

# Bhagwandas Metals Limited



32nd Annual Report 2013-2014



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## BHAGWANDAS METALS LIMITED

**BOARD OF DIRECTORS** Sri Govind Prasad > Chairman-Cum-  
Managing Director  
Sri Nand Kishore Sonthalia > Whole Time Director  
Sri Chidambaram Chettiar Ramasamy Chettiar > Director  
Sri Narender Kumar Lunawat > Director  
Sri Nirmal Anraj Gadhiya > Director

**AUDITORS** **M/s. R.R. More & Co.**  
Chartered Accountants  
D-4, 1st Floor, Rams Appts  
21, Raja Annamalai Road  
Purasaiwalkam, Chennai - 600 084

**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



**BHAGWANDAS METALS LIMITED**  
**CIN: L28931TN1982PLC009418**  
**61, SEMBUDOSS STREET**  
**CHENNAI-600001**

NOTICE is hereby given that the 32nd Annual General Meeting of Bhagwandas Metals Limited will be held at Narada Gana Sabha Trust (Mini Hall) 314 (Old No. 254) TTK Road, Alwarpet, Chennai – 600018 on Thursday 18th September 2014 at 10:00a.m. to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended March 31, 2014, the Balance sheet as on that date and the reports of the Auditors and Directors thereon.
2. To appoint a Director in the place of Mr. Nand Kishore Sonthalia who retires from office by rotation and being eligible offers himself for reappointment.
3. To appoint **M/s. R.R.MORE & CO.** as statutory auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the fourth consecutive AGM and to fix their remuneration and to pass the following resolution thereof.

**RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, **M/s. R.R.MORE & CO.**, be and are hereby appointed as the auditors of the company, to hold office from the conclusion of this AGM to the conclusion of the 36th AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors.

**SPECIAL BUSINESS**

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr. Narendra Kumar Lunawath (holding 00067129) Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company to hold office upto March 31st, 2019, not liable to retire by rotation.

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification thereof for the time being in force), read with

## **Bhagwandas Metals Limited**

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Schedule IV of the Companies Act 2013 Mr. Nirmal Anraj Gadhiya (holding DIN 00678742), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company to hold office upto March 31st, 2019, not liable to retire by rotation.

### **6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under ( including any statutory modification thereof for the time being in force ),read with Schedule IV of the Companies Act 2013 Mr. Chidambaram Chettiar Ramasamy Chettiar (holding DIN 01107229), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director , be and is hereby appointed as an independent Director of the Company to hold office upto March 31st , 2019, not liable to retire by rotation.

### **7. To consider and if thought to fit to pass with or without modification(s), the following Resolution as a Special Resolution:**

RESOLVED that pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business, shall not be in excess of Rs. 50 Crores (Fifty crores) over and above the aggregate of the paid up share capital and free reserves of the Company.

### **8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution**

**“RESOLVED that** in supersession to the Ordinary Resolution passed by the Shareholders in terms of Section 293 (1) (d) and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to mortgage and / or charge, in addition to the mortgages and / or charges created / to be created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, all or any of the movable and / immovable, tangible and / or intangible properties of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the lender(s), agent(s), trustee(s) for securing the borrowings of the Company availed / to be availed by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures or bonds or other debt instruments issued / to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, together with interest at the respective agreed rates, liquidated damages, commitment charges, all other costs, charges and expenses and all other monies payable by the company in terms of loan agreement(s) or any other document



entered into / to be entered into between the company and the lender(s) in respect of the said loans / borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors and the lender(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or Committee thereof be and is hereby authorized to finalise, settle and execute such documents / deed / writings / agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to create mortgage / charge as aforesaid and also to delegate all or any of the above powers to the committee of directors or the Managing Director of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

**9. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013, and in this regard it is to consider and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with companies Rules, 2014 (including statutory modification (s) or re-enactments thereof, for the time being in force) the draft regulation contained in the Articles of Association submitted to this meeting be and is hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

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

**Place: Chennai  
Date: 30.07.2014**

**By and on behalf of Board of Directors**

**Sd/-**

**Govind Prasad  
Chairman Cum Managing Director**

**NOTES:**

1. A MEMBER TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF THE PROXY NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be filed with the Company at the Registered Office no later than forty-eight hours before the commencement of the meeting.
2. 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.
3. The Register of Members and Transfer Books of the Company will remain closed from Tuesday 09.09.2014 to Thursday 18.09.2014(both days inclusive) for the purpose of Annual General Meeting.
4. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a Green Initiative in Corporate Governance and allowed Companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email addresses for the said purpose. Hence Members are requested to register their e-mail addresses with the Company by sending their details relating to name, folio no./DP Id/Client Id to the company's email id : [bml@vsnl.net](mailto:bml@vsnl.net)
6. 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.
7. Members who hold shares in physical form are requested to dematerialize their holdings to make the Company's shares traded in normal segment.
8. Details of Dividend declared from the financial year 2010-2011 onwards 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	21.09.2012	6%	0.60 paise
2012-2013	27.09.2013	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.



a. Information pursuant to Clause 49 of the Listing Agreement for reappointment of Directors:

<b>Name of the Director</b>	<b>Nand Kishore Sonthalia</b>
Age	41 Years
Qualification	B.Com.,
Date of Appointment	31.12.2005
Experience	21 Years
No. of shares as on 31st March 2014	4,24,800
Directorship in other public companies	Deccan Estates Limited
Chairman/Member of Committees of companies	Bhagwandas Metals Limited Share Transfer Committee - Member

9. Electronic copy of the AGM Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent in the permitted mode.

#### 10. Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate, for its shareholders to enable them to cast their votes electronically at the 32nd Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. E-Voting is optional. The procedure and instructions for the same are as follows:



## Bhagwandas Metals Limited

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The Company will provide the e-voting facility through CDSL. The e-voting particulars are set out below:

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "BHAGWANDAS METALS LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li><li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li></ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li></ul>



(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for BHAGWANDAS METALS LIMITED

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

## Bhagwandas Metals Limited

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(B) The voting period begins on 9.00 A.M ON 10.09.2014 TO 5 P.M. ON 12.09.2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 08.08.2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Please note that by virtue of providing the e-voting facility by the company as per Rule 20 of Companies (Management and Administration) Rules, 2014 the following will be applicable:

(i) The manner of voting for the members being present in the General Meeting will be on "proportion principle" ie one share – one vote unlike one person one vote principle, further provision of the Companies Act, 2013 relation to demand for poll will not be relevant.

(ii) The option of voting by show of hands will not be available for members presenting the General Meeting in view of clear provision of section 107 of the Companies Act, 2013, evoting by show of hands would not be allowable in cases where Rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.

