981,088</b>	<b>2,413,746,275</b>

Significant accounting policies and key accounting estimates and judgements 1 to 4

See accompanying notes form an integral part of Standalone financial statements. 30 to 47

**As per our report of even date attached****For Luharuka & Associates**

Chartered Accountants,

**Rameshchand Jain**

Partner

M. No. 023019

Firm Reg No.01882S

Place: Secunderabad,

Date : June 23, 2020

**For and on behalf of the BOD of Bhagyanagar India Limited****Narender Surana**

Managing Director

DIN: 00075086

**Surendra Bhutoria**

Chief Financial Officer

**Devendra Surana**

Managing Director

DIN: 00077296

**Subhojeet Bhattacharjee**

Company Secretary

M.No. A60802

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(Amount in ₹)

Particulars		Note No.	For the year 31.03.2020	For the year 31.03.2019
<b>I</b>	<b>INCOME</b>			
	Revenue from Sale of Product		5,621,879,211	5,685,197,542
	Infrastructure Leasing		1,687,861	7,181,509
			<b>5,623,567,072</b>	<b>5,692,379,051</b>
	Less: Excise Duty		-	-
	<b>NET REVENUE FROM OPERATIONS</b>	22	5,623,567,072	5,692,379,051
	<b>OTHER INCOME</b>	23	9,065,958	9,683,054
	<b>TOTAL INCOME</b>		<b>5,632,633,030</b>	<b>- 5,702,062,105</b>
<b>II</b>	<b>EXPENSES</b>			
	Cost of Raw Materials and Components Consumed	24	4,974,267,251	5,170,134,734
	(Increase)/Decrease in Inventories			
	Work-in-Progress and Stock in Trade	25	10,179,520	(85,368,752)
	Employee Benefit Expenses	26	69,277,475	60,031,741
	Finance Costs	27	95,480,714	76,605,120
	Depreciation and Amortisation Expenses	28	51,609,573	39,398,712
	Other Expenses	29	420,091,158	355,282,190
	<b>TOTAL EXPENSES</b>		<b>5,620,905,691</b>	<b>5,616,083,745</b>
<b>IV</b>	<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX( I - II)</b>		11,727,339	85,978,360
<b>V</b>	<b>AMORTISATION OF INTANGIBLE ASSETS</b>		-	-
<b>VI</b>	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (IV-V)</b>		11,727,339	85,978,360
<b>VII</b>	<b>EXTRAORDINARY ITEMS</b>			-
<b>VIII</b>	<b>PROFIT BEFORE TAX (VI+VII)</b>		<b>11,727,339</b>	<b>85,978,360</b>
<b>IX</b>	<b>TAX EXPENSE</b>			
	1. Current Tax		2,061,311	20,204,000
	2. Deferred Tax		1,352,788	2,879,320
	3. MAT Entitlement Credit		(2,061,311)	(498,770)
<b>X</b>	<b>PROFIT AFTER TAX (VIII-IX)</b>		10,374,551	63,393,810
<b>XIII</b>	<b>EARNINGS PER EQUITY SHARE</b>			
	1. Basic		0.32	1.98
	2. Diluted		0.32	1.98

Significant accounting policies and key accounting estimates and judgements 1 to 4

See accompanying notes form an integral part of Standalone financial statements. 30 to 47

**As per our report of even date attached**
**For Luharuka & Associates**

Chartered Accountants,

**Rameshchand Jain**

Partner

M. No. 023019

Firm Reg No.01882S

Place: Secunderabad,

Date : June 23, 2020

**For and on behalf of the BOD of Bhagyanagar India Limited**
**Narender Surana**

Managing Director

DIN: 00075086

**Surendra Bhutoria**

Chief Financial Officer

**Devendra Surana**

Managing Director

DIN: 00077296

**Subhojeet Bhattacharjee**

Company Secretary

M.No. A60802

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020****A. Equity Share capital**

Particulars	No of shares	In Rupees
<b>Balance as at 1 April 2019</b>	31,995,000	63,990,000
Changes in equity share capital during 2019-20	-	-
<b>Balance as at 31 March 2020</b>	<b>31,995,000</b>	<b>63,990,000</b>
<b>Balance as at 1 April 2018</b>	31,995,000	63,990,000
Changes in equity share capital during 2018-19	-	-
<b>Balance as at 31 March 2019</b>	<b>31,995,000</b>	<b>63,990,000</b>

**B. Other equity**

(Amount in ₹)

Note : 15 Other Equity	As at 31.03.2020	As at 31.03.2019
<b>General Reserves</b>		
Balance as per Last Account	250,000,000	200,000,000
<b>Add:</b> Transferred from Retained Earnings	-	50,000,000
Add: Created on account of discontinuation of Subsidiaries/Associates	-	-
<b>Balance at the year end</b>	<b>250,000,000</b>	<b>250,000,000</b>
<b>Capital Reserves</b>		
Balance as per Last Account	65,340,818	65,340,818
Add: Created on account of acquisition of new subsidiary	-	-
<b>Balance at the year end</b>	<b>65,340,818</b>	<b>65,340,818</b>
<b>Capital Redemption Reserve</b>		
Balance as per Last Account	21,020,000	21,020,000
<b>Balance at the year end</b>	<b>21,020,000</b>	<b>21,020,000</b>
<b>Retained Earnings</b>	818,804,552	805,410,742
<b>Add:</b> Profit during the year/period	10,374,551	63,393,810
Amount available for Appropriation	829,179,103	868,804,552
Transfer to General Reserve	-	50,000,000
<b>Balance at the year end</b>	<b>829,179,103</b>	<b>818,804,552</b>
<b>TOTAL</b>	<b>1,165,539,921</b>	<b>1,155,103,818</b>

**The Description, Nature and Purpose of each reserve with in equity are as follows:**

**General Reserve:** This reserve is the retained earnings of the company, which are kept aside out of the Company's profit to meet future (known or unknown) obligations.

**Retained Earnings:** Retained earnings comprise of net accumulated profit/(loss) of the company, after declaration of dividend.

**Capital Reserve:** Capital Reserve was created on account of merger of various entities with the company.

**Capital Redemption Reserve:** Capital Redemption Reserve was created on account of Buy back of Shares of the Companies.

See accompanying notes form an integral part of Standalone financial statements.

