



**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the members of Bhagwandas Metals Limited will be held on **Friday, the 27<sup>th</sup> day of September, 2013 at 10 a.m. at NARADA GANA SABHA TRUST (MINI HALL) 314 (OLD NO.254) TTK ROAD, ALWARPET, CHENNAI - 600 018** to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2013 and the reports of the Directors and Auditors thereon.
2. To declare Dividend
3. To appoint a Director in place of Mr. Nirmal Gadhiya who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 : 29.07.2013

**Notes:**

- a. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b. The Instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
- c. The Register of Members and Transfer Books of the Company will remain closed from Monday, 16<sup>th</sup> September 2013 to Friday, 27<sup>th</sup> September 2013 (both days inclusive).
- d. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
- e. Members are requested to notify immediately any change in their address to the Registrar and Share transfer Agent - M/s. Cameo Corporate Services Ltd., "Subramanian Buildings", 1, Club House Road, Chennai-600 002.
- f. After declaration of dividend at the Annual General Meeting, the Dividend warrants are scheduled to be posted on or after 04.10.2013. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership, as per the details to

## Bhagwandas Metals Limited

be furnished for this purpose by National Securities Depository Limited and Central Depository Services (India) Limited.

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

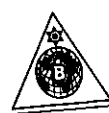
h. Details of Dividend declared during the financial year 2010-11 is as follows:

Financial Year	Declared on	Rate of Dividend	Amount of Dividend per share
2010-2011	22.09.2011	6%	0.60 paise
2011-2012	21.09.2013	6%	0.60 paise

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the company or Registrar for obtaining payment thereof.

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

	Name of the Director	Mr. Nirmal Gadhiya
a.	Age	43 yrs.
b.	Date of Appointment	23-09-2005
c.	Qualification	B. Com
d.	Experience	17 years
e.	No. of Shares held in the Company	1200
f.	Expertise	Mr.Nirmal Gadhiya has about 17 years of experience in the construction industry
g.	Directorship held in other Companies	Deccan Estates Ltd Deccan Park Ltd Century Cbase P Ltd Deccan Event Management (P) Ltd Radhakrishna Chemicals & Minerals Pvt Ltd Anraj Agencies LLP
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 31<sup>st</sup> March 2013 together with the Balance Sheet as at 31<sup>st</sup> March 2013 and the Profit and Loss account for the year ended on that date.

### **FINANCIAL HIGHLIGHTS**

(Rupees)

Sl. No.	Particulars	Audited financial Statement for the year ended March 31st 2013	Audited financial Statement for the year ended March 31st 2012
		53,97,69,103	78,95,85,524
1.	Income		
2.	Profit before Interest, Depreciation, Extraordinary Items and Tax	67,15,968	85,12,220
3.	Interest	16,90,606	11,42,501
4.	Depreciation	3,65,677	4,62,846
5.	Profit before Extraordinary items and Tax	46,59,685	69,06,873
6.	Provision for taxation & Deferred Tax	14,46,000	20,63,000
7.	Profit after Extraordinary item and Tax	32,13,685	48,43,873
8.	Dividend Proposed	21,89,280	21,89,280
9.	Share Capital	3,64,68,500	3,64,68,500
10.	Reserves & Surplus	3,22,71,460	3,16,19,123

### **OPERATIONS**

During the year 2012-2013, the Company has earned a net profit after tax of Rs 32.14 Lakhs as against Rs. 48.44 Lakhs earned in the previous year. On the sales front, the Company has achieved a turnover of about Rs. 5398 Lakhs during the year 2012-2013 as against Rs. 7896 Lakhs achieved in 2011-2012.

### **DIVIDEND**

The Directors wish to recommend a Dividend of 6% (0.60paise per equity share of Rs.10/- fully paid up) on the paid up capital of the company aggregating to Rs.21,89,280 for the year ended 31st March 2013.

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

During the current year 2013-2014, the Company has achieved a turnover of Rs. 1986 Lakhs in the first quarter ending 30.06.2013.

### **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 reappointment.

**AUDITORS**

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

**FIXED DEPOSITS**

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

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

**A. CONSERVATION OF ENERGY**

- a. Energy conservation measures taken
- d. **Total energy consumption and energy consumption per unit of production as per Form A – Not Applicable.**

**B. TECHNOLOGY ABSORPTION**

- a. As per Form B – Not applicable
- b. Research and Development (R & D)
  - i. Specific areas in which Research and Development carried out by the Company  
- NIL
  - ii. Benefits derived as a result of the above Research and Development  
- NIL
  - iii. Future Plan of action – the Company has tentative proposals to introduce Research and Development division in the next two years.
  - iv. Expenditure on Research and Development at present Percentage of the turnover  
- NIL
    - a. Capital
    - b. Recurring
    - c. Total
    - d. Total Research and Development as a percentage of Turnover.