(iii) Any member who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No.4**

Mr. Narendra Kumar Lunawath aged 43 years has about 18 years of experience in the Construction Industry. He was appointed as an Additional Director of the company on 31st December 2005. He is the Member of the Audit Committee, Remuneration committee and Shareholders/ investor Grievance Committee. He holds directorship in the following companies

Directorship held in other companies	Indus City Scapes Construction(P) Ltd Indus City Properties (P) Ltd
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In terms of section 149 and any other applicable provisions of the Companies Act 2013 Mr. Narendra Kumar Lunawath, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years A notice has been received from a member proposing Mr. Narendra Kumar Lunawath as a candidate for the office of Director of the Company

In the opinion of the Board, Mr. Narendra Kumar Lunawath fulfills the conditions specified in the Companies Act 2013 and the rules made there under for his appointment as an independent director of the company and independent of the management . Copy of the draft letter for appointment of Mr. Narendra Kumar Lunawath as an independent director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day



The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Mr. Narendra Kumar Lunawath an Independent Director. Accordingly the board recommends the resolution for the appointment of Mr. Narendra Kumar Lunawath as an independent director, for the approvals by the shareholders of the company

Except Mr. Narendra Kumar Lunawath, being an appointee, none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No.4

The disclosure under clause 49 of the listing agreement with the Stock Exchange will be part of explanatory statement.

#### Item No.5

Mr. Nirmal Anraj Gadhiya was appointed as Additional Director on the Board of Directors of the Company from 23.09. 2005. Mr. Nirmal Anraj Gadhiya aged 44 years has been associated with the company as Director from 2005.He has about 18 years of experience in the construction industry. He is also a member of Audit committee, Shareholders/investors/grievance committee, remuneration committee. Mr. Nirmal Anraj Gadhiya holds directorship in the following companies

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 Deccan Green Homes Pvt. Ltd BMMT Institute of Education
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In terms of section 149 and any other applicable provisions of the Companies Act 2013 Mr Nirmal Anraj Gadhiya, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years w.e.f A notice has been received from a member proposing Mr. Nirmal Anraj Gadhiya as a candidate for the office of Director of the Company

In the opinion of the Board, Mr. Nirmal Anraj Gadhiya fulfills the conditions specified in the Companies Act 2013 and the rules made there under for his appointment as an independent director of the company and independent of the management. Copy of the draft letter for appointment of Mr. Nirmal Anraj Gadhiya as on independent director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Mr. Nirmal Anraj Gadhiya as an Independent Director. Accordingly the board recommends the resolution for the appointment of Mr. Nirmal Anraj Gadhiya as an independent director, for the approvals by the shareholders of the company

Except Mr. Nirmal Anraj Gadhiya, being an appointee, none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at **item No. 5.**

## **Bhagwandas Metals Limited**

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The disclosure under clause 49 of the listing agreement with the Stock Exchange will be part of explanatory statement.

### **Item No.6**

Mr. Chidambaram Chettiar Ramasamy Chettiar aged about 53 years is a Non- Executive Director was appointed as Additional Director on the Board of Directors of the Company on 21.05.1998. Mr. Chidambaram Chettiar Ramasamy Chettiar is a Chartered accountant and has been in practise for the Period of 30 years. Mr. Chidambaram Chettiar Ramasamy Chettiar has also expertise in Tax, finance and accounts. He is the chairman of the Audit committee, share transfer Committee and Remuneration committee.

In terms of section 149 and any other applicable provisions of the Companies Act 2013 being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years. A notice has been received from a member proposing as a candidate for the office of Director of the Company

In the opinion of the Board, Mr. Chidambaram Chettiar Ramasamy Chettiar fulfills the conditions specified in the Companies Act 2013 and the rules made there under for his appointment as an independent director of the company and independent of the management. Copy of the draft letter for appointment of Mr. Chidambaram Chettiar Ramasamy Chettiar as an independent director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Mr. Chidambaram Chettiar Ramasamy Chettiar as an Independent Director . Accordingly the board recommends the resolution for the appointment of Mr. Chidambaram Chettiar Ramasamy Chettiar as an independent director, for the approvals by the shareholders of the company

Except Mr. Chidambaram Chettiar Ramasamy Chettiar being an appointee, none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at **item No.6**.

The disclosure under clause 49 of the listing agreement with the Stock Exchange will be part of explanatory statement.

### **Item No: 7 & 8**

In order to meet the requirements of Section 293 (1) (d) and 293 (1) (a) of the Companies Act, 1956 the company has already obtained the approval of the shareholder authorising the board of directors to borrow sums in excess of paid capital and free reserves of the Company (other than temporary borrowings).

Section 180 of the Companies Act, 2013 (notified as on September 12, 2013) mandates that the aforementioned powers of the Board shall be exercised only through Special Resolution passed in the meeting of shareholders as compared to the requirement of ordinary resolution under the previous Act. Further the Ministry of Corporate Affairs vide its circular no. 04 /2014 dated 25/03/2014 have stated that the resolution passed under section 293 of the Companies



Act, 1956 , prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act.

Consequently, the Board recommends to the shareholders to pass a special resolution under Section 180(1) (c) and Section 180(1)(a) of the Companies Act, 2013, without altering the borrowing limits already approved by way of general resolution passed earlier.

Accordingly, the proposed resolution is placed before the shareholders for their approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution

#### **Item No. 9**

The existing AoA of the Company is based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act 2013 ("The Act").

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The proposed new draft AoA is would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

**DIRECTORS REPORT**

Your Directors have pleasure in presenting their report for the year ended 31st March 2014 together with the Balance sheet as at 31st March 2014 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, 2014	Audited financial Statement for the year ended March 31st, 2013
1.	Sales	61,74,95,433	53,97,69,103
2.	Profit before Interest, Depreciation, Extraordinary Items and Tax	54,99,670	67,15,968
3.	Interest	21,48,832	16,90,606
4.	Depreciation	2,80,207	3,65,677
5.	Profit before Extraordinary items and Tax	30,70,631	46,59,685
6.	Provision for taxation & Deferred Tax	9,58,000	14,46,000
7.	Profit after Extraordinary item and Tax	21,12,631	32,13,685
8.	Dividend Proposed	-	21,89,280
9.	Share Capital	3,64,68,500	3,64,68,500
10.	Reserves & Surplus	3,43,84,091	3,22,71,460

**OPERATIONS**

During the year 2013-2014, the Company has earned a net profit after tax of Rs 21.13 Lakhs as against Rs. 32.14 Lakhs earned in the previous year. On the sales front, the Company has achieved a turnover of about Rs. 6175 Lakhs during the year 2013-2014 as against Rs. 5398 Lakhs achieved in 2012-2013.

**DIVIDEND**

In order to conserve resources the board of directors have decided not to declare any dividend for the current fiscal. The profits, retained by the company during the financial year 2013-14, has been carried over to the Reserves and Surplus Account.