30 to 47

**As per our report of even date attached****For Luharuka & Associates**

Chartered Accountants,

**Rameshchand Jain**

Partner

M. No. 023019

Firm Reg No.01882S

Place: Secunderabad,

Date : June 23, 2020

**For and on behalf of the BOD of Bhagyanagar India Limited****Narender Surana**

Managing Director

DIN: 00075086

**Surendra Bhutoria**

Chief Financial Officer

**Devendra Surana**

Managing Director

DIN: 00077296

**Subhojeet Bhattacharjee**

Company Secretary

M.No. A60802

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(Amount in ₹)

Particulars	2019-20	2018-19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit (Loss) before Tax and Exceptional Items	11,727,339	85,978,360
<b>Adjustments for Non-Operating Activities:</b>		
Depreciation	51,249,575	39,038,712
Amortisation of lease rent	360,000	360,000
Sundry balance writtern off	2,187,065	3,238,973
Sundry balance writtern back	(3,947,359)	(809,811)
Interest paid	70,215,326	76,212,439
(Profit)/loss on sale of fixed assets	(2,177,682)	(2,459,637)
Dividend received	-	(661,407)
Interest received	(18,227,816)	99,659,109
		(5,080,593)
Operating Profit before Working Capital Changes	<b>111,386,448</b>	<b>195,817,036</b>
<b>Movement in Working Capital</b>		
Increase/ (Decrease) in other current liabilities	74,901,156	14,309,122
Increase/ (Decrease) in other financial liabilities	(168,033,758)	44,383,942
Increase/ (Decrease) in trade payables	49,948,626	14,252,776
(Increase)/ Decrease in other current assets	105,683,940	(83,035,620)
(Increase)/ Decrease in trade receiables	(94,600,474)	(35,508,894)
(Increase)/ Decrease in inventory	411,603,287	379,502,777
		(612,562,802)
		(658,161,476)
<b>Cash Generation From Operations</b>	<b>490,889,225</b>	<b>(462,344,440)</b>
Direct Taxes (Net)	(4,966,940)	(18,676,292)
<b>Net Cash from Operating Activities (A)</b>	<b>485,922,285</b>	<b>(481,020,732)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	18,227,816	5,080,593
Purchase of fixed assets	(146,103,143)	(179,126,959)
Sale of fixed assets	2,472,800	3,163,188
Dividend Received	-	661,407
<b>Net Cash from / (Used in) Investing Activities (B)</b>	<b>(125,402,527)</b>	<b>(170,221,771)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(70,215,326)	(76,212,439)
Proceeds/(Repayment) from borrowings	(288,274,379)	617,492,327
Dividend Paid	-	(149,003)
(Increase)/Decrease in restricted deposits	5,712,528	3,153,547
<b>Net Cash (used in) /from Financing Activities (C)</b>	<b>(352,777,177)</b>	<b>544,284,432</b>
<b>Net Increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>7,742,581</b>	<b>(106,958,071)</b>
Opening cash and cash equivalent at the beginning of the year	<b>4,887,285</b>	<b>111,845,356</b>
<b>Closing cash and cash equivalent at the end of the year</b>	<b>12,629,866</b>	<b>4,887,285</b>
<b>Net Increase/(decrease) in cash &amp; cash equivalents</b>	<b>7,742,581</b>	<b>(106,958,071)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(Amount in ₹)

**Notes :**

<b>1. Components of cash and cash equivalents</b>	<b>2019-20</b>	<b>2018-19</b>
Cash in hand	340,527	131,731
Balances with banks	12,289,339	4,755,554
	<b>12,629,866</b>	<b>4,887,285</b>

2. Accompanied notes to accounts forms an integral part of the Standalone financial statements.

**As per our report of even date attached****For Luharuka & Associates**

Chartered Accountants,

**Rameshchand Jain**

Partner

M. No. 023019

Firm Reg No.01882S

Place: Secunderabad,

Date : June 23, 2020

**For and on behalf of the BOD of Bhagyanagar India Limited****Narender Surana**

Managing Director

DIN: 00075086

**Surendra Bhutoria**

Chief Financial Officer

**Devendra Surana**

Managing Director

DIN: 00077296

**Subhojeet Bhattacharjee**

Company Secretary

M.No. A60802



## SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

### 1. Corporate Information

Bhagyanagar India Ltd (“the company”) is a Company registered under the companies act, 1956. It is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). It was incorporated on 2<sup>nd</sup> September, 1985 having its registered office at 5th Floor, Surya Towers, Sardar Patel Road, and Secunderabad-500003. The company’s CIN No. is L27201TG1985PLC012449. The company is engaged in the manufacture of copper products.

### 2. Basis of preparation and Basis of Consolidation

#### A. Basis of preparation

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2020, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

#### B. Basis of Consolidation

The consolidated Ind AS financial statements comprise of the Ind AS financial statements of **Bhagyanagar India Limited** and its only subsidiary company namely, **Bhagyanagar copper Private Limited** (Formerly, known as ‘Aanvik Mercantile Private Limited’) (collectively referred to as “the company” or “the Group”) as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); Exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: The contractual arrangement with the other vote holders of the investee; Rights arising from other contractual arrangements; The Group’s voting rights and potential voting rights, and the size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the group’s accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2020.

#### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it: Derecognises the assets (including goodwill) and liabilities of the subsidiary; Derecognises the carrying amount of any non-controlling interests; Derecognises the cumulative translation differences recorded in equity; Recognises the fair value of the consideration received; Recognises the fair value of any investment retained; Recognises any surplus or deficit in profit or loss, and Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### 3. Use of estimates and judgments:

**Use of estimates and judgments:** The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

### 4. Significant Accounting Policies:

#### (a) Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

#### (b) Revenue Recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The Company has evaluated and there is no material impact of this amendment on the Financial Statement of the Company.

#### Other income:

Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

**(c) Property, Plant and Equipment**

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All significant costs relating to the acquisition and installation of property, plant and equipment are capitalized. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on useful lives, determined based on internal technical evaluation. Freehold land is carried at cost.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(d) Investment Properties**

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment Property is measured at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment Properties are depreciated using the straight-line method as per the provisions of Schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.

**(e) Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

**(f) Depreciation and amortization:**

Depreciation is provided on the straight-line method over the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased/sold during a period is proportionately charged.

**(g) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is: -

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies all other liabilities as non-current.

**(h) Financial assets**

Financial assets comprise of cash and cash equivalents.

**Initial recognition:**

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

**Subsequent Measurement:**

- (i) Financial assets measured at amortised cost: Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

**The Company while applying above criteria has classified the following at amortised cost:**

- a) Trade receivable
- b) Cash and cash equivalents
- c) Other Financial Asset

**Impairment of Financial Assets:**

Financial assets are tested for impairment based on the expected credit losses.

**De-recognition of Financial Assets:**

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**(i) Impairment of Non-Financial Assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**(j) Cash and Cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks are subsequently measured at amortized cost and short term investments are measured at fair value through statement of profit & loss account.

**(k) Financial liabilities****Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost. A preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability.