**II Technology, Absorption, Adoption and Innovation**

- i. Efforts made - NIL
- ii. Benefits derived
  - 1. Production Improvement
  - 2. Cost reduction
  - 3. Import substitution
- iii. Technology imported
  - Year of Report - NIL
  - Has technology been fully absorbed - NIL
  - If not fully absorbed areas where this has not been reasons therefore and future plans of action - NIL



### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	31.03.2013	31.03.2012
Foreign Exchange earned during the year	Nil	Nil
Foreign Exchange used during the year	Nil	Nil
Value of Imports on CIF Basis	Rs.5,65,85,622	Rs. 4,82,19,444

### 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

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- 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 31<sup>st</sup> March, 2013 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2013.
- 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;
- 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/-

**GOVIND PRASAD**

Chairman- Cum-Managing Director

Place : Chennai  
Date : 29.07.2013



**MANAGING DIRECTOR/ WHOLE TIME DIRECTOR CERTIFICATION**

Dear Sirs,

In connection with the Audited Financial Results for the Financial Year ended 31st March, 2013, we Govind Prasad, Chairman cum Managing Director and Nand Kishore Sonthalia, Whole Time Director certify that

- (a) We have reviewed financial statements and the cash flow statement for the year 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 affair and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to the 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 taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee
- (i) significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

sd/-  
**NAND KISHORE SONTALIA**  
Whole Time Director

Place : Chennai  
Date : 29.07.2013

**COMPLIANCE CERTIFICATE**

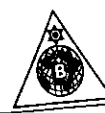
**Registration No. 18-009418**  
**Authorised Capital: Rs. 5,00,00,000/-**

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

We have examined the registers, records, books and papers of M/s. BHAGWANDAS METALS LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2013. 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 is in the process of preparing and maintaining registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein are in the process of being recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies on 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 27.04.2012, 27.07.2012, 27.10.2012 and 28.01.2013 in respect of which meetings the proceedings were recorded in the Minutes Book maintained for the purpose.
5. The Company has opted to close its Register of Members and Share Transfer books from 12.09.2012 to 21.09.2012 during the financial year under review and necessary compliance of section 154 of the Act has been made.
6. The Annual general meeting of the company for the financial year ended on 31.03.2012 was held on 21.09.2012 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.
9. According to the information, explanation and declaration furnished by the management, the company had not entered into inter-se 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 of shares and not made any allotment of securities/shares or received any request for approval of transfer or transmission.

(ii) Deposited the amount of proposed dividend declared in a separate Bank account which is within five days from the date of declaration of such dividend.

(iii) Paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration of dividend and that all unclaimed/ unpaid dividend has been transferred to Unpaid Dividend bank account of the company.

(iv) No unpaid dividend and no application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed/unpaid for a period of seven years, to Investor Education and Protection Fund.

(v) Fairly complied with the requirements of Section 217 of the Act.

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

15. The company has not appointed any new Managing Director/ Whole Time Director/ Manager during the financial year under review.

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

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

18. The Directors have disclosed their interest in other firms/companies to the Board of Directors, wherever necessary.

19. The Company has not issued shares/debentures/other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. The Company has not issued any redeemable preference Shares/debentures; and hence the question of redeeming any preference shares/debentures does not arise.
22. The Company has 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 has not accepted any deposits from the public, outsiders during the financial year under review except security deposits from customers which in the opinion of management are not deposits and hence not complied with the provisions of Section 58A and 58AA read with Compliance (Acceptance of Deposits) Rules, 1975.
24. The amount borrowed by the company from Banks, Corporate Entities and others during the financial year under review, is within the aggregate of the paid up capital and free reserves of the Company, as specified under section 293 (1) (d) of the Companies Act 1956. Hence the question of passing a resolution, in a general meeting, under the above said section, does not arise.
25. According to the information, explanations and declaration furnished by the management, the company has not made any, loans and fresh investment or given guarantees or provided securities to other bodies corporate during the financial 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 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. According to the information and explanation furnished by the management, the company had not received any amount as security from its employees and hence the applicability of the provision of Section 417(1) of the Act does not arise.

33. As per the information and explanation furnished by the management, the company has not constituted its own Provident Fund pursuant to the provisions of Section 418 of the Companies Act, 1956. Hence compliance with the provisions relating to deposit of both employee's and employer's contribution to provident fund with prescribed authorities pursuant to section 418 of the companies Act, does not arise.

Place: Chennai

Signature : Sd/-

Date: 29.07.2013

Name of Company Secretary : Lakshmmi Subramanian

C. P. No. : 1087

#### Annexure A

**Registers that are in the process of being maintained and updated by the Company for the financial year ending on 31<sup>st</sup> March 2013.**

1. Register of Members u/s 150 of the Companies Act, 1956
2. Register of Directors u/s 303 of the Companies Act, 1956
3. Register of Directors Shareholdings u/s 307 of the Companies Act, 1956
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 301 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.

