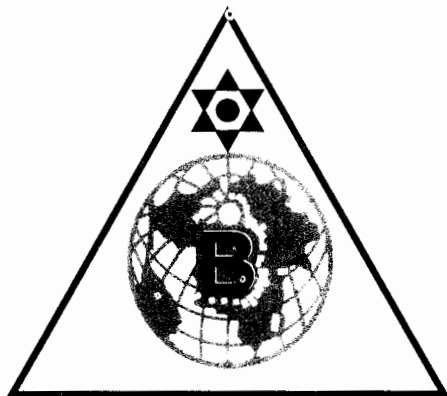


# **Bhagwandas Metals Limited**



**28th ANNUAL REPORT 2009-2010**



## Contents

Sl.No.	Particulars	Page No.
01	Board of Directors	1
02	Notice of Annual General Meeting	2
03	Directors' Report	4
04	Corporate Governance Report	8
05	Management Discussion and Analysis Report	14
06	Compliance Certificate	20
07	Auditor's Certificate on Corporate Governance	25
08	Auditor's Report	26
09	Balance Sheet	32
10	Profit and Loss Account	33
11	Schedules Forming Part of Accounts	34
12	Cash Flow Statement	44
13	Balance Sheet Abstract & Company's General Business Profile	45



## **BHAGWANDAS METALS LIMITED**

### **BOARD OF DIRECTORS**

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

### **AUDITORS**

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

### **BANKERS**

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

### **REGISTERED OFFICE**

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

### **GODOWN**

Sadayankuppam Village Road, Manali,  
Chennai – 600 103

### **SHARE TRANSFER AGENTS**

#### **M/s. CAMEO CORPORATE SERVICES LIMITED**

Subramanian Building V<sup>th</sup> Floor,  
No.1, Club House Road, Chennai – 600 002

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Eight Annual General Meeting of the members of Bhagwandas Metals Limited will be held on Friday, **the 24<sup>th</sup> day of September, 2010 at 10 a.m. at RANI SEETHAI HALL, 603, ANNA SALAI, CHENNAI – 600 006**, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended 31st March, 2010 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nirmal Gadhiya who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor and to fix their remuneration

For and on behalf of the Board of Directors

Sd/-

**GOVIND PRASAD**  
Chairman cum - Managing Director

Place : Chennai

Date : 29-07-2010

**NOTES**

- A. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- B. The register of members and the share transfer books of the company shall remain closed from 15.09.2010 to 24.09.2010 (both days inclusive).
- C. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- D. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting.

**ANNEXURE TO THE NOTICE:****Information pursuant to clause 49 of the Listing Agreement for re – appointment of Director**

1. Name of the Director	<b>Mr. Nirmal Gadhiya</b>
a. Age	40 yrs
b. Date of Appointment	23-09-2005
c. Qualification	B.Com.,
d. Experience	14 years
e. No. of Shares	Nil
f. Expertise	Mr. Nirmal Gadhiya has about 14 years wide business experience
g. Directorship in other Companies	Deccan Estates and Construction Ltd. Deccan Park Ltd. Deccan Pictures Pvt. Ltd. Deccan Financial Services Pvt. Ltd. Deccan Anraj Estates Pvt. Ltd. Deccan Laser Vision Pvt. Ltd. Deccan Event Management Pvt. Ltd. Century Cbase Pvt. Ltd.
h. Chairman / Member of committees of Companies	Bhagwandas Metals Limited Audit Committee – Member Shareholders/Investors' Grievance Committee-Member Remuneration Committee-Member

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their report for the year ended 31st March 2010 together with the Balance Sheet as at 31st March 2010 and the Profit and Loss account for the year ended on that date.

**FINANCIAL HIGHLIGHTS***(Rupees in Lakhs)*

Sl. No.	Particulars	Audited Financial Statement for the Year ended March 31 <sup>st</sup> 2010	Audited Financial Statement for the Year ended March 31 <sup>st</sup> 2009
1.	Income from Operation	5523	4864
2.	Profit before Interest, Depreciation, Extraordinary items and Tax	54	44
3.	Interest	8	8
4.	Depreciation	7	2
5.	Profit before Extraordinary items and Tax	39	34
6.	Provision for taxation, Fringe Benefit Tax & Deferred Tax	12	11
7.	Profit after Extraordinary Item and Tax	27	23
8.	Dividend Proposed	Nil	Nil
9.	Share Capital	364	364
10.	Reserves & Surplus	284	257

**OPERATIONS**

During the year 2009-2010, the Company has earned a net profit after tax of Rs.26.93 Lakhs as against Rs.22.75 Lakhs earned in the previous year. On the sales front, the Company has achieved a turnover of about Rs.5523 Lakhs during the year 2009-2010 as against Rs.4864 Lakhs achieved in 2008-2009.



## **DIVIDEND**

With a view to conserve resources the directors express their inability to declare any dividend for the current financial year 2009 - 2010.

## **PROSPECTS FOR THE CURRENT YEAR**

During the current year 2010-2011, the Company has achieved a turnover of Rs.1637 khs in the first quarter ending 30.06.2010

## **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Nirmal Gadhiya, Director of the Company is liable to retire by rotation and your Directors recommend his re-appointment.

## **AUDITORS**

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

## **FIXED DEPOSITS**

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

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

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

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

## **Bhagwandas Metals Limited**

---

impact of measures on cost of production of goods, total energy consumption, etc., are not applicable.

### **Technology Absorption:-**

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

### **Foreign Exchange Inflow & Outgo:-**

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

Foreign Exchange earned during the year :- Rs.Nil. (31-03-09 Rs.Nil)

Foreign Exchange used during the year :- Rs.Nil. (31-03-09 Rs.Nil)

Value of Imports on CIF Basis – Rs. 7,65,09,258 (31-03-09 Rs. 8,91,41,675/-)

## **PERSONNEL**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed;





- b) Appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2010 and of the profit of the Company for the year ended 31st March, 2010.
- c) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis.