**DIRECTORS**

The Company has, pursuant to the provisions of clause 49 of the Listing Agreement entered into with the Stock Exchange has appointed Mr.Narendra Kumar Lunawath, Mr.Nirmal Anraj Gadhiya and Mr.Chidambaram Chettiar Ramasamy Chettiar as Independent Directors of the Company. The Company has received declarations from the appointee independent directors, that they meet the criteria of independence, as prescribed both under sub-section (6) of Section 149 of the Companies Act 2013 and under the said clause 49. In accordance with the provisions of section 149(4) and section 152 (5) of the Companies Act,2013 the above persons are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

Mr.Nand Kishore Sonthalia is retiring at this meeting by rotation and being eligible, offer himself for reappointment.



## AUDITORS

**M/s. R.R.More & Co.** Chartered Accountant, 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.

## 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, Technology Absorption and Foreign Exchange inflow & Outgo:

Prescribed particulars under Section 217(1)(e) of the Companies Act, 1956 are furnished as follows.

INFORMATION AS PER SEC.217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2014

### A. CONSERVATION OF ENERGY

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

### B. TECHNOLOGY ABSORBPTION

- 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



## Bhagwandas Metals Limited

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- 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 - NIL
  - 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-

(i) Activities relating to Exports, Initiatives taken to increase Exports, Developments of new Export Market for products and Services and Export Plans:

The Company has not undertaken any export activities.

(ii) Total Foreign Exchange used and earned:

	In Rs.	In Rs
	2013-14	2012-2013
Earnings in Foreign Exchange	-	-
Expenditure in Foreign Currency	-	-
CIF Value of Imports	9,10,27,719	5,65,85,622

### 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.

### Director's Responsibility Statement:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that

- in the preparation of the annual accounts for the financial year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation related to material departures, if any.



- they have selected such accounting policies and applied them consistently and made judgements and estimates that 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, 2014 and of the profit and loss of the company for that period.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts are 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 provisions of the Companies Act, 1956 /2013 Act, 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 the Companies Act, 1956/2013 .

### **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 behalf of the Board of Directors  
Sd/-

Place: Chennai

**Govind Prasad**  
Chairman-cum-Managing Director

Date: 30.07.2014

**ANNEXURE A TO DIRECTORS REPORT --- REPORT ON CORPORATE GOVERNANCE:**

**1. Company's Philosophy on Code of Governance:**

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

**2. Board of Directors:**

**Composition and category of Board of Directors**

The Board of Directors of the company comprises of Executive and Independent Directors. In all there are Five Directors, Two executive, and three independent directors.

As on 31st March 2014, the composition of the Board of Directors of the Company meets the stipulated requirements of Clause 49 of the Listing Agreement of the Stock Exchanges. The Board is responsible for the management of the business and meets regularly for discharging its role and functions.

**Number of Board Meetings held on the following dates:-**

During the financial year 2013-2014 viz., from 1st April 2013 to 31st March 2014 four (4) Board meetings were held on the following dates: 30 May 2013, 29 July 2013, 29 October 2013 and 03 February 2014. The Annual General Meeting was held on 27 September 2013

The composition and membership on other Boards, Committees of Directors and attendance of Directors at the Board of Directors Meetings held during the Financial Year 2013-2014 and the last AGM held on 27.09.2013 is given below.



Name of the Director	Category	Attendance Particulars		Number of Directorships in other Public companies and Committee Members / Chairmanships		
		Board Meetings	Last AGM (Yes / No)	Other Directorships	Committee Memberships (other than NOL)	Committee Chairmanships (other than NOL)
Govind prasad	Chairman cum Managing Director – Executive	4	Yes	-	-	-
Nand Kishore Sonthalia	Whole time director	4	Yes	1	-	-
Narendra Kumar Lunawath	Non-Executive Independent Director	3	Yes	2	-	-
Nirmal anraj gadhiya	Non-Executive Independent Director	3	Yes	7	-	-
Chidambaram Chettiar Ramasamy Chettiar	Non-Executive Independent Director	4	Yes	-	-	-

### 3. BOARD COMMITTEES:-

#### A. Audit Committee:

##### Charter:-

The Primary object of Audit Committee of the company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

##### Composition:-

The Audit committee comprises of the following three Non-Executive Independent Directors of the company:

Name of the Director	Category of Membership
Mr. Chidambaram Chettiar Ramasamy Chettiar	Chairman
Mr. Nirmal Anraj Gadhiya	Member
Mr. Narendra Kumar Lunawat	Member

## Bhagwandas Metals Limited

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Terms of reference: The major terms of reference of this committee are as under:-

- \* Reviewing with management the financial statements before submission of the same to the Board.
- \* Overseeing of company's financial reporting process and disclosures of its financial information.
- \* Reviewing the adequacy of the internal Audit Function.
- \* Recommendation and Removal of Statutory Auditor and Fixation of audit Fees.
- \* Reviewing the Reports furnished by the statutory auditors and ensuring suitable follow up thereon.

### Meeting and Attendance of the Committee:-

During the financial year four Audit Committee meetings were held on the following dates **30 May 2013, 29 July 2013, 29 October 2013 and 03 February 2014.**

The Attendance of Directors at the Audit Committee Meetings held during the year 2013-2014 is given below:

Name of the Director	Category of Membership	Attendance Particulars	
		Meetings Held	Meetings Attended
Mr. Chidambaram Chettiar Ramasamy Chettiar	Chairman	4	4
Mr. Nirmal Anraj Gadhiya	Member	4	3
Mr. Narendra Kumar Lunawat	Member	4	3

### B. Remuneration Committee:

The Remuneration Committee comprises of three non-executive Directors viz.:

Mr. Chidambaram Chettiar Ramasamy Chettiar	Chairman
Mr. Nirmal Anraj Gadhiya	Member
Mr. Narendra Kumar Lunawat	Member

### Terms of reference:

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.  
No meeting of the Remuneration Committee was held during the year.

### 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. The details of the remuneration paid/payable to the Directors during the Financial Year 2013-2014, shareholding and relationship with Directors are as under:

Name of the Director	Salary & Perquisites (Rs.)	Sitting Fees (Rs.)	No. of shares held as on 31.3.2014	Relationship with Directors
Mr. Govind Prasad	15,00,000		697459	Father of Mr. Nand Kishore Sonthalia
Mr. Nand Kishore Sonthalia	12,17,615		424800	Son of Mr. Govind Prasad
Mr. C. Ramasamy	-	6500	200	-
Mr. Narendra Lunawath	-	3750	-	
Mr. Nirmal Gadhiya	-	3750	1200	-

### C. Shareholders/Investors Grievance and Share Transfer Committee:

#### Composition:-

The Shareholders / Investors Grievance and Share Transfer Committee comprises of:

Mr. Chidambaram Chettiar Ramasamy Chettiar	Chairman
Mr. Nirmal Anraj Gadhiya	Member
Mr. Narendra Kumar Lunawat	Member

The terms of reference of this committee are as under:-

The shareholders/investor grievance and share transfer committee specifically looks into redressing of shareholder's and investor's complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividend, non-receipt of annual report and to ensure expeditious share transfers.