#### 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 2013.**

Name of the Document	Date of Event	Date of filing	Due Date	Remarks
Form 23 AC / ACA XBRL	21.09.2012	01.02.2013	28.02.2013	In Time
Form 20B	21.09.2012	02.11.2012	21.11.2012	In Time
Form 66	21.09.2012	26.10.2012	21.10.2012	Belated



**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. Bhagwandas Metals Limited, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013; and
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date,
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

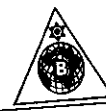
**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227 (3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act and
  - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Place : Chennai  
Date : 30.05.2013

sd/-  
**C.A. RAJARAM MORE**  
Proprietor  
Membership No. 21233  
FR. No. 2133S



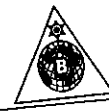
**ANNEXURE TO THE AUDITOR'S REPORT**  
(Referred to in Paragraph (3) of our report of even date)

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

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

**Bhagwandas Metals Limited**

- 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.
- 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 31<sup>st</sup> March 2013 according to the records of the Company and information and explanations given to us, there is no undisputed dues on account of Sales Tax, Income Tax, Excise Duty, Wealth Tax, Service Tax, Customs duty and Cess which is outstanding for a period of more than 6 months from the date they became applicable.
- 10) Based 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 to 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.



- 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

sd/-  
**C.A. RAJARAM MORE**  
Proprietor  
Membership No. 21233  
FR. No. 2133S

Place : Chennai  
Date : 30.05.2013



BALANCE SHEET AS ON 31.03.2013

PARTICULARS		Note No.	31.03.2013 Rs.	31.03.2012 Rs.
<b>I. EQUITY AND LIABILITIES</b>				
1.	Shareholders' funds			
	(a) Share Capital	2.1	36,468,500	36,468,500
	(b) Reserves and Surplus	2.2	32,271,460	31,619,123
2.	Non-current liabilities			
	(a) Long term provisions	2.3	1,875,069	1,370,963
3.	Current Liabilities			
	(a) Short term borrowings	2.4	13,091,691	39,721,347
	(b) Trade payables	2.5	36,657,083	37,835,359
	(c) Other current liabilities	2.6	455,102	543,351
	(d) Short term provisions	2.7	4,228,489	4,997,837
	<b>TOTAL</b>		<b>125,047,394</b>	<b>152,556,480</b>
<b>II. ASSETS</b>				
1.	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	2.8	1,218,620	1,522,980
	(ii) Intangible assets			
	(iii) Capital work-in-progress			
	(b) Non-current investments	2.9	3,000,000	3,000,000
	(c) Deferred Tax Asset (Net)	2.10	690,000	516,000
	(d) Long-term loans and advances	2.11	17,219,348	4,934,348
2.	Current assets			
	(a) Inventories			
	(b) Trade receivables	2.12	24,051,690	5,610,350
	(c) Cash and Bank Balances	2.13	62,354,770	102,250,028
	(d) Short-term loans and advances	2.14	6,795,765	6,168,296
	(e) Other current assets	2.15	6,253,257	25,323,921
		2.16	3,463,944	3,230,557
	<b>TOTAL</b>		<b>125,047,394</b>	<b>152,556,480</b>
	See accompanying notes to the financial statements			
		1 & 2		
For and on behalf of the Board				
sd/-	sd/-		As per my report of even date	
<b>GOVIND PRASAD</b>	<b>NAND KISHORE SONTALIA</b>		For <b>R.R. More &amp; Co</b>	
Chairman cum Managing Director	Director		Chartered Accountants	
Place : Chennai		sd/-	<b>C.A. Raja Ram More</b>	
Date: 30.05.2013			Proprietor	
			M.No.21233	
			FR No. 21335	



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2013

	PARTICULARS	Note No.	31.03.2013 Rs.	31.03.2012 Rs.
I	<b>Revenue from operations:</b>			
	Sale of Products	2.17	539,769,103	789,585,524
II	Other Income	2.18	4,190,485	1,477,260
III	<b>Total Revenue (I + II)</b>		<b>543,959,588</b>	<b>791,062,784</b>
IV	<b>Expenses</b>			
	Purchases of Stock in Trade	2.19	542,431,158	743,771,476
	Changes in inventories of finished goods, work in progress and Stock-in- trade	2.19	(18,441,340)	23,201,456
	Employee benefits expense	2.20	5,068,876	4,331,923
	Finance Costs	2.21	1,708,177	2,077,460
	Depreciation and amortization expense	2.8	365,677	462,846
	Other expense	2.22	8,167,355	10,310,750
	<b>Total Expense</b>		<b>539,299,903</b>	<b>784,155,911</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		4,659,685	6,906,873
VI	<b>Exceptional Items</b>			
VII	<b>Profit before extraordinary items and tax (V-VI)</b>		4,659,685	6,906,873
VIII	<b>Extraordinary items</b>			
IX	<b>Profit before tax (VII-VIII)</b>		4,659,685	6,906,873
X	<b>Tax expense:</b>			
	(1) Current tax		1,620,000	2,250,000
	(2) Deferred tax		(174,000)	(187,000)
			<b>3,213,685</b>	<b>4,843,873</b>
XI	Profit/(Loss) for the period from continuing operations (IX - X)			
XII	Profit/(Loss) for the period from discontinuing operations			
XIII	Tax expense of discontinuing operations			
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		<b>3,213,685</b>	<b>4,843,873</b>
XV	<b>Profit/(Loss) for the period (XI + XIV)</b>			
XVI	Earnings per equity share:			
	(1) Basic		0.88	1.33
	(2) Diluted		0.88	1.33
	See accompanying notes to the financial statements	1 & 2		
For and on behalf of the Board				
	sd/- <b>GOVIND PRASAD</b> Chairman cum Managing Director Place : Chennai Date: 30.05.2013	sd/- <b>NAND KISHORE SONTALIA</b> Director	As per my report of even date For <b>R.R.More &amp; Co</b> Chartered Accountants sd/- <b>C.A. Raja Ram More</b> Proprietor M.No.21233 FR.No.21335	