### **CORPORATE GOVERNANCE**

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

### **COMPLIANCE CERTIFICATE**

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

### **ACKNOWLEDGEMENTS**

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

For and on behalf of the Board of Directors

Sd/-

Place : Chennai

**GOVIND PRASAD**

Date : 29.07.2010

Chairman- Cum-Managing Director

**CORPORATE GOVERNANCE REPORT AS ON 31.03.2010**

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

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

**2. BOARD OF DIRECTORS**

**a. Composition**

The total strength of the Board as on 31.03.2010 is five out of which 2 are Promoter Directors namely Mr. Govind Prasad, Chairman-cum-Managing Director and Mr. Nand Kishore Sonthalia, Whole Time Director. Both these Directors are Executive Directors of the Company. The rest three of the Directors are non-executive independent Directors.

**b. Board Meetings**

The meetings of the Board of Directors are normally held at the registered office in Chennai. Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The Board meets at least once a quarter to review the quarterly performance and the financial results. The gap between two Board Meetings did not exceed four months. Four Board Meetings were held during the financial year 2009-2010 on 29.04.2009, 27.07.2009, 29.10.2009 and 20.01.2010

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

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



Mr. Govind Prasad, Mr. C. Ramasamy, Mr. Nirmal Gadhiya, Mr. Nand Kishore Sonthalia and Mr. Narender Lunawat attended the last Annual General Meeting held on 25<sup>th</sup> September 2009.

### 3. AUDIT COMMITTEE

#### a. Composition

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

#### b. Brief description of terms of reference

Overseeing the Company's overall financial reporting process.

Reviewing with management the quarterly and annual financial statements with primary focus on accounting policies and practices and compliance therewith, stock exchange requirements and other legal requirements concerning financial statements.

Reviewing the internal control system, internal audit and the reports.

During the year under report, the Audit Committee met 4 times on 29.04.2009, 27.07.2009, 29.10.2009, & 20.01.2010.

#### c. Attendance at the Audit Committee

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

### 4. SHAREHOLDERS/ INVESTORS' GRIEVANCE COMMITTEE

#### a. COMPOSITION

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

**b. FUNCTION**

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

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

During the year 2009-2010, no Shareholders/Investor grievance Committee meeting was held as there was no investor complaints. There was no Investor Complaints pending as on 31<sup>st</sup> March 2010.

**Compliance Officer**

Name : Mr. NAND KISHORE SONTHALIA

Designation : Whole Time Director

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

**5. SHARE TRANSFER COMMITTEE**

**a) Composition**

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

**b) Functions**

The main functions of the Committee are:

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

During the year the Committee met on 30.05.2009, 07.08.2009, 25.09.2009, 25.11.2009, 19.12.2009, 17.02.2010, 27.03.2010

There were no pending share transfers as on 31<sup>st</sup> March 2010.



## 6. REMUNERATION COMMITTEE

### a) Composition

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

### b) Functions

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

During the year 2009-2010, The Remuneration Committee Meeting was held on 29-4-2009.

### c) Remuneration policy

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

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

### d) Remuneration for the year

(i) Details of the remuneration paid to the Executive Directors for the financial year ended 31st March 2010 is given below:

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

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

(ii) Details of Sitting Fees paid to Non-Executive Directors for the financial year ended 31st March, 2010 and their Share Holding is given below:

**Bhagwandas Metals Limited**

<b>Non-Executive Director</b>	<b>Sitting Fee (in Rs.)</b>	<b>No of Shares Held</b>
1. Mr. C.Ramasamy	8500	200
2. Mr. Narender Lunawat	5000	---
3. Mr. Nirmal Gadhiya	5000	---

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

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

**7. GENERAL BODY MEETINGS**

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

<b>DATE</b>	<b>TIME</b>	<b>LOCATION</b>
24 <sup>th</sup> September 2007	10.00 a.m.	Rani Seethai Hall, 603, Anna Salai, Chennai-6
25 <sup>th</sup> September 2008	10.00 a.m.	Rani Seethai Hall, 603, Anna Salai, Chennai-6
25 <sup>th</sup> September 2009	10.00 a.m.	Rani Seethai Hall, 603, Anna Salai, Chennai-6



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

**2008-2009** - Nil

**2007-2008** - Nil

**2006-2007** - Nil

**Postal Ballots:**

Postal Ballot resolution passed during the last year – NIL

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

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

**9. DISCLOSURES**

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

## **10. MEANS OF COMMUNICATION**

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

## **11. MANAGEMENT DISCUSSION AND ANALYSIS**

### **GLOBAL SCENARIO:**

The Global Economy is progressing at a slow pace. While USA seems to be recovering from the economic turmoil, European countries are still in a recessionary trend and the crisis does not seem to be over yet. Steel being the backbone of any country is also affected by these uncertainties.

### **STEEL INDUSTRY**

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

### **OPPORTUNITY AND THREAT**

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

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

### **OUTLOOK:**

The economy is maintaining sustained growth rate and the demand for steel product will be fair. The entire industry is in a general positive mood and it look to be a stable year ahead.

### **RISKS & CONCERNS**

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





## **INTERNAL CONTROL SYSTEM AND ADEQUACY**

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

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

## **HUMAN RESOURCES**

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

## **CAUTIONARY STATEMENT**

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

## **GENERAL SHAREHOLDERS INFORMATION**

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

**DATE : Friday 24<sup>th</sup> September, 2010**

**TIME : 10.00 a.m.**

**VENUE : Rani Seethai Hall, 603, Anna Salai, Chennai – 600 006.**

**2. TENTATIVE FINANCIAL CALENDAR**

<b>Sl.No.</b>	<b>Particulars</b>	<b>Period</b>
1.	Annual General Meeting.	24 <sup>th</sup> September 2010
2.	Publication of Quarterly Results ending 30 <sup>th</sup> June 2010.	Last week of July 2010.
3.	Publication of Quarterly Results ending 30 <sup>th</sup> September 2010.	Last week of October 2010
4.	Publication of Quarterly Results ending 31 <sup>st</sup> December 2010.	Last week of January 2011
5.	Publication of Quarterly Results ending 31 <sup>st</sup> March 2011.	Last week of April 2011

**3. BOOK CLOSURE**

The Register of Members and Share Transfer Books of the Company shall remain closed from **Wednesday, the 15<sup>th</sup> September 2010 to Friday, the 24<sup>th</sup> September 2010** (both days inclusive).