#### Meeting and Attendance of the committee:-

The Committee oversees the performance of share transfer and recommends measures to improve the shareholders/investors service. The said Committee met 3 times during the year 2013-2014.

#### Shareholders queries received and replied in 2013-2014.

During the Financial Year 2013-2014, 4 complaints were received from shareholders and were replied/redressed to the satisfaction of the investors. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31st March 2014.

In case of any investor complaint, shareholders are requested to address the same to [investorgrievance@metal-bml.com](mailto:investorgrievance@metal-bml.com)

**4. General Body Meetings:**

The particulars of Annual General Meetings held during the last three years are as under:

Year	Date and Time	Venue
2010-2011	22nd September 2011 at 10:00 a.m	Rani Seetha Hall,603, Anna Salai, Chennai-6
2011-2012	21st September 2012 at 10:00 a.m	Narada Gana Sabha Trust (Mini Hall) 314,(Old No.254) TTK Road, Alwarpet, Chennai -600 018
2012-2013	27th September 2013 at 10:00 a.m	Narada Gana Sabha Trust (Mini Hall) 314 (Old No. 254) TTK Road, Alwarpet, Chennai – 600018

**I) Special Resolution Passed in the Past three AGM's:-**

**2012-2013: NIL**

**2011-2012: NIL**

**2010-2011:- NIL**

**II) Postal Ballots:**

No resolutions were passed through Postal Ballot during the financial year under review.

**5. Disclosures:**

- a. Related Party Transactions: The Company has not entered into any transactions of a material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc, that may have potential conflict with the interests of the Company except those that have been disclosed. The necessary disclosures regarding the transactions are given in the point no. 2.23 of the Notes to the Accounts.
- b. There are no instances of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock exchanges or SEBI or any statutory authority on any matter related to Capital Markets during the last three years.
- c. Disclosure on accounting treatment: No differential treatment from the Accounting standards was followed in the preparation of the financial statements.
- d. The company does not have a Whistle Blower Policy and no employee has been denied access to approach the audit committee to report any serious concerns.
- e. 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.
- f. No money has been raised through Public / Right / Preferential issue during the financial year ended 31st March 2014,



## 6. Means of Communication:

The Quarterly, Half Yearly and 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.

## 7. MANAGEMENT DISCUSSION AND ANALYSIS 2013-2014

### OVERVIEW

The following operating and financial review is intended to convey the management's perspective on the financial condition and on the operating performance of the Company as at the end of the Financial Year 2013-14. The Company's financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India.

### GLOBAL STEEL INDUSTRY

In 2013, global steel demand grew by 3.6% to 1.48 billion tonnes due to improved performance in the developed economies especially in North America and Euro Zone in the second half of the year. It would be important to note that while China has been one of the key engines of global growth in the last decade, it is now looking at a more sustainable model of growth in the next decade rather than pursuing absolute growth. The impact of the above shift will be felt across regions especially those economies that are dependent on commodities and exports to China for sustenance. The economic recovery therefore remains fragile due to divergent underlying supply demand conditions across different regions. Despite some signs of recovery in global steel demand, continued volatility and uncertainty make it a challenging environment for steel companies.

### Steel Industry in India

In 2013, India remained the 4th largest steel producing country in the world, behind China, Japan and the US. Crude steel production grew by 4.6% to 81.2 million tonnes and steel demand grew by 1.8%. India's GDP growth has slowed down to 5% in 2013 on account of rising inflation and tight monetary controls. This has led to weak domestic steel demand, which grew by 3.3% in 2013 in spite of rise in demand in the last quarter. This has resulted in India becoming the net exporter of steel in Financial Year 2013-14 after a gap of six years. Total steel exports by India during the Financial Year stood at 5.59 million tonnes, as against imports of 5.44 million tonnes as per the report issued by Joint Plant Committee (JPC), a unit of the steel ministry. India's GDP is expected to grow by 5% and steel demand is expected to grow by 3.3% in 2014.

### OUTLOOK

In Financial Year 2014-15, while greater financial stability is expected in the advanced economies, growth will remain subdued in emerging and developing economies. Financial Year 2013-14 has been a challenging year with subdued economic growth, as a result of higher inflation, higher interest rates, lower industrial growth and lower investments in the country, along with the poor condition of the global economy. However, the Indian economy is expected to perform comparatively well in the coming years. With a stable government at the centre, significant policy changes are anticipated in the near future.



**RISKS, OPPORTUNITIES AND THREATS:**

While the steel consumption growth in India has been relatively resilient, slowing economic growth has meant a moderation in steel consumption growth rates. Despite the challenging economic conditions, Company has consistently grown its volumes across customer segments.

**INTERNAL CONTROL SYSTEMS:**

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.

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

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

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

**STATUTORY COMPLIANCE:**

The Managing Director makes a declaration at each Board Meeting regarding the compliance with provisions of various statutes after obtaining confirmation from all the units of the company. The Company ensures compliance with the SEBI regulations and provisions of the Listing Agreement. The Compliance Officer ensures compliance with the guidelines on the insider trading for prevention of insider trading.

**CAUTIONARY STATEMENT:**

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

**General Shareholders Information:**

- (i) Date of Annual General Meeting : 18.9.2014  
Time : 10:00.AM  
Venue : Narada Gana Sabha Trust (Mini Hall) 314  
(Old No. 254) TTK Road, Alwarpet,  
Chennai – 600018



## (ii) Financial Calendar :

Results for the quarter ending June 30, 2014	Within 45 days from the end of the quarter
Results for the quarter ending September 30, 2014	Within 45 days from the end of the quarter
Results for the quarter ending December 31, 2014	Within 45 days from the end of the quarter
Results for the quarter ending March 31, 2015	Audited Results within 60 days from the end of the quarter
Annual General Meeting	2nd and 3rd week of September 2015

(iii) Book-Closure Date : 09.09.2014 to 18.09.2014.

(iv) Listing on the Stock Exchanges : The Equity shares of the Company are listed in the Bombay Stock exchange and Madras Stock Exchange. The company confirms that it has paid annual listing fees to all the stock exchanges for the year 2013 - 2014.

The shares of the company are also traded in National Stock Exchange through MOU between Madras Stock Exchange and National Stock Exchange.