**SCHEDULE 1: NOTES ON ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**a. Accounting Convention**

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

**b. Sales**

Sales are recognised on despatch to customers.

**c. Fixed Assets**

All fixed assets are valued at cost less depreciation.

**d. Depreciation**

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

**e. Inventories**

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

**f. Gratuity and Provident Fund**

**(i) Defined Contribution Plan:**

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

**(ii) Defined Benefit Plan:**

**Gratuity:**

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

**g. Taxation**

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

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



## NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

### Note No: 2.1 - SHARE CAPITAL

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
Authorised Share Capital 5000000 Equity Shares of Rs 10/- each		50,000,000		50,000,000
Issued, Subscribed and Paid up Capital 3648800 Equity Shares of Rs 10/- each Less : Calls Unpaid		36,488,000 19,500		36,488,000 19,500
<b>TOTAL</b>		<b>36,468,500</b>		<b>36,468,500</b>

### Note No: 2.1.1 - Reconciliation of Shares: -

Particulars	Number of Shares	Amount Rupees	Number of Shares	Amount Rupees
Opening Share Capital	3,648,800	36,488,000	3,648,800	36,488,000
Add: Shares issued During the year	-	-	-	-
Add: Rights / Bonus Shares Issued	-	-	-	-
<b>Total</b>	<b>3,648,800</b>	<b>36,488,000</b>	<b>3,648,800</b>	<b>36,488,000</b>
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Closing Share Capital	3,648,800	36,488,000	3,648,800	36,488,000

### Note No: 2.1.2 - List of Share holders having 5% or more Shares (In Nos) :-

Name of Shareholders	In Nos	In %	In Nos	In %
Govind Prasad	516,059	14.14	503,637	13.80
Gita Agarwal	544,612	14.93	520,171	14.26
Nand Kishore Sonthalia	424,800	11.64	424,800	11.64
Bobby Sonthalia	322,542	8.84	322,542	8.84
Century Chase P Ltd	-	-	198,672	5.44
M.Prema jain	158,647	5.44	-	-

As per records of the company, including its register of shareholders / members.

Note No: 2.2 - RESERVES AND SURPLUS

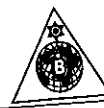
Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
<b>a) General Reserve</b>				
Balance as per Last Financial Statement	551,864		551,864	
Add: Transfer made during the year	-	551,864	-	551,864
Closing Balance				
<b>b) Share Premium Account</b>				
Balance as per Last Financial Statement		21,668,500		21,668,500
<b>c) Surplus/ (Deficit) in the statement of Profit and Loss</b>				
Balance as per Last Financial Statement				
Add: Profit During The Year	9,398,759		7,099,322	
Less: Appropriations	3,213,685		4,843,873	
Proposed Dividend - Re0.60 per share ( Re.0.60 )	2,189,280		2,189,280	
Tax on proposed Dividend				
Transfer to General Reserves	372,068		355,156	
Closing Balance		10,051,096		9,398,759
<b>TOTAL</b>		<b>32,271,460</b>		<b>31,619,123</b>

Note No: 2.3 - LONG TERM PROVISIONS

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
Provision for employee benefits		1,875,069		1,370,963
<b>TOTAL</b>		<b>1,875,069</b>		<b>1,370,963</b>

Note No: 2.4 - SHORT TERM BORROWINGS

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
<b>a) Loans repayable on demand</b>				
<b>(i) From Bank</b>				
Cash Credit from Punjab National Bank - (Secured)		13,091,691		9,403,281
LC from Punjab National Bank - (Secured)		-		30,318,066
<b>TOTAL</b>		<b>13,091,691</b>		<b>39,721,347</b>
<b>The above amount includes:-</b>				
Secured Borrowings		13,091,691		39,721,347
Unsecured Borrowings		-		-



a) Cash Credit and LC from Punjab National Bank is secured by first charge on the Stock-in-trade, book debts and entire current asset including loans and advances of the company. The Chairman Cum Managing Director Mr. Govind Prasad & the whole time director Mr. Nand Kishore Sonthalia along with Mrs. Bobby Sonthalia have given their personal property as security and they have personally guaranteed the loan. The cash credit is repayable on demand and carries interest @ 14.25% p.a.