**4. LISTING ON STOCK EXCHANGES**

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

- i. Madras Stock Exchange Limited  
Exchange Building 11, Second Line Beach, CHENNAI – 600 001.
- ii. Bombay Stock Exchange, P.J. Towers, Dalal Street, Fort, MUMBAI – 400 001.

The Company has paid the listing fee to the above stock exchanges for the financial years 2009 - 2010 - Scrip Code - 530095.

**5. REGISTRARS AND SHARE TRANSFER AGENTS**

The Company's share transfer agents are M/s. Cameo Corporate Services Limited, Subramanian Building, 5<sup>th</sup> Floor, No 1, Club House Road, Chennai – 600 002.

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

**6. DEMATERIALISATION OF SHARES**

The Company has established connectivity with M/s. National Securities Depositories



Limited and Central Depository Services (India) Limited to facilitate investors to trade the shares in dematerialised form. The Demat ISIN number is INE656B01019. As on 31st March 2010, about 15,84,996 (43.43%) of Equity shares of the Company has been dematerialised.

### 7. STOCK MARKET DATA

Month	Madras Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
	Stock Code : BHAGWANMET		StockCode : 530095	
Apr 2009	Not quoted		6.32	5.00
May 2009	Not quoted		5.07	4.38
June 2009	Not quoted		6.89	5.26
July 2009	Not quoted		7.02	5.27
Aug 2009	Not quoted		6.72	5.05
Sep 2009	Not quoted		6.00	4.76
Oct 2009	Not quoted		7.40	5.28
Nov 2009	Not quoted		5.79	5.00
Dec 2009	Not quoted		6.91	5.15
Jan 2010	Not quoted		8.50	6.55
Feb 2010	Not quoted		9.90	6.60
Mar 2010	Not quoted		6.80	5.75

### 8. DISTRIBUTION OF SHAREHOLDINGS AS ON 31.03.2009

No. of Shares Held	Share holders		Share Amount	
	Number	% to total	Rupees	% of total
1 to 100	733	28.71	579540	1.59
101 to 500	1290	50.53	3625980	9.94
501 to 1000	237	9.28	2021450	5.54
1001 to 2000	180	7.05	2675530	7.33
2001 to 3000	38	1.49	967760	2.65
3001 to 4000	18	0.71	638650	1.75
4001 to 5000	11	0.43	507630	1.39
5001 to 10000	25	0.98	1835030	5.03
10000 and above	21	0.82	23636430	64.78
<b>Total</b>	<b>2553</b>	<b>100.00</b>	<b>36488000</b>	<b>100.00</b>

**9. PATTERN OF SHARE HOLDINGS AS ON 31.03.2010**

<b>Category</b>	<b>No. of Holders</b>	<b>No. of Shares</b>	<b>% of Shares</b>
Promoters	2	253925	6.96
Directors / Relatives	18	1809879	49.60
Clearing Member	2	400	0.01
Corporate Body	72	294848	8.08
NRI	44	27499	0.75
Resident	2415	1262249	34.60
Total	2553	3648800	100.00

**10. GODOWN ADDRESS**

Sadayankuppam Village Road,  
Manali, Chennai 600 103.

**11. ADDRESS FOR CORRESPONDENCE**

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

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

**NON MANDATORY REQUIREMENTS**

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

**i) CHAIRMAN OF THE BOARD**

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



**ii) REMUNERATION COMMITTEE**

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

**iii) SHARE HOLDERS RIGHTS**

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

**iv) POSTAL BALLOT**

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

**v) AUDIT QUALIFICATION**

The company has unqualified financial statement.

**vi) TRAINING OF BOARD MEMBERS**

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

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

-Same as above-

**viii) WHISTLE BLOWER POLICY**

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

**DECLARATION**

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

For and on behalf of the Board of Directors

Place : Chennai

Sd/-

Date : 29.07.2010

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

**Compliance Certificate**

**Registration No. 18-009418**

**Authorised Capital: Rs. 5,00,00,000/-**

To,

The Members,

**M/s. BHAGWANDAS METALS LIMITED**

We have examined the registers, records, books and papers of **M/s. BHAGWANDAS METALS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> March 2010**. In our opinion and to the best of our information and according to the examinations carried out by us and information, explanations and declarations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies at the dates specified therein.
3. The company being a public limited company the applicability of Section 3(1)(iii) does not arise.
4. The Board of Directors met **4(FOUR)** times on **29.04.2009, 27.07.2009, 29.10.2009 and 20.01.2010** in respect of which meetings the proceedings were recorded in the Minutes Book maintained for the purpose.
5. The company had opted to close its Register of Members during the financial year under review from 16-09-2009 to 25-09-2009 (both days inclusive) and has complied with the provisions of Section 154 of the Act.
6. The Annual general meeting of the company for the financial year ended on **31.03.2009** was held on **25.09.2009** and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extraordinary Meeting of members was held during the year under review as per the records provided and information given to us by the management.
8. As per the information and declaration given by the management the company had not granted any loans to directors or persons or firms or companies referred in the provisions of Section 295 of the Act.



**LAKSHMMI SUBRAMMANIAN & ASSOCIATES**

Continued Sheet

9. As per the information, explanation and declaration given by the management, the company had not entered into any interse transactions specified under Section 297 of the Act during the financial year under review

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

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

12. The Board of Directors had not received any request for issue of duplicate share certificates during the year under review.

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

(i) delivered all the certificates on lodgement thereof for transfer/transmission of securities in accordance with the provisions of the Act and there was no allotment.

(ii) Not declared any dividend including interim dividend during the financial year under review and hence the question of opening of a separate bank account within the stipulated period does not arise.

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

(iv) No unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which has remained unclaimed or unpaid for more than seven years to be transferred to Investor Education and Protection Fund.

(v) generally complied with the requirements of section 217 of the Act.

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

15. The Company had not appointed any Managing Director/Whole-time director/manager during the financial year under review.