## (v) Listing on Stock Exchange

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

- i. Madras Stock Exchange Limited  
Exchange Building 11, Second line Beach, Chennai - 600001
- ii. Bombay Stock Exchange, P.J.Towers, Dalal Street, Fort, Mumbai - 400001  
The Company has paid the listing fees to the above stock exchanges for the financial year 2014 - 2015. Script code : 530095

## Bhagwandas Metals Limited

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### (vi) Stock Market Data:-

Bombay Stock Exchange : High and Low quotations of the Company's shares during the period 1st April 2013 to 31st March 2014:

Month	Bombay Stock Exchange (BSE)		Madras Stock Exchange	
	High	Low	High	Low
	Stock code : 530095		Stock code : BHAGWANMET	
April 2013	9.45	8.26	Not quoted	
May 2013	10.77	9.05	Not quoted	
June 2013	11.19	11.19	Not quoted	
July 2013	11.25	9.21	Not quoted	
August 2013	10.00	9.10	Not quoted	
September 2013	10.02	8.20	Not quoted	
October 2013	8.60	7.50	Not quoted	
November 2013	8.26	7.60	Not quoted	
December 2013	8.37	7.98	Not quoted	
January 2014	8.40	8.00	Not quoted	
February 2014	8.00	7.55	Not quoted	
March 2014	7.92	7.51	Not quoted	

**(vii) Registrar and Share Transfer Agents :** M/s. Cameo Corporate Service Limited.  
"Subramanian Buildings"  
1, Club House Road, Chennai- 600 002  
Contact No. 044-28460390  
Fax No. 044-28460129

**(viii) Share Transfer System:** Presently the share transfer documents which are received by the Company are processed, approved and kept ready for despatch within 15 days from the date of the receipt.



## (ix) Distribution of Shareholding as on 31.3.2014:

Share or Debenture holding (Rs.)	No. of shareholders	% to total	Share/Debenture Amount (Rs.)	% to total
10 – 5000	2001	82.7544	3842560	10.5313
5001-10000	189	7.8164	1585970	4.3465
10001-20000	142	5.8727	2090400	5.7290
20001-30000	28	1.1579	724920	1.9867
30001-40000	14	0.5789	498880	1.3672
40001-50000	11	0.4549	525560	1.4403
50001-100000	17	0.7031	1231620	3.3754
100001 & above	16	0.6617	25988090	71.2236
Total	2418	100.0000	36488000	100.0000

## (xi) Shareholding Pattern as on 31.3.2014:

Category	No. of Shares Held	Percentage of Share holding
<b>A.PROMOTER HOLDING</b>		
1.Promoters		
Indian Promoters	2299184	63.0120%
Foreign Promoters	NIL	
2.Persons acting in concert	NIL	
Sub-Total	2299184	63.0120%
<b>B.Non-Promoters Holding</b>		
3. Institutional Investors	NIL	NIL
a. Mutual Funds and UTI	NIL	NIL
b.Banks, financial Institutions, Insurance Companies (central/state Govt.Institutions/Non-government Institutions)	NIL	NIL
c. FIIs	NIL	NIL
Sub-Total	NIL	NIL
4. a. Body Corporates	55790	1.5290%
b. Indian Public	1264363	34.6515%
c. Clearing Member	300	0.0082%
d. Hindu Undivided Family	6955	0.1906%
e. NRI	22208	0.6086%
f. Independent Directors	-	-
g.Any other	-	-
Sub-Total	1349616	36.9879%
Grand Total	3648800	100.000%

**10. GODOWN ADDRESS**

Sadayankuppam Village Road,  
Manali, Chennai 600103

**11. ADDRESS FOR CORRESPONDANCE**

New no 54 (old No 61) Sembudoss street  
First floor, Chennai 600001

**12. E-Mail ID of Investor Grievance redressal cell: [grievancesredressal@metal-bml.com](mailto:grievancesredressal@metal-bml.com)**

**13. Non-Mandatory Requirements:**

- a. Chairman of the Board: The Company maintains the office of the Executive Chairman at its Corporate Office and also reimburses the expenses incurred in performance of duties.
- b. The Board has duly 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 skills and also to recommend suitable salary package.
- c. Shareholder 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 to the audited accounts through annual reports
- d. Audit qualifications: The company has no audit qualifications in the financial statements.
- e. Training of Board members: Periodical meetings are held with skilled consultancy agencies for the Board members to appraise them in recent developments and existing laws and practices
- f. Mechanism of evaluating Non-executive directors: Same as above.
- g. Whistle Blower Policy: As mentioned earlier, the Company does not have a Whistle blower policy.

**14. Code of conduct:**

We hereby declare that the code of conduct for all the members of the Board and senior management of the Company has been framed and all Board and senior management have affirmed compliance of the Code.

**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.

Place : Chennai  
Date : 30.07.2014

For and on behalf of Board of directors  
Sd/-  
**GOVIND PRASAD**  
Chairman- Cum-Managing Director.



**ANNEXURE D TO DIRECTORS REPORT**

**MANAGING DIRECTOR/WHOLE TIME MANAGING DIRECTOR CERTIFICATION**

Dear Sirs,

In connection with the Audited Financial Results for the Financial Year ended 31st March, 2014, we Govind Prasad, Chairman cum Managing Director and Mr. 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, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:

(i) 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, wherever applicable

- significant changes in internal control over financial reporting during the year;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- 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 Sonthalia**  
Whole time Director

**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.**

I have examined the compliance of the conditions of Corporate Governance by M/s. Bhagwandas Metals Limited for the year ended 31.03.14 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. My 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 my opinion and to the best of my information and explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that no investor grievances are pending for a period exceeding one month against the Company as certified by the Registrars of the Company.

I 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 : 29.05.14

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



To,

The Members of,

**M/s. BHAGWANDAS METALS LIMITED**

**Report on the Financial Statements**

I have audited the accompanying financial statements of M/s. Bhagwandas Metals Limited, which comprise the Balance Sheet as at 31st March, 2014, 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 notified under the Companies Act, 1956("the Act") read with the General circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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**

My responsibility is to express an opinion on these financial statements based on our audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I 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, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



**Opinion**

In my opinion and to the best of our information and according to the explanations given to me, 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, 2014; 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, I 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, I report that:
  - (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - (b) In my 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 my 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, 2014 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2014 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 : 29.05.14

**C.A. Raja Ram 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 me and books and records examined by me in normal course of audit and to the best of my information and belief, I 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 my 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 my opinion and according to the information and explanation given to me, 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 my examination and according to the information and explanations given to me, I have neither come across nor have I been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- 5) a. According to the information and explanations given to me I am 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 my opinion and according to the information and explanations given to me, the transactions in pursuance of contracts or agreements entered into the register maintained under section 301 of the act have been made at prices which are generally reasonable considering the strategic relationship and having regard to the prevailing market prices at the relevant time.

- 6) The Company has not accepted any deposits under the provisions of Section 58A 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 me and according to the books and records as produced and examined by me, in my 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 2014 according to the records of the Company and information and explanations given to me, 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 me and based on the documents and records produced to me, 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 my 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 me, 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 me, the loans have been applied for the purpose for which they were obtained.
- 16) According to the information and explanations given to me, and on an overall examinations of the Balance Sheet and Cash Flow Statement of the Company, I 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, I report that no fraud on or by the Company has been noticed or reported that during the course of my audit.