**Note No: 2.5 - TRADE PAYABLES**

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
<b>Trade Payables</b>		29,724,847		30,292,220
For Goods		6,928,372		7,529,880
For Expenses (MSM Enterprise disclosure Refere Note No. 2.23(g))				
<b>Others</b>		3,864		13,259
For Statutory Dues				
<b>TOTAL</b>		<b>36,657,083</b>		<b>37,835,359</b>

**Note No: 2.6 - OTHER CURRENT LIABILITIES**

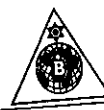
Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
Advance received from customers		8,834		316,598
Unpaid dividend		446,268		226,753
<b>TOTAL</b>		<b>455,102</b>		<b>543,351</b>

**Note No: 2.7 - SHORT TERM PROVISIONS**

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
Provision for Taxation		1,622,625		2,413,598
Proposed Dividend		2,189,280		2,189,280
Tax on Dividend		372,068		355,156
Bonus		44,516		39,803
<b>TOTAL</b>		<b>4,228,489</b>		<b>4,997,837</b>

Note No: 2.08 - FIXED ASSETS

SR. NO.	DESCRIPTION OF ASSETS	DEPRECIATION RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			COST AS ON 01.04.2012	ADDITION DURING THE YEAR	ADJUSTMENTS DURING THE YEAR	TOTAL COST AS AT 31.03.2013	DEPRECIATION AS AT 01.04.2012	ADDITION DURING THE YEAR	ADJUSTMENTS	TOTAL DEPRE. AS AT 31.3.2013	AS AT 31.03.2013	AS AT 31.03.2012
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
	Tangible Assets:-											
1	CUTTING & STREIGHTENING MACHINERY	13.91%	243,660	-	-	243,660	170,140	10,227	-	180,367	63,293	73,520
2	FURNITURE & FIXTURES	18.91%	682,835	-	-	682,835	632,746	9,472	-	642,218	40,617	50,089
3	OFFICE EQUIPMENT	13.91%	729,179	-	-	729,179	511,540	30,274	-	541,814	187,365	217,639
4	COMPUTER	40.00%	482,322	32,130	-	514,452	337,057	63,564	-	400,621	113,831	145,265
5	AIR CONDITIONER	13.91%	332,162	38,700	(21,500)	349,362	185,628	21,700	(13,310)	195,018	154,344	145,534
6	VEHICLES	25.89%	2,302,806	-	(32,560)	2,270,246	1,411,873	230,440	(31,237)	1,611,076	659,170	890,933
			<b>4,772,964</b>	<b>70,830</b>	<b>(54,060)</b>	<b>4,789,734</b>	<b>3,249,984</b>	<b>365,677</b>	<b>(44,547)</b>	<b>3,571,114</b>	<b>1,218,620</b>	<b>1,522,980</b>
	Intangible Assets:-											
	Total		<b>4,772,964</b>	<b>70,830</b>	<b>(54,060)</b>	<b>4,789,734</b>	<b>3,249,984</b>	<b>365,677</b>	<b>(44,547)</b>	<b>3,571,114</b>	<b>1,218,620</b>	<b>1,522,980</b>
	Previous Year		<b>190,650</b>	<b>(99,830)</b>		<b>4,772,964</b>	<b>2,851,781</b>	<b>462,846</b>	<b>(64,643)</b>	<b>3,249,984</b>	<b>1,522,980</b>	<b>1,830,363</b>



## Note No: 2.9 - NON-CURRENT INVESTMENTS

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
<b>Trade Investment - (Long Term)</b>				
Karismaa MEP Services P Limited (Non Quoted) ( 3,00,000 Equity Shares of Rs.10/- each)		3,000,000		3,000,000
		<u>3,000,000</u>		<u>3,000,000</u>
<b>Total Non- Current Investment</b>				
		<u>3,000,000</u>		<u>3,000,000</u>
<b>Aggregate amount of Unquoted Investment</b>				

## Note No: 2.10 - DEFERRED TAX ASSET

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
<b>Deferred Tax Assets</b>				
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting		111,000		92,000
Employee Retirement Benefits: Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis.		579,000		424,000
		<u>690,000</u>		<u>516,000</u>
<b>Deferred Tax Asset (Net)</b>				

## Note No: 2.11 - LONG TERM LOANS AND ADVANCES

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
<b>Unsecured Considered Good:</b>				
Deposits		4,919,348		4,934,348
Other Loans & Advances		<u>12,300,000</u>		-
<b>TOTAL</b>		<u>17,219,348</u>		<u>4,934,348</u>