**Subsequent measurement:**

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

**De-recognition of financial liabilities:**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(l) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**(m) Employee Benefits**

Employee benefits are charged to the Statement of Profit and Loss for the year.

**Provident Fund**

Retirement benefits in the form of Provident Fund are defined contribution scheme and such contributions are recognised, when the contributions to the respective funds are due. There are no other obligation other than the contribution payable to the respective funds.

**Gratuity**

The Company has not created any gratuity fund. However adequate provisions have been made in the accounts for gratuity liability. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

**Compensated absences**

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

**Short-term employee benefits**

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**(n) Income Taxes**

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

**Deferred income tax**

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the end of reporting period. Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

**Minimum Alternative Tax (MAT)**

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 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 statement of profit and loss 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.

**(o) Leases**

**As a lessee**

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessor**

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Lease-hold land:

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

**(p) Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**(a) Fair value measurement**

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date. Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3— Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**(q) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(r) Cash dividend to equity holders of the Company**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.



## Notes forming part of the Consolidated Financial Statements

### Note : 5 Property, Plant and Equipment

(Amount in ₹)

Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31<sup>st</sup> March, 2020

Particulars	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installation	Office Equipment	Vehicles	Furniture and Fixtures	Computers	Library	Plantation	Grand Total
Gross carrying Value as of April 01, 2019	270,543,954	5,974,814	85,086,160	853,951,107	63,651,143	17,340,786	58,927,923	16,179,680	7,828,892	2,010	5,760,000	1,385,246,469
Additions		192,008	72,726,660	18,412,639	242,524	3,218,976	60,763					94,853,570
Deletions		(360,000)	(924,000)			(672,800)						(1,356,800)
<b>Gross carrying Value as at March 31, 2020</b>	<b>270,543,954</b>	<b>5,614,814</b>	<b>84,954,168</b>	<b>926,677,767</b>	<b>82,063,782</b>	<b>17,583,310</b>	<b>61,474,099</b>	<b>16,179,680</b>	<b>7,889,655</b>	<b>2,010</b>	<b>5,760,000</b>	<b>1,478,743,239</b>
Accumulated depreciation as at April 01, 2019	-	-	26,876,702	482,513,204	31,203,634	15,547,975	34,277,222	15,293,757	7,393,342	2,010	1,152,000	614,259,846
Depreciation			3,393,093	39,011,259	3,536,374	371,853	4,142,948	37,413	180,636	-	576,000	51,249,576
Accumulated depreciation on disposals			-	-	-	-	(666,280)					(666,280)
<b>Accumulated depreciation as at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>30,269,795</b>	<b>521,524,463</b>	<b>34,740,008</b>	<b>15,919,828</b>	<b>37,753,890</b>	<b>15,331,170</b>	<b>7,573,978</b>	<b>2,010</b>	<b>1,728,000</b>	<b>664,843,142</b>
<b>Carrying Value as at March 31, 2020</b>	<b>270,543,954</b>	<b>5,614,814</b>	<b>54,684,373</b>	<b>405,153,304</b>	<b>47,323,774</b>	<b>1,663,482</b>	<b>23,720,209</b>	<b>848,510</b>	<b>315,677</b>	<b>-</b>	<b>4,032,000</b>	<b>813,900,097</b>

Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31<sup>st</sup> March 2020

Particulars	Freehold Land	Lease Hold Land	Building	Plant & Machinery	Electrical Installation	Office Equipment	Vehicles	Furniture and Fixtures	Computers	Library	Plantation	Grand Total
Gross carrying Value as at April 01, 2018	270,543,954	6,334,814	62,571,334	731,587,756	36,561,544	17,129,893	52,942,626	16,179,680	7,589,283	2,010	5,760,000	1,207,202,894
Additions			22,838,826	122,363,351	27,089,599	210,893	8,837,286		239,609			181,579,564
Disposals		(360,000)	(324,000)			(2,851,989)						(3,535,989)
<b>Gross carrying Value as at March 31, 2019</b>	<b>270,543,954</b>	<b>5,974,814</b>	<b>85,086,160</b>	<b>853,951,107</b>	<b>63,651,143</b>	<b>17,340,786</b>	<b>58,927,923</b>	<b>16,179,680</b>	<b>7,828,892</b>	<b>2,010</b>	<b>5,760,000</b>	<b>1,385,246,469</b>
Accumulated depreciation as at April 01, 2018	-	-	24,984,140	452,490,473	30,144,965	15,115,861	32,082,369	14,556,393	7,235,626	2,010	576,000	577,187,837
Depreciation			2,145,107	30,022,731	1,058,669	432,114	3,909,012	737,364	157,716	-	576,000	39,038,713
Accumulated depreciation on disposals			(252,545)			(1,714,159)						(1,966,704)
<b>Accumulated depreciation as at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>26,876,702</b>	<b>482,513,204</b>	<b>31,203,634</b>	<b>15,547,975</b>	<b>34,277,222</b>	<b>15,293,757</b>	<b>7,393,342</b>	<b>2,010</b>	<b>1,152,000</b>	<b>614,259,846</b>
<b>Carrying Value as at March 31, 2019</b>	<b>270,543,954</b>	<b>5,974,814</b>	<b>58,209,458</b>	<b>371,437,903</b>	<b>32,447,509</b>	<b>1,792,811</b>	<b>24,650,701</b>	<b>885,923</b>	<b>435,550</b>	<b>-</b>	<b>4,608,000</b>	<b>770,986,623</b>
<b>Carrying Value as at March 31, 2018</b>	<b>270,543,954</b>	<b>6,334,814</b>	<b>37,587,194</b>	<b>279,097,283</b>	<b>6,416,579</b>	<b>2,014,032</b>	<b>20,860,257</b>	<b>1,623,287</b>	<b>353,657</b>	<b>-</b>	<b>-</b>	<b>630,015,057</b>



## Notes forming part of the Consolidated Financial Statements

### Notes to Balance sheet

#### Note: 6

(Amount in ₹)

Investments	Sub note	As at 31.03.2020		As at 31.03.2019	
		No.s	Value	No.s	Value
<b>B) Investment at Fair Value through OCI</b>					
1. Investment in Equity Instruments (Unquoted)					
Mana Effluent Treatment Plant		200	200,000	200	200,000
(Equity shares of ₹ 1000/-each fully paid up)					
2. Excellent Cooperative Bank Ltd		-	-	1,000	100,000
<b>GRAND TOTAL (A+B)</b>			<b>200,000</b>		<b>300,000</b>

#### Note: 7

(Amount in ₹)

Loans	Sub note	As at 31.03.2020		As at 31.03.2019	
<b>Unsecured, Considered good.</b>					
(a) Security Deposits			13,037,076		13,022,076
<b>TOTAL</b>			<b>13,037,076</b>		<b>13,022,076</b>