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

17. As per the information, explanation and declaration given by the management, the company had no transaction, which necessitated the Company to seek any approval from the Company Law Board, Regional Director, Registrar of Companies, Central Government during the financial year under review.

18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company had not issued shares/debentures/other securities during the financial year under review.
20. The company had not bought back any shares during the financial year under review.
21. The company had not issued any redeemable preference Shares/debentures a hence the question of redeeming any preference shares/debentures does not arise.
22. The Company had not kept in abeyance rights to dividend, rights shares, and bonus shares pending registration of transfer of shares during the financial year under review.
23. According to the information and explanation given by the management, the company had not accepted any deposits from the public, except the unsecured loan received from the bank, which in the opinion of the management are not deposits and hence the question of complying with the provisions of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 does not arise.
24. The amount borrowed by the Company from banks during the financial year under review are within the borrowing limits of the company as fixed by the Board of Directors in terms of Section 292 of the Act. Since the borrowings made by the company is within the limits laid under Section 293(1)(d) of the Companies Act 1956, the question of compliance of the provisions of the said section does not arise.
25. According to the information, explanations and declaration furnished by the management, the company had not made any loans/ investments / given guarantees or provided securities to other bodies corporate during the year under review
26. The company had not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.
27. The company had not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company had not altered the provisions of the memorandum with respect to name during the year under scrutiny.
29. The company had not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company had not altered its articles of association during the financial year under review.
31. According to the information, explanations and declaration furnished by the management, no prosecution has been initiated against the Company or no show cause



**LAKSHMI SUBRAMANIAN & ASSOCIATES**

Continued Sheet

notices has been received by the company for any alleged offences under the Act and hence the question of fine or penalties does not arise.

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

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

Place: Chennai

Signature

Sd/-

Date: 29.07.2010

Name of Company Secretary

: P. S. Srinivasan

C. P. No.

: 3122

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

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

**Annexure B**

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on **31<sup>st</sup> March 2010**

<b>Name of the Document</b>	<b>Date of Event</b>	<b>Date of filing</b>	<b>Due Date</b>	<b>Remarks</b>
Form 20 B	25.09.2009	05.11.2009	24.11.2009	In time
Form 23 AC & ACA	31.03.2009	06.10.2009	24.10.2009	In time
Form 23	25.09.2009	24.10.2009	24.10.2009	In time
Form 66	25.09.2009	05.10.2009	24.10.2009	In time



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

**To the Members of  
BHAGWANDAS METALS LIMITED, Chennai.**

We have examined the compliance of the conditions of Corporate Governance by M/s. Bhagwandas Metals Limited for the year ended 31.03.10 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statement of the Company.

In our opinion and to the best of our information and explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Chennai  
Date : 29.07.2010

**C.A. RAJA RAM MORE**

Proprietor  
Membership No. 21233

**FR No. 21333**

**AUDITORS' REPORT**

To the Shareholders of

**BHAGWANDAS METALS LIMITED, Chennai.**

1. We have audited the attached Balance Sheet of BHAGWANDAS METALS LIMITED, as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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



d. In our opinion, the Balance Sheet, the Profit and Loss Account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

e. On the basis of the written representation received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

i. In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2010; and

ii. In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.

iii. In the case of cash flow statement, of the cash flow for the year ended on that date.

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

**C.A. RAJA RAM MORE**

Proprietor  
Membership No. 21233  
FR No. 2133S

Place : Chennai  
Date : 29.07.2010

**ANNEXURE TO THE AUDITOR'S REPORT**

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

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

- 1)
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified during the year and no discrepancies were noticed during such verification.
  - c. The Company has not sold substantial portion of Fixed Assets during the year.
- 2)
  - a. The management has conducted physical verification of inventory at reasonable intervals.
  - b. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between physical stock and the book records were not material in relation to the operations of the Company.
- 3) The Company has neither granted nor taken any loans secured or unsecured, from Companies, firms, or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted/ taken any loans secured or unsecured, to / from parties listed in the registers maintained under Section 301 of the Companies Act, 1956 paragraphs iii (b) (c) & (d) of the Order, are not applicable.
- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.



5) a. According to the information and explanations given to us we are of the opinion that the transactions that need to be entered into the register maintained under Sections 301 of the Companies Act, 1956 have been so entered.

b. In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the act have been made at prices which are generally reasonable considering the strategic relationship and having regard to the prevailing market prices at the relevant time.

6) The Company has not accepted any deposits under the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, apply.

7) The internal audit for the Company has been carried out during the year and the system and procedures adopted by the Company is adequate commensurate with the size and nature of the Company.

8) To the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956 for the products of the Company.

9) a. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including Provident fund, investor education and protection fund, employees state insurance, Income Tax, Sales Tax, Wealth tax, Service Tax, Customs duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities.

b. As at 31st March 2010 according to the records of the Company and information and explanations given to us, there is no dues on account of Sales Tax, Income Tax, Excise Duty, Wealth Tax, Service Tax, Customs duty and Cess.

## **Bhagwandas Metals Limited**

---

- 10) Based of our audit procedures and information and explanations given by the management the Company has not defaulted in repayment of dues to any financial institutions (or) Bank.
- 11) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 12) The Company is not a chit fund or a nidhi mutual benefit fund / society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- 13) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditors Report) (Amendment) Order, 2004 are not applicable to the Company.
- 14) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 15) According to the information and explanations given to us, the loans have been applied for the purpose for which they were obtained.
- 16) According to the information and explanations given to us, and on an overall examinations of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short term basis have been used for long term investment and no long term funds have been used to finance short term assets.
- 17) The Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act 1956.
- 18) The Company has not issued any debentures during the year.
- 19) The Company has not raised any money through a public issue during the year.





20) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported that during the course of our audit.

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

Place : Chennai  
Date : 29.07.2010

Sd/-  
**C.A. RAJARAM MORE**  
Proprietor  
M.No. 21233  
**FR No. 2133S**

**Bhagwandas Metals Limited****BALANCE SHEET AS AT MARCH 31, 2010**

(in Rs.)