## Note No: 2.12 - INVENTORIES

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
Traded Goods		24,051,690		5,610,350
<b>TOTAL</b>		<u>24,051,690</u>		<u>5,610,350</u>



**Bhagwandas Metals Limited**

**Note No: 2.13 - TRADE RECEIVABLES**

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
<b>Over Six Months - From Due Date</b>				
Good		12,029,909		7,123,655
Doubtful		-		-
<b>Below Six Months - From Due Date</b>				
Good		50,324,861		95,126,373
Doubtful		-		-
Less : Provision for Doubtful Debts		-		-
<b>TOTAL</b>		<b>62,354,770</b>		<b>102,250,028</b>

**Note No: 2.14 - CASH AND BANK BALANCES**

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
<b>(i) Cash and Cash Equivalents</b>				
Balance with Banks				
- In Current Accounts - Punjab National Bank		68,582		42,689
- In Deposit Accounts		5,962,110		5,689,743
Cash on Hand		254,745		209,111
<b>(ii) Earmarked Balances with bank</b>				
Punjab National bank - Dividend a/c 2011-12		224,533		226,753
Punjab National bank - Dividend a/c 2012-13		221,735		-
<b>(iii) Other Bank Balance</b>				
- As Margin Money		64,060		-
		<b>6,795,765</b>		<b>6,168,296</b>
Deposit account with less than 12 months maturity		<b>5,962,110</b>		<b>5,689,743</b>

**Note No: 2.15 - SHORT TERM LOANS AND ADVANCES**

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
Advances to Suppliers		5,496,947		23,973,847
Prepaid Insurance		50,110		52,795
Prepaid Interest		-		734,279
Advance to Staff		276,200		563,000
Advance to others		430,000		-
<b>TOTAL</b>		<b>6,253,257</b>		<b>25,323,921</b>

**Note No: 2.16 - OTHER CURRENT ASSETS**

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
Income Tax		2,735,313		3,204,908
Value Added Tax		583,996		25,649
Custom SAD Refund Receivable		164,635		-
<b>TOTAL</b>		<b>3,463,944</b>		<b>3,230,557</b>

**Note No: 2.17 - REVENUE FROM OPERATION**

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
Indigenous Sales		539,769,103		789,585,524
Traded Goods - Iron & Steel				
<b>TOTAL</b>		<b>539,769,103</b>		<b>789,585,524</b>

**Note No: 2.18 - OTHER INCOME**

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
Interest Earned		4,043,419		1,450,786
Discount		143,389		9,497
Sundry Credit & Debit Balance written off		3,677		16,977
Profit on Sale of Fixed Asset				
<b>TOTAL</b>		<b>4,190,485</b>		<b>1,477,260</b>

**Note No: 2.19 - PURCHASE OF STOCK - IN - TRADE**

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
Purchase of Trading Materials - Iron & Steel		538,076,933		733,902,188
Carriage Inward		981,872		2,096,631
Custom Duty		2,858,004		6,499,267
Clearing & Forwarding		514,349		1,273,390
<b>TOTAL</b>		<b>542,431,158</b>		<b>743,771,476</b>
<b>Change in Stocks</b>				
Stock at Commencement		5,610,350		28,811,806
Traded goods - Iron & steel				
<b>Less: Stock at Close</b>				
Traded goods - Iron & steel		24,051,690		5,610,350
Stock Decreased / ( Increased ) by		(18,441,340)		23,201,456

**Note No: 2.20 - EMPLOYEE BENEFITS EXPENSES**

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
Salaries & Other Benefits		1,279,623		1,116,773
Gratuity		504,106		546,963
Staff Welfare Expenses		68,432		46,884
EPF & ESI Contribution		502,893		429,069
Director's Remuneration & Related Expenses		2,713,822		2,192,234
<b>TOTAL</b>		<b>5,068,876</b>		<b>4,331,923</b>

**Bhagwandas Metals Limited**

**Note No: 2.21 - FINANCE COSTS**

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
LC & Bank Charges		17,571		934,959
Interest		1,690,606		1,142,501
<b>TOTAL</b>		<b>1,708,177</b>		<b>2,077,460</b>

**Note No: 2.23 - OTHER EXPENSES**

Particulars	31.03.2013		31.03.2012	
	Rupees	Rupees	Rupees	Rupees
<del>Audit Fee</del>		<del>22,884</del>		<del>22,060</del>
<del>Advertisement</del>		<del>64,770</del>		<del>70,024</del>
Brokerage & Commission		335,452		843,153
Carriage Outward & Cooly Charges		3,847,293		5,490,266
Sales Promotion		194,039		152,864
Donation		16,000		141,000
Electricity Charges		130,104		133,174
General Expenses		185,215		141,948
Insurance		64,325		54,014
Loss on sale of fixed assets		6,190		15,187
Other Miscellaneous Expenses		166,958		167,528
Postage & Telephone Charges		201,248		344,109
Printing & Stationery		105,408		131,430
Professional Charges		332,770		381,689
Legal charges		429,176		211,321
Rates & Taxes		301,591		1,199,175
Rent		1,215,240		117,061
Repairs & Maintenance		108,401		29,040
Subscription Charges		68,547		80,587
Security Service Charges		-		26,774
Service Charges		26,870		230,663
Travelling, Conveyance		224,282		243,082
Vehicle Running & Maintenance		322,250		68,851
Share transfer expense		70,842		13,750
Sitting Fees		17,500		
<b>TOTAL</b>		<b>8,167,355</b>		<b>10,310,750</b>
Payment to Auditor				
a) As Auditor				
Audit Fee		17,163		16,545
Tax Audit Fee		5,721		5,515
		<b>22,884</b>		<b>22,060</b>