#### Note: 8

(Amount in ₹)

Deferred Tax Assets (Net)	Sub note	As at 31.03.2020		As at 31.03.2019	
(a) Deferred Tax Asset at the beginning of the year			(4,059,359)		(1,180,039)
Less: Deferred Tax Asset/ (Liability) for the year, on account of timing difference.			(1,352,788)		(2,879,320)
(b) Others					
MAT Credit Entitlement			18,083,038		16,021,727
<b>TOTAL</b>			<b>12,670,891</b>		<b>11,962,368</b>

#### Note: 9

(Amount in ₹)

Inventories	Sub note	As at 31.03.2020		As at 31.03.2019	
<b>(As Valued and Certified by the Management)</b>					
Raw Materials			436,457,385		856,549,151
Work-in-Progress			132,857,288		124,368,809
<b>TOTAL</b>			<b>569,314,673</b>		<b>980,917,960</b>

#### Note: 10

(Amount in ₹)

Trade Receivables	Sub note	As at 31.03.2020		As at 31.03.2019	
Unsecured, considered good	10(a)/10(b)		470,571,644		378,158,235
Considered Doubtful					-
			470,571,644		378,158,235
Less: Provision for Doubtful Receivables					-
<b>TOTAL</b>			<b>470,571,644</b>		<b>378,158,235</b>

10(a) Trade Receivables is hypothicated against Working capital Limits - WCDL, Cash Credit and Buyers Credit.

10(b) No Trade or other receivables are due from directors or other officers of the company. Further, no trade or other Receivables are due from firms or private companies in which any director is a partner or director or member.

#### Note: 11

(Amount in ₹)

Cash and cash Equivalents	Sub note	As at 31.03.2020		As at 31.03.2019	
(a) Cash & Cash Equivalents					
(i) Balances in current account			12,289,339		4,755,554
(ii) Cash On Hand			340,463		131,731
(b) Other Balances					
(i) In Dividend account			833,365		1,104,566
(ii) Deposit held to the extent of margin money			24,820,848		34,265,525
(iii) Investment in Liquid Funds			-		-
<b>TOTAL</b>			<b>38,284,116</b>		<b>40,257,376</b>

## Notes forming part of the Consolidated Financial Statements

**Note: 12**

(Amount in ₹)

<b>Current Tax Assets (Net)</b>	<b>Sub note</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
(a) Income tax Receivable		16,832,535	74,989,696
Less: Provision for Taxes		2,061,311	64,548,220
<b>TOTAL</b>		<b>14,771,224</b>	<b>10,441,476</b>

**Note: 13**

(Amount in ₹)

<b>Other Current Assets</b>	<b>Sub note</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>(Unsecured, Considered Good Unless Otherwise Stated)</b>			
(i) Balances with Statutory Authorities		53,511,536	119,981,554
(ii) Advances To Suppliers		39,529,311	84,331,029
(iii) Sundry Advances		8,190,520	3,387,578
<b>TOTAL</b>		<b>101,231,367</b>	<b>207,700,161</b>

**14 Share Capital**

	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
	<b>Number</b>	<b>Rupees</b>	<b>Number</b>	<b>Rupees</b>
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	125,000,000	250,000,000	125,000,000	250,000,000
<b>Issued</b>				
Equity Shares of ₹ 2/- each	31,995,000	63,990,000	31,995,000	63,990,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 2/- each fully paid	31,995,000	63,990,000	31,995,000	63,990,000
<b>Total</b>	<b>31,995,000</b>	<b>63,990,000</b>	<b>31,995,000</b>	<b>63,990,000</b>

**a. Terms /Rights attached to Shareholders**

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

**b. Reconciliation of Equity Shares Outstanding at the Beginning and at the end of the Reporting Period**

<b>Particulars</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
	<b>Number</b>	<b>Rupees</b>	<b>Number</b>	<b>Rupees</b>
Shares outstanding at the beginning of the year	31,995,000	63,990,000	31,995,000	63,990,000
Shares reduced on account of demerger	-	-	-	-
Shares outstanding at the end of the year	31,995,000	63,990,000	31,995,000	63,990,000

**c. Detail of shareholders holding more than 5% of issued Share Capital.**

<b>Name of Shareholder</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
SURANA INFOCOM PRIVATE LIMITED	4,341,581	13.57	4,341,581	13.57
NARENDER SURANA	3,490,652	10.91	3,341,870	10.44
DEVENDRA SURANA	3,202,160	10.01	3,202,160	10.01
MANISH SURANA	3,201,341	10.01	2,337,214	7.30
NAMRATA SURANA	1,870,435	5.85	1,870,435	5.85
	<b>16,106,169</b>		<b>15,093,260</b>	

The Shareholder Information has been extracted from the records of the company including register of Shareholders/Members and is based on the legal ownership of shares

## Notes forming part of the Consolidated Financial Statements

Note : 15

(Amount in ₹)

Other Equity	Sub note	As at 31.03.2020	As at 31.03.2019
<b>General Reserves</b>			
Balance as per Last Account		250,000,000	200,000,000
<b>Add:</b> Transferred from Retained Earnings		-	50,000,000
Add: Created on account of discontinuation of Subsidiaries/Associates		-	-
<b>Balance at the year end</b>		<b>250,000,000</b>	<b>250,000,000</b>
<b>Capital Reserves</b>			
Balance as per Last Account		65,340,818	65,340,818
Add: Created on account of acquisition of new subsidiary		-	-
<b>Balance at the year end</b>		<b>65,340,818</b>	<b>65,340,818</b>
<b>Capital Redemption Reserve</b>			
Balance as per Last Account		21,020,000	21,020,000
<b>Balance at the year end</b>		<b>21,020,000</b>	<b>21,020,000</b>
<b>Retained Earnings</b>			
<b>Add:</b> Profit during the year/period		818,804,552	805,349,190
Amount available for Appropriation		10,374,551	63,455,362
Transfer to General Reserve		-	50,000,000
<b>Balance at the year end</b>		<b>829,179,103</b>	<b>818,804,552</b>
<b>TOTAL</b>		<b>1,165,539,921</b>	<b>1,155,103,818</b>

The Description, Nature and Purpose of each reserve with in equity are as follows:

**General Reserve:** This reserve is the retained earnings of the company, which are kept aside out of the Company's profit to meet future (known or unknown) obligations.

**Retained Earnings:** Retained earnings comprise of net accumulated profit/(loss) of the company, after declaration of dividend.

**Capital Reserve:** Capital Reserve was created on account of merger of various entities with the company.

**Capital Redemption Reserve:** Capital Redemption Reserve was created on account of Buy back of Shares of the Companies.