Particulars	Schedule	AS AT 31.03.2010	AS AT 31.03.2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	3,64,68,500	3,64,68,500
Reserves & Surplus	2	2,83,90,601	2,56,97,646
<b>Loan Funds</b>			
Secured Loans	3	1,95,41,544	47,64,612
Unsecured Loans	4	1,01,39,150	-----
<b>Total</b>		<u>9,45,39,795</u>	<u>6,69,30,758</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block		45,67,944	43,92,239
Less: Depreciation		22,82,171	15,91,629
Net Block	5	<u>22,85,773</u>	28,00,610
<b>Current Assets Loans &amp; Advances</b>			
Inventories	6	1,94,92,220	1,28,94,728
Sundry Debtors	7	9,32,06,554	4,99,10,351
Cash & Bank Balances	8	22,10,671	25,96,590
Loans & Advances	9	1,45,23,992	1,21,77,756
		<u>12,94,33,437</u>	<u>7,75,79,425</u>
<b>Less: Current Liabilities &amp; Provisions</b>	10	<u>3,74,25,415</u>	<u>1,35,49,277</u>
<b>Net Current Assets</b>		<u>9,20,08,022</u>	<u>6,40,30,148</u>
<b>Deferred Tax (Net)</b>	11	2,46,000	1,00,000
<b>Total</b>		<u>9,45,39,795</u>	<u>6,69,30,758</u>

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

For and on behalf of the Board

As per my report of even date

for **R.R. MORE & Co.**

Chartered Accountants

Sd/-

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

Sd/-

**NAND KISHORE SONTHALIA**

Director

Sd/-

**C.A. RAJA RAM MORE**Proprietor  
M.No.21233

Place : Chennai

Date : 29.07.2010

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

(in Rs.)

Particulars	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
<b>INCOME</b>			
Sales		55,23,36,428	48,63,88,055
Other Income		35,05,472	8,65,116
Increase / (Decrease) in Inventories	12	65,97,492	(82,21,198)
<b>Total [A]</b>		<b>56,24,39,392</b>	<b>47,90,31,973</b>
<b>EXPENDITURE</b>			
Purchase - Trading		52,69,80,479	44,91,14,992
Trading Expenses	13	1,59,54,945	1,71,91,053
Administrative Expenses	14	84,57,792	45,92,498
Selling & Distribution Expenses	15	51,97,778	33,31,862
Financial Charges	16	12,60,901	12,01,124
Depreciation		6,90,542	1,82,422
<b>Total [B]</b>		<b>55,85,42,437</b>	<b>47,56,13,951</b>
<b>NET PROFIT / (LOSS) [A-B]</b>		<b>38,96,955</b>	<b>34,18,022</b>
PROVISION FOR TAXATION		13,50,000	10,81,000
PROVISION FOR DEFERRED TAX		(1,46,000)	(13,000)
PROVISION FOR FRINGE BENEFIT TAX		—	75,000
NET PROFIT / (LOSS) AFTER TAXATION		26,92,955	22,75,022
PROFIT / (LOSS) BROUGHT FORWARD		34,77,282	12,02,260
TRANSFERRED TO BALANCE SHEET		61,70,237	34,77,282
Notes on Accounts	17		-
Earnings per share		0.74	0.62

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

For and on behalf of the Board

As per my report of even date  
for **R.R. MORE & Co.**  
Chartered AccountantsSd/-  
**GOVIND PRASAD**  
Chairman-cum-Managing  
DirectorSd/-  
**NAND KISHORE SONTHALIA**  
DirectorSd/-  
**C.A. RAJA RAM MORE**  
Proprietor  
M.No.21233Place : Chennai  
Date : 29.07.2010

**Bhagwandas Metals Limited****SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

<b>PARTICULARS</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
--------------------	-------------------	-------------------

**SCHEDULE 1 : SHARE CAPITAL****AUTHORISED :**

5000000 Equity Shares of Rs 10/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
---------------------------------------	--------------------	--------------------

**ISSUED, SUBSCRIBED AND PAID UP :**

3648800 Equity Shares of Rs 10/- each	<u>3,64,88,000</u>	<u>3,64,88,000</u>
Less : Calls Unpaid	<u>19,500</u>	<u>19,500</u>
	<u>3,64,68,500</u>	<u>3,64,68,500</u>

**SCHEDULE 2: RESERVES & SURPLUS**

Share Premium	<u>2,16,68,500</u>	<u>2,16,68,500</u>
General Reserve	<u>5,51,864</u>	<u>5,51,864</u>
Profit & Loss Account	<u>61,70,237</u>	<u>34,77,282</u>
	<u>2,83,90,601</u>	<u>2,56,97,646</u>

**SCHEDULE 3: SECURED LOANS**

Cash Credit - Punjab National Bank	<u>1,83,34,859</u>	<u>30,84,558</u>
Hire Purchase Finance Loan (Secured by specific fixed assets)	<u>12,06,685</u>	<u>16,80,054</u>
	<u>1,95,41,544</u>	<u>47,64,612</u>

**SCHEDULE 4: UNSECURED LOANS**

FLC - HSBC Bank Funding	<u>1,01,39,150</u>	<u>----</u>
	<u>1,01,39,150</u>	<u>----</u>



(in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	As on 1-4-2009	Addition / (Deletion) during the year	As on 31-3-2010	As on 1-4-2009	For the year	As on 31-3-2010	As on 31-3-2009
	Cutting & Streightening Machinery	2,43,660	---	2,43,660	1,28,435	16,028	1,44,463
Furniture & Fixtures	6,68,335	9,300	6,77,635	5,92,610	15,094	6,07,704	75,725
Office Equipment	7,24,593	11,616	7,36,209	4,63,769	36,536	5,00,305	2,60,824
Computer	2,17,472	58,000	2,75,472	1,85,940	27,306	2,13,246	31,532
Air Conditioner	2,79,481	52,681	3,32,162	1,06,870	28,929	1,35,799	1,72,611
Vehicles	22,58,698	44,108	23,02,806	1,14,005	5,66,649	6,80,654	21,44,693
<b>TOTAL</b>	43,92,239	1,75,705	45,67,944	15,91,629	6,90,542	22,82,171	28,00,610
Previous Year	21,54,412	22,37,827	43,92,239	14,09,207	1,82,422	15,91,629	7,45,205