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

Place : Chennai  
Date : 29.05.14

**C.A. RAJA RAM MORE**  
Proprietor  
Membership No. 21233  
FR. No. 2133S

**Bhagwandas Metals Limited**

**Bhagwandas Metals Limited**  
54, (Old no.61), Sembudoss Street, Chennai - 600001  
**BALANCE SHEET AS ON 31.03.2014**

	<b>PARTICULARS</b>	<b>Note No.</b>	<b>31.03.2014 Rs.</b>	<b>31.03.2013 Rs.</b>
I.	<b>EQUITY AND LIABILITIES</b>			
1.	<b>Shareholders' funds</b>			
	(a) Share Capital	2.1	3,64,68,500	3,64,68,500
	(b) Reserves and Surplus	2.2	3,43,84,091	3,22,71,460
2.	<b>Non- current liabilities</b>			
	(a) Long term provisions	2.3	18,83,484	18,75,069
3.	<b>Current Liabilities</b>			
	(a) Short term borrowings	2.4	3,59,31,036	1,30,91,691
	(b) Trade payables	2.5	1,77,89,575	3,66,57,083
	(c) Other current liabilities	2.6	12,91,328	4,55,102
	(d) Short term provisions	2.7	10,20,701	42,28,489
	<b>TOTAL</b>		<b>12,87,68,715</b>	<b>12,50,47,394</b>
II.	<b>ASSETS</b>			
1.	<b>Non-current assets</b>			
	(a) Fixed assets	2.8		
	(i) Tangible assets		9,38,413	12,18,620
	(ii) Intangible assets			
	(iii) Capital work-in-progress			
	(b) Non-current investments	2.9	30,00,000	30,00,000
	(c) Deferred Tax Asset (Net)	2.10	7,02,000	6,90,000
	(d) Long-term loans and advances	2.11	1,72,26,375	1,72,19,348
2.	<b>Current assets</b>			
	(a) Inventories	2.12	1,87,45,231	,240,51,690
	(b) Trade receivables	2.13	8,28,31,298	6,23,54,770
	(c) Cash and Bank Balances	2.14	25,93,352	67,95,765
	(d) Short-term loans and advances	2.15	2,14,726	62,53,257
	(e) Other current assets	2.16	25,17,320	34,63,944
	<b>TOTAL</b>		<b>12,87,68,715</b>	<b>12,50,47,394</b>
	See accompanying notes to the financial statements	1 & 2		

For and on behalf of the Board

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

sd/-  
**GOVIND PRASAD**

sd/-  
**NAND KISHORE SONTHALIA**

sd/-  
**C.A. Raja Ram More**

Chairman cum Managing Director

Director

Proprietor

Place : Chennai  
Date: 29.05.2014

M.No.21233  
FR. No. 2133S



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014

	PARTICULARS	Note No.	31.03.2014 Rs.	31.03.2013 Rs.
I	<b>Revenue from operations:</b>			
	Sale of Products	2.17	61,74,95,433	53,97,69,103
II	Other Income	2.18	20,36,151	41,90,485
III	<b>Total Revenue (I + II)</b>		<b>61,95,31,584</b>	<b>54,39,59,588</b>
IV	<b>Expenses</b>			
	Purchases of Stock in Trade	2.19	59,43,55,346	54,24,31,158
	Changes in inventories of finished goods, work in progress and Stock-in- trade	2.19	53,06,459	(1,84,41,340)
	Employee benefits expense	2.20	46,51,698	50,68,876
	Finance Costs	2.21	26,49,439	17,08,177
	Depreciation and amortization expense	2.8	2,80,207	3,65,677
	Other expense	2.22	92,17,804	81,67,355
	<b>Total Expense</b>		<b>61,64,60,953</b>	<b>53,92,99,903</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>30,70,631</b>	<b>46,59,685</b>
VI	<b>Exceptional Items</b>			
VII.	<b>Profit before extraordinary items and tax (V-VI)</b>		<b>30,70,631</b>	<b>46,59,685</b>
VIII	<b>Extraordinary Items</b>		-	
IX	<b>Profit before tax (VII-VIII)</b>		<b>30,70,631</b>	<b>46,59,685</b>
X	<b>Tax expense:</b> (1) Current tax (2) Deferred tax		9,70,000 (12,000)	16,20,000 (1,74,000)
XI	<b>Profit/(Loss) for the period from continuing operations (IX - X)</b>		<b>21,12,631</b>	<b>32,13,685</b>
XII	<b>Profit/(Loss) for the period from discontinuing operations</b>			
XIII	<b>Tax expense of discontinuing operations</b>			
XIV	<b>Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)</b>		-	-
XV	<b>Profit/(Loss) for the period (XI + XIV)</b>		<b>21,12,631</b>	<b>32,13,685</b>
XVI	<b>Earnings per equity share:</b> (1) Basic (2) Diluted		0.58 0.58	0.88 0.88
	See accompanying notes to the financial statements	1 & 2		
For and on behalf of the Board			As per my report of even date For R.R. More & Co Chartered Accountants	
	sd/- <b>GOVIND PRASAD</b> Chairman cum Managing Director Place : Chennai Date: 29.05.2014	sd/- <b>NAND KISHORE SONTHALIA</b> Director	sd/- <b>C.A. Raja Ram More</b> Proprietor M.No.21233 FR. No. 2133S	

**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**

**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.


**NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014**
**Note No: 2.1 - SHARE CAPITAL**

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
<b>Authorised Share Capital</b> 5000000 Equity Shares of Rs 10/- each		50,000,000		50,000,000
<b>Issued, Subscribed and Paid up Capital</b> 3648800 Equity Shares of Rs 10/- each Less : Calls Unpaid		3,64,88,000 19,500		3,64,88,000 19,500
<b>TOTAL</b>		<b>3,64,68,500</b>		<b>3,64,68,500</b>

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

Particulars	Number of Shares	Amount Rupees	Number of Shares	Amount Rupees
Opening Share Capital	36,48,800	364,88,000	36,48,800	364,88,000
Add: Shares issued During the year	-	-	-	-
Add: Rights / Bonus Shares Issued	-	-	-	-
<b>Total</b>	<b>36,48,800</b>	<b>364,88,000</b>	<b>36,48,800</b>	<b>364,88,000</b>
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Closing Share Capital	36,48,800	364,88,000	36,48,800	364,88,000

**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	5,44,314	14.92	5,16,059	14.14
Gita agarwal	6,00,459	16.46	5,44,612	14.93
Nand Kishore Sonthalia	4,24,800	11.64	4,24,800	11.64
Bobby Sonthalia	3,22,542	8.84	3,22,542	8.84
M.Premajain			1,98,647	5.44