**Note No: 2.23 - ADDITIONAL INFORMATION TO FINANCIAL STATEMENT**

- a) Contingent Liability & Commitments - Nil (31.03.2012 - Nil)
- b) Value of Import on CIF basis is Rs.5,65,85,622/- (31.03.2012 - Rs.4,82,19,444/-)
- c) Earnings in Foreign Currency - Nil (31.03.2012 - Nil)
- d) Expenditure in Foreign Currency - Nil (31.03.2012 - Nil)
- e) Amount remitted during the year in foreign exchange on account of dividend for the previous year - Nil
- f) Under Micro, Small & Medium Enterprises Development Act 2006, certain disclosures are required to be made relating to such enterprises. In view of the insufficient information from suppliers regarding their coverage under the said Act, no disclosure 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.
- g) 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.
- h) Related Parties :

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

Key Management Personnel and their relatives  
 -Mr. Govind Prasad, Chairman-cum-Managing Director  
 -Mrs. Gita Agrawal (Wife)  
 -Mr. Nand Kishore Sonthalia (Director)  
 -Mrs. Bobby Sonthalia (Wife)

**Related Party Transactions**

Name of the Related Party	Nature of Transactions	Value 31.03.2013	Value 31.03.2012
Govind Prasad	Salary & Allowance	1,513,822	1,232,234
Nand Kishore Sonthalia	Salary & Allowance	1,200,000	960,000
Gita Agrawal	Rent Paid	360,000	360,000
Govind Prasad	Rent Paid	1,011,240	923,175

i) Consequent to the adoption of Accounting Standard 15 on Employee Benefits as notified by the companies (Accounting Standard) Rules 2006, the following disclosure have been made as required by the standard.

i. The Company has recognized the following amounts in the Profit and Loss Account towards contribution to defined contribution Plans which are included under contribution to provident and other funds:

Particulars	31.03.2013 (Rs.)	31.03.2012 (Rs.)
Provident Fund	495,676	407,589

ii. The details of post retirement benefit plans for Gratuity are given below which is certified by the actuary and relied upon by the auditors:

Particulars	31.03.2013 (Rs.)	31.03.2012 (Rs.)
Change in Defined Benefit Obligations:		
Accrued liability at the beginning of the year	1,370,963	824,010
Interest Cost	116,532	65,921
Current Service Cost	391,270	535,821
Past Service Cost	-	-
Curtailment Cost	-	-
Settlement Cost	-	-
Benefits Paid	-	-
Actuarial gain/Loss	(3,696)	(54,789)
Accrued Liability As At the End of the Period	<b>1,875,069</b>	<b>1,370,963</b>

(No Fund is being maintained)

Amount Recognised In the Balance Sheet	31.03.2013 (Rs.)	31.03.2012 (Rs.)
Present Value of Obligations	1,875,069	1,370,963
Fair Value of the Plan Assets	-	-
Liability to be Recognized in the Balance Sheet	(1,875,069)	(1,370,963)

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Amount Recognised in the Profit and Loss Account	31.03.2013 (Rs.)	31.03.2012 (Rs.)
Interest Cost	116,532	65,921
Current Service Cost	391,270	535,821
Past Service Cost	-	-
Expected Return on Plan Assets	-	-
Curtailment Cost (Credit)	-	-
Settlement Cost (Credit)	(3,696)	(54,789)
Net Actuarial (gain) /Loss	504,106	546,953
Net Expenses recognized in P&L A/c	31.03.2013 (Rs.)	31.03.2012 (Rs.)
<b>Reconciliation</b>		
Net Liability as at the beginning of the period:	1,370,963	824,010
Net Expenses in P&L A/c	504,106	546,953
Benefits Paid	-	-
Net Liability as at the end of the period:	1,875,069	1,370,963
<b>Principal Actuarial Assumptions</b>		
Interest (Discount) Rate (Liabilities)	8.50%	8.00%
Rate of Return on Assets	N.A	N.A
Mortality Table	LIC(94-96)	LIC(94-96)
Resignation Rate per Annum	5.00%	5.00%
Salary Escalation Rate	10.00%	10.00%
<b>Experience Rated Adjustments</b>	31.03.2013 (Rs.)	31.03.2012 (Rs.)
Liability Side	3,696	54,789
Asset Side	N.A	N.A

j) Previous year figures have been regrouped & reclassified wherever necessary.

k) In the opinion of the Board of Directors Current Assets, Loans & Advances are unsecured and considered good have a value on realisation in the ordinary course of business atleast equal to the amount stated.

l) The notes referred to in the Profit & Loss Account and Balance Sheet form an integral part of accounts.