## **Bhagwandas Metals Limited**

---

### **SCHEDULE 6: INVENTORIES**

(As certified by the Management)

Trading Stock	<b>1,94,92,220</b>	1,28,94,728
	<b><u>1,94,92,220</u></b>	<u>1,28,94,728</u>

### **SCHEDULE 7: SUNDRY DEBTORS**

(Unsecured Considered Good)

Debts outstanding for more than six months	<b>1,08,34,426</b>	1,09,23,281
Other Debts	<b>8,23,72,128</b>	3,89,87,070
	<b><u>9,32,06,554</u></b>	<u>4,99,10,351</u>

### **SCHEDULE 8: CASH & BANK BALANCES**

Cash in Hand	<b>1,64,027</b>	3,01,841
Balance with scheduled Bank		
(I) In Current Account	<b>1,02,706</b>	17,468
(II) In Deposit Account	<b>19,43,938</b>	22,77,281
	<b><u>22,10,671</u></b>	<u>25,96,590</u>

### **SCHEDULE 9: LOANS & ADVANCES**

(Unsecured considered good)

Advances (recoverable in cash or kind or for the value to be received)	<b>91,35,377</b>	80,73,256
Deposits	<b>29,81,862</b>	29,77,015
Income Tax	<b>24,06,753</b>	11,27,485
	<b><u>1,45,23,992</u></b>	<u>1,21,77,756</u>

### **SCHEDULE 10: CURRENT LIABILITIES & PROVISIONS**

#### **A. CURRENT LIABILITIES**

(i) Creditors for Materials	<b>2,65,39,105</b>	43,19,278
(ii) Other Liabilities	<b>86,46,982</b>	74,03,984

#### **B. PROVISIONS**

(i) Provision for Taxation	<b>15,03,507</b>	13,11,341
(ii) Gratuity and Bonus	<b>7,35,821</b>	5,14,674
	<b><u>3,74,25,415</u></b>	<u>1,35,49,277</u>



PARTICULARS	31.03.2010	31.03.2009
<b>SCHEDULE 11: DEFERRED TAX (Net)</b>		
<u>Deferred Tax Asset</u>		
Provision for employee related expenses	2,27,000	1,59,000
Difference between book and IT depreciation	19,000	----
<u>Deferred Tax Liability</u>		
Difference between book and IT depreciation	-----	59,000
Deferred Tax Assets (Net)	2,46,000	1,00,000
<b>SCHEDULE 12: INCREASE (DECREASE) IN INVENTORIES</b>		
Closing Stock	1,94,92,220	1,28,94,728
Less: Opening Stock	1,28,94,728	2,11,15,926
	65,97,492	(82,21,198)
<b>SCHEDULE 13: TRADING EXPENSES</b>		
Carriage Inward	32,33,050	25,39,808
Custom Duty	98,53,583	1,18,04,378
Clearing & Forwarding	28,68,312	28,46,867
	1,59,54,945	1,71,91,053
<b>SCHEDULE 14: ADMINISTRATIVE EXPENSES</b>		
Audit Fee		
- Statutory Audit	16,545	11,048
- Tax Audit	5,515	5,515
Advances Written Off	5,52,713	---
Bad Debts	21,84,424	---
Director's Remuneration & Related Expenses	10,90,650	6,89,702
Electricity Charges	1,59,891	1,40,486
General Expenses	1,46,315	1,71,566
Insurance	62,784	4,074
Other Miscellaneous Expenses	2,17,054	4,33,799
Postage & Telephone Charges	2,81,465	3,29,101
Printing & Stationery	65,555	72,054
Professional Charges	3,45,663	2,10,763
Rates & Taxes	3,58,619	2,13,953
Rent	8,07,120	8,56,020
Repairs & Maintenance	1,20,992	1,22,165
Salaries & Other Benefits	13,45,135	9,33,606
Security Service Charges	-----	3,821
Subscription Charges	35,817	12,553
Sitting Fees	18,500	17,500
Forex Gain / Loss Account	1,03,541	---
Service Charges	18,565	20,078
Share Transfer Expenses	69,200	68,855
Travelling & Conveyance Expenses	2,93,542	1,55,090
Vehicle Running & Maintenance	1,58,187	1,20,749
	84,57,792	45,92,498

**Bhagwandas Metals Limited**

<b>PARTICULARS</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
<b>SCHEDULE 15: SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement	<b>2,33,905</b>	66,873
Brokerage & Commission	<b>9,50,102</b>	1,73,944
Carriage Outward & Cooly Charges	<b>39,46,687</b>	28,25,030
Sales Promotion	<b>67,084</b>	2,66,015
	<b>51,97,778</b>	<b>33,31,862</b>
<b>SCHEDULE 16: FINANCIAL CHARGES</b>		
LC & Bank Charges	<b>4,99,991</b>	3,88,811
Interest	<b>7,60,910</b>	8,12,313
	<b>12,60,901</b>	<b>12,01,124</b>

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

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

**b. Sales**

Sales are recognised on despatch to customers.

**c. Fixed Assets**

All fixed assets are valued at cost less depreciation.

**d. Depreciation**

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

**e. Inventories**

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

**f. Gratuity and Provident Fund****a. Defined Contribution Plan**

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

**b. Defined Benefit Plan :****Gratuity:**

The company provides for the gratuity concerning all employees. The plan provides for lump sum payment to employees on retirement, death while in employment or





on termination of employment. The company accounts for liability of future gratuity benefit on projected unit credit method carried on annually for assessing liability as at the balance sheet date.

### g. Taxation

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

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

## 2. CONTINGENT LIABILITIES

Liabilities which are contingent in nature are disclosed by way of notes of accounts though not provided for.

- a. The Honorable High Court of Judicature of Madras has partly allowed the appeal filed by M/s. Asea Brown Boveries directing them to refund the advance of Rs. 11,35,0000/- after deducting Rs. 3,00,000/- plus interest. The Company has received a sum of Rs. 14,00,000/- through the court on this account and it is shown separately as current liabilities. The matter is still subjudice.