Note : 16

(Amount in `)

Non Current Liabilities - Borrowings	Sub note	Non - Current Portion		Current Maturities*	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(a) Term loan					
from ICICI Bank					
from Kotak Bank		-	8,81,55,659	-	16,26,69,880
from HDFC Bank	a	9,74,23,659	-	4,23,41,852	1,18,35,839
(b) Loan from Related Party		11,04,19,079			
(c) Car Loan - Kotak Bank	b	28,36,483	49,42,629	26,69,040	26,69,040
(d) Car Loan - Yes Bank	c	24,07,662	32,86,341	12,34,176	12,34,176
<b>TOTAL</b>		<b>21,30,86,883</b>	<b>9,63,84,629</b>	<b>4,62,45,068</b>	<b>17,84,08,935</b>

\*Current Maturities are included in Note:19 - Other Financial Liabilities.

a. Term Loan From HDFC Bank:

The Loan from Kotak bank was taken over by HDFC Bank during the year at the interest rate of 8.15%.The loan is repayable in 58 equal monthly instalments of ₹ 30,00,844/- ending on 07.12.2024.

b. Car Loan - Kotak Bank

Car Loan from Kotak Bank is availed at the interest rate of 8.04% . The Loan is repayable in 60 equal monthly instalments of ₹ 222,420/- starting on 05-07-2017 and ending on 05-06-2022

c. Car Loan - Yes Bank

Car Loan from Yes Bank is availed at the interest rate of 8.62%. The Loan is repayable in 60 equal monthly instalments of ₹ 102,848/- starting on 02-09-2018 and ending on 02-08-2023

## Notes forming part of the Consolidated Financial Statements

Note: 17

(Amount in ₹)

<b>Current Liabilities - Borrowings</b>	<b>Sub note</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Secured</b>			
<b>Working Capital Facilities from Banks</b>			
- Working Capital Demand Loan		149,000,000	100,000,000
- Cash Credit		186,286,747	660,230,973
- Buyers Credit		65,921,036	100,748,963
<b>TOTAL</b>		<b>401,207,783</b>	<b>860,980,000</b>

Particulars of Nature of Security

Working capital loan is secured by first charge on entire current assets of the company on pari passu basis with other banks along with immovable properties forming part of Fixed Assets of the Company and personal guarantee of the Managing Directors.

Note: 18

(Amount in ₹)

<b>Trade Payables</b>	<b>Sub note</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
For Goods & Services			
- Total Outstanding dues of Micro and Small Enterprises			-
- Total Outstanding dues of Creditors Other than Micro and Small Enterprises		104,169,970	42,475,270
<b>TOTAL</b>		<b>104,169,970</b>	<b>42,475,270</b>

Note: 19

(Amount in ₹)

<b>Other Financial Liabilities</b>	<b>Sub note</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
(a) Current Maturities on Long Term Debt		46,245,068	178,408,935
(b) Interest Accrued but not due on borrowings		81,573	4,274,251
(c) Unclaimed Dividends	a.	833,365	1,104,565
(d) Security Deposits		254,000	1,154,000
<b>TOTAL</b>		<b>47,414,006</b>	<b>184,941,751</b>

a. These figures do not include any amount due and outstanding to be credited to Investor Education and Protection Fund

Note: 20

(Amount in ₹)

<b>Other Current Liabilities</b>	<b>Sub note</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
(a) Statutory Dues Payable		3,738,555	1,631,361
(b) Liability for Expenses		11,002,502	4,283,128
(c) Advance from Customers		22,931,468	3,056,318
<b>TOTAL</b>		<b>37,672,525</b>	<b>8,970,807</b>

Note: 21

(Amount in ₹)

<b>Provisions</b>	<b>Sub note</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Provision for Employee Benefits-Bonus		900,000	900,000
<b>TOTAL</b>		<b>900,000</b>	<b>900,000</b>

## Notes forming part of the Consolidated Financial Statements

**Note: 22**

(Amount in ₹)

Revenue from Operations	Sub note	As at 31.03.2020	For the Year 31.03.2019
(a) Sale of Products			
Copper Products		7,168,432,744	7,805,555,138
Sale of Wind Power		51,258,130	53,506,443
	<b>SUB - TOTAL</b>	<b>7,219,690,874</b>	<b>7,859,061,581</b>
Less: Inter-Unit Sales		638,540,729	1,192,573,881
	<b>GROSS SALES</b>	<b>6,581,150,145</b>	<b>6,666,487,700</b>
Less: Sales Tax/ GST		959,270,934	981,290,158
	<b>NET SALES</b>	<b>5,621,879,211</b>	<b>5,685,197,542</b>
(b) Infrastructure Leasing		1,687,861	7,181,509
	<b>TOTAL</b>	<b>5,623,567,072</b>	<b>5,692,379,051</b>

**Note: 23**

(Amount in ₹)

Other Income	Sub note	As at 31.03.2020	For the Year 31.03.2019
(a) Interest Income			
Interest on Loans, Deposits and Others		2,341,486	5,177,425
(b) Dividend Income		-	676,407
(c) Profit on Sale of Sundry Assets		2,177,682	2,459,637
(e) Miscellaneous Income		83,811	52,541
(f) Rental Income		223,468	507,233
(g) Balances no Longer Payable Written Back		4,239,511	809,811
	<b>TOTAL</b>	<b>9,065,958</b>	<b>9,683,054</b>

**Note: 24**

(Amount in ₹)

Cost of Raw Materials and Components Consumed	Sub note	As at 31.03.2020	For the Year 31.03.2019
Opening Stock Raw Materials		856,549,151	329,355,101
Add: Purchases net of Modvat		5,211,384,213	6,889,902,665
Less: Closing Stock Raw Materials		455,125,384	856,549,151
Less: Inter-Unit Purchases		638,540,729	1,192,573,881
<b>Raw Material Consumed</b>		<b>4,974,267,251</b>	<b>5,170,134,734</b>

**Note: 25**

(Amount in ₹)

(Increase)/Decrease in Inventories	Sub note	As at 31.03.2020	For the Year 31.03.2019
Opening Stock WIP		124,368,809	39,000,057
Less: Closing Stock WIP		114,189,289	124,368,809
<b>(Increase)/Decrease in Stock</b>		<b>10,179,520</b>	<b>(85,368,752)</b>

**Note: 26**

(Amount in ₹)

Employee Benefits Expense	Sub note	As at 31.03.2020	For the Year 31.03.2019
Salaries, Wages and Other Employee Benefits		64,415,492	55,356,839
Contribution To Provident And Other Funds		4,861,983	4,674,902
<b>TOTAL</b>		<b>69,277,475</b>	<b>60,031,741</b>

## Notes forming part of the Consolidated Financial Statements

## Note: 27

(Amount in ₹)