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



## Bhagwandas Metals Limited

### Note No: 2.2 - RESERVES AND SURPLUS

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
<b>a) General Reserve</b>				
Balance as per Last Financial Statement		5,51,864		5,51,864
<b>b) Share Premium Account</b>				
Balance as per Last Financial Statement		2,16,68,500		2,16,68,500
<b>c) Surplus/ (Deficit) in the statement of Profit and Loss</b>				
Balance as per Last Financial Statement	1,00,51,096		93,98,759	
Add: Profit During The Year	21,12,631		32,13,685	
Less: Appropriations				
Proposed Dividend - Re0.60 per share ( Re.0.60 )	-		21,89,280	
Tax on proposed Dividend	-		3,72,068	
Closing Balance		1,21,63,727		1,00,51,096
<b>TOTAL</b>		<b>3,43,84,091</b>		<b>3,22,71,460</b>

### Note No: 2.3 - LONG TERM PROVISIONS

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
Provision for employee benefits		18,83,484		18,75,069
<b>TOTAL</b>		<b>18,83,484</b>		<b>18,75,069</b>

### Note No: 2.4 - SHORT TERM BORROWINGS

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
<b>a) Loans repayable on demand</b>				
<b>(i) From Bank</b>				
Cash Credit from Punjab National Bank - (Secured)		2,27,29,767		1,30,91,691
LC from Punjab National Bank - (Secured)		1,32,01,269		-
<b>TOTAL</b>		<b>3,59,31,036</b>		<b>1,30,91,691</b>
<b>The above amount includes:-</b>				
Secured Borrowings		3,59,31,036		1,30,91,691
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	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
<b>Trade Payables</b>				
For Goods		1,07,77,660		2,97,24,847
For Expenses (MSM Enterprise disclosure Refere Note No. 2.23. f)		69,79,962		69,28,372
<b>Others</b>				
For Statutory Dues		31,953		3,864
<b>TOTAL</b>		<b>1,77,89,575</b>		<b>3,66,57,083</b>

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

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
Advance received from customers		6,39,204		8,834
Unpaid dividend		6,52,124		4,46,268
<b>TOTAL</b>		<b>12,91,328</b>		<b>4,55,102</b>

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

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
Provision for Taxation		9,73,770		16,22,625
Proposed Dividend		-		21,89,280
Tax on Dividend		-		3,72,068
Bonus		46,931		44,516
<b>TOTAL</b>		<b>10,20,701</b>		<b>42,28,489</b>

Note No: 2.8 - FIXED ASSETS

SR. NO.	DESCRIPTION OF ASSETS	DEPRECIATION RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			COST AS ON 01.04.2013	ADDITION DURING THE YEAR	ADJUSTMENTS DURING THE YEAR	TOTAL COST AS AT 31.03.2014	DEPRECIATION AS AT 01.04.2013	ADDITION DURING THE YEAR	DEPRECIATION ADJUSTMENTS	TOTAL DEPRE. AS AT 31.3.2014	AS AT 31.03.2014	AS AT 31.03.2013
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
	Tangible Assets:-											
1	CUTTING & STRENGTHENING MACHINERY	13.91%	243,660	-	-	2,43,660	1,80,367	8,804	-	1,89,171	54,489	63,293
2	FURNITURE & FIXTURES	18.91%	6,82,835	-	-	6,82,835	6,42,218	7,681	-	6,49,899	32,936	40,617
3	OFFICE EQUIPMENT	13.91%	7,29,179	-	-	7,29,179	5,41,814	26,062	-	5,67,876	1,61,303	1,87,365
4	COMPUTER	40.00%	5,14,452	-	-	5,14,452	4,00,621	45,532	-	4,46,153	68,299	1,13,831
5	AIR CONDITIONER	13.91%	3,49,362	-	-	3,49,362	1,95,018	21,469	-	2,16,487	1,32,875	1,54,344
6	VEHICLES	25.89%	22,70,246	-	-	22,70,246	16,11,076	1,70,659	-	17,81,735	4,88,511	6,59,170
			47,89,734	-	-	47,89,734	35,71,114	2,80,207	-	38,51,321	9,38,413	12,18,620
	Intangible Assets:-		-	-	-	-	-	-	-	-	-	-
	Total		47,89,734	-	-	47,89,734	35,71,114	2,80,207	-	38,51,321	9,38,413	12,18,620
	Previous Year		47,72,964	70,830	(54,060)	47,89,734	32,49,984	3,65,677	(44,547)	35,71,114	12,18,620	15,22,980

**Note No: 2.9 - NON-CURRENT INVESTMENTS**

Particulars	31.03.2014		31.03.2013	
	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)		30,00,000		30,00,000
<b>Total Non- Current Investment</b>		<b>30,00,000</b>		<b>30,00,000</b>
<b>Aggregate amount of Unquoted Investment</b>		<b>30,00,000</b>		<b>30,00,000</b>

**Note No: 2.10 - DEFERRED TAX ASSET**

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
<b>Deferred Tax Assets</b>				
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting		1,20,000		1,11,000
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.		5,82,000		5,79,000
<b>Deferred Tax Asset (Net)</b>		<b>7,02,000</b>		<b>6,90,000</b>

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

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
<b>Unsecured Considered Good:</b>				
Deposits		49,25,348		49,19,348
Other Loans & Advances		1,23,01,027		1,23,00,000
<b>TOTAL</b>		<b>1,72,26,375</b>		<b>1,72,19,348</b>

## Bhagwandas Metals Limited

### Note No: 2.12 - INVENTORIES

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
<b>( As certified by the management)</b>				
Traded Goods		1,87,45,231		2,40,51,690
<b>TOTAL</b>		<b>1,87,45,231</b>		<b>2,40,51,690</b>

### Note No: 2.13 - TRADE RECEIVABLES

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
<b>Over Six Months - From Due Date</b>				
Good		1,36,94,446		1,20,29,909
Doubtful		-		-
<b>Below Six Months - From Due Date</b>				
Good		6,91,36,852		5,03,24,861
Doubtful		-		-
Less : Provision for Doubtful Debts		-		-
<b>TOTAL</b>		<b>8,28,31,298</b>		<b>6,23,54,770</b>

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

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
<b>(i) Cash and Cash Equivalents</b>				
Balance with Banks				
- In Current Accounts		61,620		68,582
- In Deposit Accounts		14,72,067		59,62,110
Cash on Hand		3,38,132		2,54,745
<b>(ii) Earmarked Balances with bank</b>				
Punjab National Bank - Dividend a/c 2011 - 12		2,24,353		2,24,533
Punjab National Bank - Dividend a/c 2012 - 13		2,17,613		2,21,735
Punjab National bank - Dividend a/c 2013 - 14		2,10,158		-
<b>(iii) Other Bank Balance</b>				
- As Margin Money		69,409		64,060
		<b>25,93,352</b>		<b>67,95,765</b>
Deposit account with less than 12 months maturity		11,62,067		59,62,110

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

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
Advances to Suppliers		-		54,96,947
Prepaid Insurance		52,372		50,110
Prepaid Interest		69,754		-
Advances Staff		92,600		2,76,200
Advance to others		-		4,30,000
<b>TOTAL</b>		<b>2,14,726</b>		<b>62,53,257</b>