## 3. TRADING ACTIVITY

Information regarding opening stock, Turnover and Closing stock

Particulars	Year Ended 31.03.2010		Year Ended 31.03.2009	
	Qty Mts.	Value (Rs. In lacs)	Qty Mts.	Value (Rs. in lacs)
<b>A. Opening Stock</b>	<b>512.447</b>	<b>128.95</b>	518.493	211.16
<b>B. Purchases</b>	<b>21,458.722</b>	<b>5,269.80</b>	14,721.619	4,491.15
<b>C. Turnover</b>	<b>21,201.528</b>	<b>5,523.36</b>	14,727.665	4,863.88
<b>D. Closing Stock</b>	<b>769.641</b>	<b>194.92</b>	512.447	128.95

**Bhagwandas Metals Limited****4. MANAGERIAL REMUNERATION**

(Amount in Rs.)

<b>Paid/Payable to Whole Time Director</b>	<b>For the year 2009-2010</b>	For the year 2008-2009
Salaries	<b>10,80,000</b>	6,60,000
House Rent	<b>84,000</b>	1,20,000
<b>Total</b>	<b>11,64,000</b>	7,80,000

**5. Parties balances are subject to confirmation****6. OTHER INCOME**

Other Income includes the following:

<b>Particulars</b>	<b>For the year 2009-2010</b>	<b>TDS For the year 2009-2010</b>	For the year 2008-2009	TDS For the year 2008-2009
Interest Earned	<b>2,37,132</b>	<b>25,173</b>	3,27,207	30,159
Miscellaneous Income	<b>32,68,340</b>	-	5,37,909	-
<b>Total</b>	<b>35,05,472</b>	<b>25,173</b>	8,65,116	30,159

**7. SALARIES AND OTHER BENEFITS**

Salaries and other benefits include the following:

<b>Particulars</b>	<b>For the year 2009 - 2010</b>	For the year 2008-2009
Salaries and Bonus	<b>7,60,302</b>	5,70,714
Contribution to Provident Fund and other Funds	<b>2,29,545</b>	1,73,751
Staff Welfare Expenses	<b>46,114</b>	59,487
Gratuity	<b>3,09,173</b>	1,29,654
<b>Total</b>	<b>13,45,134</b>	9,33,606

**8. RELATED PARTY DISCLOSURE****A. List of Related Parties**

<b>Name of the Related Party</b>	<b>Nature of Relationship</b>
Bhagwandas Metals & Steel	A Proprietorship concern in which our Chairman Mr. Govind Prasad is the proprietor.
MGM Steels	A Partnership concern in which our chairman Mr. Govind Prasad is a Partner.



### B. Key Management Personnel and their relatives

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

### C. RELATED PARTY TRANSACTIONS

Name of the Related Party	Nature of Transaction	Value	
		31.03.2010	31.03.2009
MGM Steels	Sale of Goods	---	---
MGM Steels	Purchase of Goods	---	2,21,728
Govind Prasad	Salary & Allowance	<b>6,00,000</b>	3,60,000
Nand Kishore Sonthalia	Salary & Allowance	<b>4,80,000</b>	3,00,000
Gita Agarwal	Rent Paid	<b>1,80,000</b>	1,80,000
Bobby Sonthalia	Rent Paid	<b>6,00,000</b>	6,00,000

Out of the above for purchase and sale of goods, approval of the central government has been obtained vide order no.2/M-5526/87 dated 24.02.2006, for a period of 3 years.

### 9. SEGMENT REPORTING

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

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

Accrued Gratuity Liability	As on 31-Mar-2010	As on 31-Mar-2009
Movements in Accrued Liability	In Rs.000's	In Rs.000's
Accrued Liability as at beginning of the period :	<b>496</b>	366
Interest Cost	<b>36</b>	27
Current Service Cost	<b>231</b>	53
Past Service Cost	<b>0</b>	0
Curtailement Cost	<b>0</b>	0
Settlement Cost	<b>0</b>	0
Benefits Paid	<b>(93)</b>	0
Actuarial gain / loss	<b>42</b>	50
<b>Accrued Liability as at the end of the period :</b>	<b>712</b>	496
(No Fund is being maintained)		

**Bhagwandas Metals Limited**

<b>Amounts to be recognized in the Balance Sheet</b>	<b>In Rs.000's</b>	<b>In Rs.000's</b>
Present Value of obligations as on the accounting date :	712	496
Fair Value of the Plan Assets : <b>(Zero as no fund is being maintained)</b>	0	0
<b>Liability to be recognized in the Balance Sheet :</b>	<b>(712)</b>	<b>(496)</b>
<b>Expenses to be recognized in P/L Accounts</b>	<b>In Rs.000's</b>	<b>In Rs.000's</b>
Interest Cost	36	27
Current Service Cost	231	53
Past Service Cost	0	0
Expected Return on Plan Assets	0	0
Curtaiment Cost (Credit)	0	0
Settlement Cost (Credit)	0	0
Net Actuarial (gain) / loss	42	50
<b>Net Expenses to be recognized in P/L a/c</b>	<b>309</b>	<b>130</b>
<b>Reconciliation</b>	<b>In Rs.000's</b>	<b>In Rs.000's</b>
Net Liability as at the beginning of the period :	496	366
Net Expenses in P/L a/c	309	130
Benefits Paid	(93)	0
<b>Net Liability as at the end of the period :</b>	<b>712</b>	<b>496</b>
<b>Principal Actuarial Assumptions</b>		
Interest Rate (Liabilities)	8.00%	7.50%
Return on Assets	N.A.	N.A.
Mortality Table	LIC (94-96)	LIC (94-96)
Resignation Rate per annum	0.00%	0.00%
Salary Escalation Rate	10.00%	10.00%