Finance Costs	Sub note	As at 31.03.2020	For the Year 31.03.2019
Interest Expense			
Cash Credit & Others		64,169,804	50,928,468
Long Term Loan		22,878,270	16,609,388
Financial Charges		8,432,640	9,067,264
<b>TOTAL</b>		<b>95,480,714</b>	<b>76,605,120</b>

## Note: 28

(Amount in ₹)

Depreciation and Amortisation Expenses	Sub note	As at 31.03.2020	For the Year 31.03.2019
Depreciation		51,249,573	39,038,712
Amortisation Expenses - Lease Rent		360,000	360,000
<b>TOTAL</b>		<b>51,609,573</b>	<b>39,398,712</b>

## Note: 29

(Amount in ₹)

Other Expenses	Sub note	As at 31.03.2020	For the Year 31.03.2019
Consumption Of Stores And Spare Parts		33,423,878	36,203,241
Processing & Conversion Charges		1,231,463	2,574,936
Power And Fuel		201,143,847	152,987,180
Rent		1,800,000	1,728,348
Repairs		-	-
Buildings		5,241,731	530,871
Machinery		82,176,970	57,312,324
Others		13,893,104	7,335,568
Insurance		3,304,334	2,634,276
Rates And Taxes		3,896,382	2,001,787
Packing And Forwarding		25,478,201	26,975,311
Remuneration To Directors		10,800,000	10,625,806
Loss on Sale Of Investment		-	-
Foreign Exchange Fluctuation (Net)		302,509	19,440,591
Other Miscellaneous Expenses		36,513,339	34,077,751
Director's Sitting Fees		320,400	324,200
Payments To The Auditor		-	-
for Statutory Audit		385,000	350,000
for Tax Audit		70,000	70,000
for Taxation/Other Matters		70,000	70,000
for Reimbursement Of Expenses		40,000	40,000
<b>TOTAL</b>		<b>420,091,158</b>	<b>355,282,190</b>

## 29 A Financial Instruments by Category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximates of fair values:

(Amount in ₹)

Particulars	Carrying value		Fair value	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Investments	200,000	300,000	200,000	300,000
Loans	13,037,076	13,022,076	13,037,076	13,022,076
<b>Total Financial Assets</b>	<b>13,237,076</b>	<b>13,322,076</b>	<b>13,237,076</b>	<b>13,322,076</b>
Lease Deposit	254,000	1,154,000	254,000	1,154,000
<b>Total Financial</b>	<b>254,000</b>	<b>1,154,000</b>	<b>254,000</b>	<b>1,154,000</b>

## Notes forming part of the Consolidated Financial Statements

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

### 30. Related Party Disclosure

#### (a) Name of the Related Parties and related party relationship

##### Enterprises owned or significantly influenced by key management personnel or their relatives:

- (i) Surana Telecom and Power Limited
- (ii) Bhagyanagar Properties Limited
- (iii) Bhagyanagar Ventures Private Limited
- (iv) Surana Solar Systems Private Limited
- (v) Metropolitan Ventures India Limited
- (vi) Scientia Infocom India Private Limited
- (vii) Surana Solar Limited
- (viii) Solar Dynamics Private Limited
- (ix) Bhagyanagar Metals Private Limited

##### Key Managerial Personnel

- (i) Narender Surana
- (ii) Devendra Surana
- (iii) Surendra Bhutoria
- (iv) Rachna Kewliya (CS upto 12<sup>th</sup> Dec, 2019)
- (v) Subhojeet Bhattacharjee (Appointed as CS w.e.f. 9<sup>th</sup> March, 2020)

##### Relatives of Key Managerial Personnel

- (i) Namrata Surana
- (ii) Nivriti Surana

- (b) (i) The following transactions were carried out with related parties in the ordinary course of business during the year:

Nature of Transaction	2019-20	2018-19	2019-20	2018-19
	Enterprises owned or significantly influenced by key management personnel or their relatives		KMP or their relatives	
Purchase of Goods	1,27,46,370/-	6,28,33,908/-		
Purchase of Solar Power	2,51,30,765/-	2,61,79,264/-		
Purchase of solar Modules	1,55,40,000/-	-		
Remuneration	-	-	1,58,21,900/-	1,51,63,636/-
Interest expense	42,19,478/-	-		

#### (ii) Details of Loans and advances given and recovered during the year:

Nature of Transaction	Enterprises in which KMP or their relatives have significant influence	
	2019-20	2018-19
<b>Loans or Advances</b>		
Balance at the beginning of the Year (Cr)	-	-
Received during the Year	18,35,65,079/-	-
Given during the Year	7,31,46,000/-	-
Balance at the end of the Year (cr)	11,04,04,179/-	-

31. Disclosure required under Section 186(4) of the Companies Act 2013, disclosure pursuant to Securities Exchange Board Of India (Listing Obligation and Disclosure Requirements) Regulations 2015 and Section 186 of the Companies Act 2013 is disclosed in note no: 30

32. In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.

## Notes forming part of the Consolidated Financial Statements

### 33. Earnings Per Share (EPS)

(Amount in ₹)

Particulars	2019-20	2018-19
Net Profit after Tax	1,03,74,551/-	6,33,93,810/-
Net Profit after Tax available for equity share holders - For Basic and Diluted EPS	1,03,74,551/-	6,33,93,810/-
Weighted Average No. Of Equity Shares For Basic EPS (No.s)	31,995,000	31,995,000
Weighted Average No. Of Equity Shares For Diluted EPS (No.s)	31,995,000	31,995,000
Nominal Value of Equity Shares	2/-	2/-
Basic Earnings Per Equity Share	0.32	1.98
Diluted Earnings Per Equity Share	0.32	1.98

### 34. (i) Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹)

Particulars	As at 31-03-2020	As at 31-03-2019
Contingent Liabilities	35,37,892/-	53,71,077/-
<b>Commitments:</b>		
Guarantees issued by banks	1,20,00,000/-	17,922,400/-
Corporate Guarantee given for Wholly-Owned Subsidiary – BCPL	16,67,72,121/-	9,99,91,498/-

### (ii) Foreign Currency Exposure:

Particulars	As at 31-03-2020	As at 31-03-2019
	USD	USD
Hedged	-	5,93,776
Unhedged	7,24,112	33,06,291

### 35. Retirement and Other Employees Benefits

The Company's employee benefits primarily cover provident fund, gratuity and leave encashment.

Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to the Profit & Loss account in the year in which they accrue.

Gratuity liability is a defined benefit obligation and is based on the actuarial valuation done. The gratuity liability and the net periodic gratuity cost is actually determined after considering discounting rates, expected long term return on plan assets and increase in compensation level. All actuarial gain/ losses are immediately charged to the Profit & Loss account and are not deferred.