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  
FR.No.21335

Place : Chennai  
Date: 30.05.2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013**

PARTICULARS	31.03.2013 Rs.	31.03.2012 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,659,685	6,906,873
<b>Non-Cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation / Amortization	365,677	462,846
Loss / (Profit) on sale of Fixed Assets	2,513	15,187
Interest & Financial charges	1,708,177	2,077,460
Interest Income	(4,043,419)	(1,450,786)
Operating Profit before working capital changes	<b>2,692,633</b>	<b>8,011,580</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in receivables & others	50,586,725	(55,288,777)
(Increase) / Decrease in Inventories	(18,441,340)	23,201,456
Increase / (Decrease) in Current Liabilities & Provision	(5,713,116)	(21,226,547)
<b>Cash generated from / ( used in) operations</b>	29,124,902	(45,302,288)
Direct Taxes paid (net of refunds)	(1,594,754)	(2,012,975)
Net Cash flow from/ (used in) Operating Activities (A)	27,530,148	(47,315,263)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in non-current asset		
Purchase of Fixed Assets	(70,830)	(190,650)
Proceeds from sale of Fixed Asset	7,000	20,000
Interest income	4,043,419	1,450,786
Net Cash flow from/ (used in) Investing Activities (B)	39,79,589	1,280,136
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing of unsecured loans		
Increase/(Decrease) in Bank Borrowings		
Interest paid	(26,629,656)	39,078,739
Dividend Paid	(1,708,177)	(2,077,460)
Tax on Dividend	(2,189,280)	(1,962,527)
Net Cash flow from/ (used in) Financing Activities (C)	(355,156)	(355,156)
Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	(30,882,269)	34,683,596
Effect of Exchange Differences on Cash & Cash Equivalents held in Foreign Currency	6,27,468	(11,351,531)
Cash and Cash equivalents at the beginning of the year	6,168,296	17,519,827
<b>Cash and Cash equivalents at the end of the year</b>	<b>6,795,765</b>	<b>6,168,296</b>
	627,468	(11,351,531)
For and on behalf of the Board		
sd/- <b>GOVIND PRASAD</b> Chairman cum Managing Director Place : Chennai Date: 30.05.2013	sd/- <b>NAND KISHORE SONTALIA</b> Director	As per my report of even date For <b>R.R.More &amp; Co</b> Chartered Accountants sd/- <b>C.A. Raja Ram More</b> Proprietor M.No.21233 FR.No.21335



**BHAGWANDAS METALS LIMITED**  
New No. 54 (Old No. 61) 1st Floor, Sembudoss Street, Chennai – 600 001

**FORM FOR ECS MANDATE / BANK ACCOUNT DETAILS**

Members authorization to receive dividends through Electronic Credit Clearing Mechanism:

1. First / Sole Shareholder's Name	
2. (a) Registered Folio No. (If shares are not dematerialized) (b) DP ID No. Client ID No. (If shares are dematerialized)	
3. Particulars of Bank Account of First/Sole Member	
a. Bank Name	
b. Branch Name	
c. Address of the Branch with (PIN Code)	
d. Telephone Number and Fax number	
e. 9 digit MICR Code number of the Bank and Branch as appearing on the MICR cheques issued by the Bank.	
f. Account type (Savings/Current/Cash Credit with code 10/11/13)	
g. Account Number as appearing on the Cheque Book.	
h. Ledger No. / Ledger Folio No. ( if appearing on the cheque book/pass book)	

Please attach a cancelled blank cheque or photocopy of a cheque issued by your Bank for verification of the above details.  
I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I/We would not hold Bhagwandas Metals Limited responsible. I/We, understand that the Company also reserves the right to send the dividend payable to me / us by a physical dividend warrant on account of unforeseen circumstances beyond the control of the Company that may affect the payment of dividend through ECS.

Yours faithfully,

Place:  
Date:

(Name and signature of First / Sole Shareholder)

Place:  
Date:

Signature of the Branch Manager

Note:

1. Please send the duly filled in mandate form to:

i. the Depository Participant who is maintaining your demat account in case you hold shares in dematerialized form.

ii the Registrars and Share transfer Agent – M/s. Cameo Corporate Services Ltd., 'Subramanian Buildings', 1, Club House Road, Chennai 600 002, in case you hold shares in Physical form.

2. Kindly fill in all columns and send it to the Registrar, i.e. M/s. Cameo Corporate Services Ltd before 12th September, 2013. Incomplete forms shall not be entertained.

3. The ECS facility is available at present at certain specified cities only.