**11. EARNINGS PER SHARE**

Particulars	31.03.2010	31.03.2009
Profit / (Loss) after tax	<b>26,92,955</b>	22,75,022
No. of Equity Shares	<b>36,48,800</b>	36,48,800
Face Value per Share	<b>Rs.10</b>	Rs.10
Basic Earning Per Share for the year	<b>Re. 0.74</b>	Re. 0.62

12. Interest under Schedule 15 includes interest on fixed loan of Rs.1,69,665/- (31.03.2009 - Rs. 11,257)

	<b>For the year 2009-2010</b>	For the year 2008-2009
13. Earnings in foreign currency	Nil	Nil
14. FOB value of Exports (in Rupees)	Nil	Nil
15. Expenditure in foreign currency	Nil	Nil
16. Value of imports on CIF basis (in Rupees)	<b>7,65,09,258</b>	8,91,41,675
17. Under the Micro, Small & Medium Enterprises Development Act 2006, certain disclosures are to be made relating to such enterprises. In view of the insufficient information from suppliers regarding their coverage under the said Act, no disclosures have been made in the accounts. However, in view of the management, the impact of interest if any, that may be payable in accordance with the provisions of the Act is not expected to be material.		
18. The company has provided interest for electricity payable up to 31-03-2001. In view of the cases filed by the company before the Hon'ble High Court disputing the amount due, the management is of the opinion that there will not be further liability on the company beyond the amount already provided for.		
19. Previous year figures have been reclassified/ regrouped wherever found necessary.		

For and on behalf of the Board

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

Sd/-

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

Sd/-

**NAND KISHORE SONTALIA**  
Director

Sd/-

**C.A. RAJA RAM MORE**  
Proprietor  
M.No.21233

Place : Chennai  
Date : 29-07-2010

**Bhagwandas Metals Limited**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010**

PARTICULARS	(Rs. In lacs)	
	2009-2010	2008-2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	38.97	34.18
<b>Adjustments for:</b>		
Depreciation	6.90	1.82
Interest & Financial Charges	12.61	12.01
Interest Income	(2.37)	(3.27)
<b>Operating Profit Before Working Capital Changes</b>	<b>56.11</b>	<b>44.72</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in inventories	(65.97)	82.22
(Increase)/Decrease in Trade & Other Receivables	(477.01)	298.19
Increase/(Decrease) in Trade & Other Payables	225.26	(258.77)
<b>Cash Generated from Operations</b>	<b>(261.61)</b>	<b>166.38</b>
Interest & Financial Charges Paid	(12.61)	(12.01)
Direct Taxes Paid	20.60	(10.60)
Interest Income	2.37	3.27
<b>Net Cash from Operating Activities(A)</b>	<b>(251.25)</b>	<b>147.04</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1.76)	(22.38)
Sale of Fixed Assets	—	—
<b>Net Cash Used in Investing Activities(B)</b>	<b>(1.76)</b>	<b>(22.38)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of finance Liabilities	101.39	—
Increase / (Decrease) in Bank Borrowings	147.77	(122.16)
Dividend Paid	—	—
<b>Net Cash Used in Financing Activities(C)</b>	<b>249.16</b>	<b>(122.16)</b>
<b>D. NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(3.85)</b>	<b>2.50</b>
<b>E. OPENING CASH AND CASH EQUIVALENTS (Cash and Bank balances)</b>	<b>25.96</b>	<b>23.46</b>
<b>F. CLOSING CASH AND CASH EQUIVALENTS(D+E)</b>	<b>22.11</b>	<b>25.96</b>

For and on behalf of the Board

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

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

Sd/-  
**NAND KISHORE SONTHALIA**  
Director

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

Place : Chennai  
Date : 29-07-2010


**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**I. Registration Details**

 Registration No.  State code 

 Balance Sheet Date     
 Date Month Year

**Capital Raised during the year (Amount in Thousands)**

Public Issue

Rights Issue

Bonus Issue

Private Placement

Conversion

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

Total Liabilities

Total Assets

**Sources of Funds**

Paid-up Capital

Reserves &amp; Surplus

Secured Loans

Unsecured Loans

**Application of Funds**

Net Fixed Assets

Investments

**Bhagwandas Metals Limited**

Net Current Assets  
    9 2 0 0 8

Deferred Tax  
      2 4 6

Accumulated Losses  
     N I L

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

Turnover  
   5 5 2 3 3 6

Total Expenditure  
   5 5 8 5 4 2

+ - Profit/Loss Before Tax  
    3 8 9 7

+ - Profit/Loss After Tax  
    2 6 9 3

Earning Per Share in Rs.  
     0 . 7 4

Dividend Rate %  
  N I L

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

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

Product Description  M  S

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

Product Description  A  N  G  L  E  S

For and on behalf of the Board

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

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

Sd/-  
**NAND KISHORE SONTALIA**  
 Director

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

Place : Chennai  
 Date : 29-07-2010





# Bhagwandas Metals Limited

54 (Old No.61), 1st floor, Sembudoss Street, Chennai - 600 001

## ATTENDANCE SLIP

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

Name of the attending member .....

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

Name of Proxy \* .....

\*(If proxy attends instead of member)

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

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

Date : Friday, 24<sup>th</sup> September, 2010

Time : 10.00 a.m.

### REQUEST TO MEMBERS

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

### SIGNATURE OF MEMBER/PROXY

# Bhagwandas Metals Limited

54 (Old No.61), 1st floor, Sembudoss Street, Chennai - 600 001



## PROXY FORM

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

Folio No.\* .....

I/ We ..... being a Member/Members of Bhagwandas Metals Limited hereby appoint ..... of ..... in the district of ..... of failing him ..... of ..... in the district of ..... as my/ our proxy to attend and vote for me/ us and on my/ our behalf at the Annual General Meeting of the Company to be held on 24<sup>th</sup> September 2010 and at any adjournment thereof.

Signed this ..... day of ..... 2010.

### For office use

Proxy No.	
Date of receipt	
No. of shares	

Affix
Re.1
Revenue
Stamp

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

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

**NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING**

BOOK-POST  
PRINTED MATTER

*If undelivered Please return to :*

**Bhagwandas Metals Limited**

No. 54, (Old No.61), 1st Floor, Sembudoss Street, Chennai - 600 001