The following table summarizes the components of Net Benefit expenses recognized in the Profit & Loss account and amount recognized in the Balance Sheet for the respective plans.

#### A Expenses recognised in the Profit & Loss Account

Particulars	Gratuity	
	2019-20	2018-19
Current service cost	3,97,267	10,70,282
Interest cost	71,463	10,97,603
Expected Return on Planned Assets	1,19,310	(12,75,097)
Net Actuarial Loss/ (Gain) recognized in the year	3,20,562	4,02,808
Expenses recognised in Statement of Profit & Loss	<b>6,69,981</b>	<b>12,95,596</b>



## Notes forming part of the Consolidated Financial Statements

### B Change in Present value of obligation during the year ended 31st March, 2020

Particulars	Gratuity	
	2019-20	2018-19
Present Value of obligation as at beginning of the year	14,587,496	14,587,496
Interest Cost	10,97,603	10,97,603
Current Service Cost	10,70,282	10,70,282
Benefits Paid-Actuals	(19,31,440)	(19,31,440)
Actuarial (Gain)/ Loss on Obligations	4,02,808	4,02,808
<b>Present Value of obligation as at end of the year</b>	<b>15,226,749</b>	<b>15,226,749</b>

### C Change in fair value of Plan Assets during the year ended 31st March, 2020

Particulars	Gratuity	
	2019-20	2018-19
Fair value of Plan Assets as at the beginning of the year	12,958,488	12,958,488
Expected Return on Plan Assets	1,097,425	1,097,425
Contributions	3,979,186	3,979,186
Benefits Paid	(1,123,711)	(1,123,711)
<b>Fair value of Plan Assets as at the end of the year</b>	<b>16,911,388</b>	<b>16,911,388</b>

### D Actuarial Gain/ loss recognized

Particulars	Gratuity	
	2019-20	2018-19
Actuarial (Gain) / Loss for the year –Obligation	4,02,808	4,02,808
Total Loss for the Year	4,02,808	4,02,808
Actuarial (Gain) / Loss recognized in the year	4,02,808	4,02,808

### E Actuarial assumption

Particulars	Gratuity	
	2019-20	2018-19
Discount rate used	7.5%	7.5%
Salary escalation	6%	6%

### 36. Raw material consumed during the year: (Amount in ₹)

Sl.No.	Particulars	2019-20	2018-19
i	Copper	488,79,27,338	491,23,05,082
ii	Others	9,65,19,433	17,24,60,900
iii	<b>Inter Unit Transfers</b>		
	(a) Copper Rod / Wires	62,93,29,300	117,26,63,500
	(b) Others	92,11,300	1,99,03,200
	<b>SUB-TOTAL</b>	<b>562,29,87,371</b>	<b>627,73,39,863</b>
	Less: Inter Unit Purchases	63,85,40,600	119,25,66,700
	<b>TOTAL</b>	<b>498,44,46,771</b>	<b>508,47,65,982</b>

**Note:** Material which are included in others do not individually exceed 10 % of consumption.

## Notes forming part of the Consolidated Financial Statements

### 37. Details of imported and indigenous raw materials, spares and packing materials consumed (Amount in ₹)

Particulars	2019-20		2018-19	
	Value	% of Total Consumption	Value	% of Total Consumption
Raw materials & Components				
(a) Imported	104,55,31,134	21	2,252,525,618	44
(b) Indigenous	393,89,15,637	79	2,832,240,364	56
<b>TOTAL</b>	<b>498,44,46,771</b>	<b>100</b>	<b>508,47,65,982</b>	<b>100</b>
Stores & Spare Parts (including consumed for repair)				
(a) Imported	2,80,18,276	33	1,63,23,326	19
(b) Indigenous	5,74,10,713	67	6,96,28,480	81
<b>TOTAL</b>	<b>8,54,28,989</b>	<b>100</b>	<b>8,59,51,806</b>	<b>100</b>

### 38. CIF Value of Imports (Amount in ₹)

Particulars	2019-20	2018-19
Raw material / Traded Goods	104,55,31,134	225,25,25,618
Stores & Spares	2,80,18,276	1,63,23,326
<b>Total</b>	<b>107,35,49,410</b>	<b>226,88,48,944</b>

### 39. Earnings in Foreign Currency (Amount in ₹)

Particulars	2019-20	2018-19
Export Sales	-	20,047,976
<b>Total</b>		<b>20,047,976</b>

### 40. Expenditure in Foreign Currency (Amount in ₹)

Particulars	2019-20	2018-19
Travelling	5,88,729	1,73,500
Interest on ECB	45,73,419	1,66,78,852
Repayment of ECB	16,32,58,609	13,09,52,850
<b>Total</b>	<b>16,84,20,757</b>	<b>14,78,05,202</b>

### 41. Segment Reporting:

#### Factors used to identify the reportable segments:

The Company has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information

SI No.	Reportable segments	Product/Service
1.	Manufacturing of Copper Products	Copper Products
2.	Wind Power	Generation of Wind Power Energy

## Notes forming part of the Consolidated Financial Statements

Particulars	Copper Products		Renewable Energy		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>REVENUE</b>						
External Sales	5,57,06,21,417	5,63,16,91,099	5,12,58,130	5,35,06,443	5,62,18,79,547	5,68,51,97,542
Other Operating income	-	-	-	-	16,87,861	71,81,509
<b>Total Revenue</b>	<b>5,57,06,21,417</b>	<b>5,63,16,91,099</b>	<b>5,12,58,130</b>	<b>5,35,06,443</b>	<b>5,62,35,67,408</b>	<b>5,69,23,79,051</b>
<b>RESULTS</b>						
Segment results	14,15,01,357	21,04,32,000	1,23,75,323	1,59,18,000	15,38,76,680	22,63,50,704
Unallocable income/ Expenses					(4,66,68,313)	(6,37,67,391)
Operating Profit					10,72,08,367	16,25,83,313
Income taxes					-	-
Profit from Ordinary Activities					1,17,27,527	8,59,78,360
<b>Net Profit</b>					<b>1,17,27,527</b>	<b>8,59,78,360</b>
<b>Other Information</b>						
Segment Assets	1,63,46,36,928	1,21,10,94,778	16,04,25,945	20,95,52,000	1,79,50,62,873	2,45,41,91,960
Unallocable Assets					23,89,18,683	24,44,22,780
<b>Total Assets</b>					<b>2,03,39,81,556</b>	<b>2,69,86,14,740</b>
Segment Liabilities	56,19,38,456	21,24,48,000	22,14,227	5,79,000	56,41,52,683	92,24,90,365
Unallocable Liabilities					2,72,11,402	17,57,77,000
<b>Total Liabilities</b>					<b>59,13,64,085</b>	<b>1,09,82,67,365</b>
Capital Expenditure	16,99,41,237	17,28,13,825	-	-	16,99,41,237	17,28,13,825
Unallocable Capital Expenditure					-	87,90,780
<b>Total Capital Expenditure</b>					<b>16,99,41,237</b>	<b>18,16,04,605</b>
Depreciation	2,25,85,795	76,74,547	2,36,52,013	2,32,92,013	4,62,37,808	3,32,38,694
Unallocable Depreciation					53,71,767	61,60,018
<b>Total Depreciation</b>					<b>5,16,09,575</b>	<b>3,93,98,712</b>

#### 42. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

##### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

## Notes forming part of the Consolidated Financial Statements

### B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

#### Trade receivables

- i. Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- ii. Receivables resulting from other than sale of properties: The firm has established credit limits for customers and monitors their balances on ongoing basis. Credit Appraisal is performed before leasing agreements are entered into with customers. The risk is also marginal due to customers placing significant amount of security deposits for lease and fit out rentals.

#### Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department in accordance with the Company's policy. Investments of surplus funds are reviewed and approved by the Company's Board of Directors on an annual basis. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2020 and 2019 is the carrying amounts.

### C. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Amount in ₹)

Borrowings	On Demand	3 to 12 Months	1 to 5 Years	>5 Years	Total
31-Mar-20		44,74,52,851	21,30,86,883		
31-Mar-19	-	1,03,93,88,871	9,63,84,629	-	1,13,57,73,500

### 43. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(Amount in ₹)

Particulars	31-Mar-20	31-Mar-19
Borrowings (Long term and Short term including Current maturity of Long term Borrowings) Note :16,17	66,05,39,734	113,57,73,500
Other Payable (current and non-current, excluding current maturity of long term borrowings) Note :18,19,20,21	14,39,11,433	5,88,78,893
Less Cash and Cash Equivalents	3,82,84,116	4,02,57,376
<b>Net Debt</b>	<b>76,61,67,051</b>	<b>115,43,95,017</b>
Equity Share capital	6,39,90,000	6,39,90,000
Other Equity	116,55,39,921	115,51,03,818
<b>Total Capital</b>	<b>122,95,29,921</b>	<b>121,90,93,882</b>
<b>Capital and Net debt</b>	<b>199,56,96,972</b>	<b>237,34,88,899</b>
<b>Debt Equity ratio (in %)</b>	38.39	48.64

## Notes forming part of the Consolidated Financial Statements

44. **Impact** of COVID-19: The outbreak of novel Coronavirus (COVID-19) pandemic globally and in India and the consequent lockdown restrictions imposed by national governments is causing significant disturbance and slowdown of economic activity across the globe. The Company has assessed the possible effects that may arise from the COVID-19 pandemic on the business. As on the current date, based on the assessment, the Company has concluded that the impact of COVID – 19 pandemic is not material on the carrying value of the assets of the business, however this has effected the operations of the company and has had impact on sales and profitability among others. Due to the nature of the pandemic and the resultant operational guidelines that may be announced by the governments in future, the Company will continue to monitor the developments to identify significant impact, if any in the future period.
45. The management has considered the possible effects, if any, that made result from the pandemic relating to COVID-19 on the carrying amount of trade receivables and inventories. In developing the assumptions and estimates relating to the uncertainty as at the balance sheet date in relation to the recoverable amount of these assets. The management has considered the global economic conditions prevailing as that the date of approval of these financial results and has used internal and external source of information to the extent determined by it. The actual outcome of these assumptions and estimate may vary in future due to the impact of the pandemic.
46. The company's unit which has to suspend operations temporarily due to government directives relating to COVID-19, have since resume partial operations, as per the Guidelines and norms prescribed by the government authorities
47. Previous year's figures have been regrouped and rearranged, wherever found necessary.

### As per our report of even date attached

#### For Luharuka & Associates

Chartered Accountants,

#### Rameshchand Jain

Partner

M. No. 023019

Firm Reg No.01882S

Place: Secunderabad,

Date : June 23, 2020

### For and on behalf of the BOD of Bhagyanagar India Limited

#### Narender Surana

Managing Director

DIN: 00075086

#### Surendra Bhutoria

Chief Financial Officer

#### Devendra Surana

Managing Director

DIN: 00077296

#### Subhojeet Bhattacharjee

Company Secretary

M.No. A60802

**Form AOC - 1****(Pursuant to First proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures

**Part "A": Subsidiaries**

<b>1</b>	<b>Sl. No.</b>	<b>1</b>
<b>2</b>	Name of the Subsidiary	<b>Bhagyanagar Copper Pvt Limited (Earlier known as Aanvik Mecantile Private Limited)</b>
<b>3</b>	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding Company
<b>4</b>	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N/A
<b>5</b>	Share Capital	200,000,000
<b>6</b>	Reserves & Surplus	(3,634,425)
<b>7</b>	Total Assets	634,609,412
<b>8</b>	Total Liabilities	438,243,837
<b>9</b>	Investments	-
<b>10</b>	Turnover	1,431,714,295
<b>11</b>	Profit before taxation	(625,704)
<b>12</b>	Provision for taxation	-
<b>13</b>	Profit after taxation	(625,704)
<b>14</b>	Proposed Dividend	-
<b>15</b>	% of shareholding	100.00%

**As per our report of even date attached**  
**For Luharuka & Associates**  
Chartered Accountants,

**Rameshchand Jain**  
Partner  
M. No. 023019  
Firm Reg No.01882S

Place: Secunderabad,  
Date : June 23, 2020

**For and on behalf of the BOD of Bhagyanagar India Limited**

**Narender Surana**  
Managing Director  
DIN: 00075086

**Surendra Bhutoria**  
Chief Financial Officer

**Devendra Surana**  
Managing Director  
DIN: 00077296

**Subhojeet Bhattacharjee**  
Company Secretary  
M.No. A60802



# OUR VALUES

## Quality

We have established our brand as a quality manufacturer over the last 30 years. Total Quality Management (TQM) is integral to our operations and helps optimize our end to end process in response to feedback from customers, suppliers and other stakeholders.

## Cost

We take pride in being one of the most cost efficient manufacturers of copper products in the global market. Our streamlined processes and engineering ensure cost efficiency and enable us to price our products at very competitive rates.

## Delivery

Our state of the art manufacturing facility and experienced personnel ensure the lead time for orders is short and our customers receive orders on time.

## Service

Customer satisfaction is paramount at our company. Our design, development and engineering are eager to meet the diverse needs of the electrical and auto industry.





If undelivered please return to:  
**Secretarial Department**

## **BHAGYANAGAR INDIA LIMITED**

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