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

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
Income Tax		20,93,271		27,35,313
Value Added Tax		2,59,413		5,63,996
Custom SAD Refund Receivable		1,64,636		1,64,635
<b>TOTAL</b>		<b>25,17,320</b>		<b>34,63,944</b>

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

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
<b>Indigenous Sales</b>				
Traded Goods - Iron & Steel		61,74,95,433		53,97,69,103
<b>TOTAL</b>		<b>61,74,95,433</b>		<b>53,97,69,103</b>

**Note No: 2.18 - OTHER INCOME**

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
Interest Earned		19,89,537		40,43,419
Sundry Credit & Debit Balance written off		(15,711)		1,43,389
Profit on Sale of Fixed Assets		-		3,677
Fores Gain / Loss Account		62,325		-
<b>TOTAL</b>		<b>20,36,151</b>		<b>41,90,485</b>

## Bhagwandas Metals Limited

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

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
Purchase of Trading Materials - Iron & Steel		56,96,00,181		53,80,76,933
Carriage Inward		12,95,482		9,81,872
Custom Duty		2,03,61,059		28,58,004
Clearing & Forwarding		30,98,624		5,14,349
<b>TOTAL</b>		<b>59,43,55,346</b>		<b>54,24,31,158</b>
<b>Change in Stocks</b>				
<b>Stock at Commencement</b>				
Traded goods - Iron & steel		2,40,51,690		56,10,350
<b>Less: Stock at Close</b>				
Traded goods - Iron & steel		1,87,45,231		2,40,51,690
Stock Decreased /( Increased ) by		<b>53,06,459</b>		<b>(1,84,41,340)</b>

### Note No: 2.20 - EMPLOYEE BENEFITS EXPENSES

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
Salaries & Other Benefits		13,57,165		12,79,623
Gratuity		8,415		5,04,106
Staff Welfare Expenses		60,608		68,432
EPF & ESI Contribution		5,07,895		5,02,893
Director's Remuneration & Related Expenses		27,17,615		27,13,822
<b>TOTAL</b>		<b>46,51,698</b>		<b>50,68,876</b>

### Note No: 2.21 - FINANCE COSTS

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
LC & Bank Charges		5,00,607		17,571
Interest		21,48,832		16,90,606
<b>TOTAL</b>		<b>26,49,439</b>		<b>17,08,177</b>

**Note No: 2.22 - OTHER EXPENSES**

Particulars	31.03.2014		31.03.2013	
	Rupees	Rupees	Rupees	Rupees
Audit Fee		22,472		22,884
Advertisement		46,100		64,770
Bad Debts		78,981		-
Brokerage & Commission		3,64,369		3,35,452
Carriage Outward & Cooly Charges		44,54,980		38,47,293
Sales Promotion		1,44,899		1,94,039
Donation		16,100		16,000
Electricity Charges		1,64,731		1,30,104
General Expenses		1,40,628		1,65,215
Insurance		62,545		64,325
Loss on sale of fixed assets		-		6,190
Other Miscellaneous Expenses		1,72,052		1,66,958
Postage & Telephone Charges		3,07,438		2,31,248
Printing & Stationery		1,27,553		1,05,408
Professional Charges		6,62,257		3,32,770
Legal charges		3,58,400		1,29,176
Rates & Taxes		2,01,702		3,01,591
Rent		12,15,240		12,15,240
Repairs & Maintenance		97,766		1,08,401
Subscription Charges		62,803		68,547
Service Charges		29,471		26,870
Travelling, Conveyance		1,40,869		2,24,282
Vehicle Running & Maintenance		2,61,884		3,22,250
Share transfer expense		70,564		70,842
Sitting Fees		14,000		17,500
		<b>92,17,804</b>		<b>81,67,355</b>
<b>TOTAL</b>				
<b>Payment to Auditor</b>		<b>31.03.2014</b>		<b>31.03.2013</b>
<b>a) As Auditor</b>				
Audit Fee		16,854		17,163
Tax Audit Fee		5,618		5,721
		<b>22,472</b>		<b>22,884</b>



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

- a) Contingent Liability & Commitments - Nil (31.03.2013 - Nil)
- b) Value of Import on CIF basis is Rs.9,10,27,719/- (31.03.2013 - Rs.5,65,85,622/-)
- c) Earnings in Foreign Currency - Nil (31.03.2013 - Nil)
- d) Expenditure in Foreign Currency - Nil (31.03.2013 - 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:

<b>Name of the Related Party</b>	<b>Nature of Relationship</b>
<b>MGM Steels</b>	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 Agarwal (Wife)
- Mr. Nand Kishore Sonthalia (Whole time Director)
- Mrs. Bobby Sonthalia (Wife)



### Related Party Transactions

Name of the Related Party	Nature of Transactions	Value 31.03.2014	Value 31.03.2013
Govind Prasad	Salary & Allowance	15,00,000	15,13,822
Nand Kishore Sonthalia	Salary & Allowance	12,17,615	12,00,000
Gita Agarwal	Rent Paid	3,60,000	3,60,000
Govind Prasad	Rent Paid	10,11,240	10,11,240

Note : - Mr. Nand Kishore Sonthalia has reimbursed Rs. 2,40,000/- towards rent for the Year

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	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Provident Fund	5,07,895	4,95,676

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	31.03.2014 (Rs.)	31.03.2013 (Rs.)
<b>Change in Defined Benefit Obligations:</b>		
Accrued liability at the beginning of the year	18,75,069	13,70,963
Interest Cost	1,59,381	1,16,532
Current Service Cost	1,49,200	3,91,270
Past Service Cost	-	-
Curtailment Cost	-	-
Settlement Cost	-	-
Benefits Paid	-	-
Actuarial gain/Loss	(3,00,166)	(3,696)
Accrued Liability As At the End of the Period	<b>18,83,484</b>	<b>18,75,069</b>

(No Fund is being maintained)

Amount Recognised In the Balance Sheet	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Present Value of Obligations as on 31.03.2013	18,83,484	18,75,069
Fair Value of the Plan Assets	-	-
Liability to be Recognized in the Balance Sheet	<b>(18,83,484)</b>	<b>(18,75,069)</b>

## Bhagwandas Metals Limited

Amount Recognised In the Profit and Loss Account	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Interest Cost	1,59,381	1,16,532
Current Service Cost	1,49,200	3,91,270
Past Service Cost	-	-
Expected Return on Plan Assets	-	-
Curtailment Cost (Credit)	-	-
Settlement Cost (Credit)	-	-
Net Actuarial (gain) /Loss	(3,00,166)	(3,696)
Net Expenses recognized in P&L A/c	<b>8,415</b>	<b>5,04,106</b>
<b>Reconciliation</b>	<b>31.03.2014 (Rs.)</b>	<b>31.03.2013 (Rs.)</b>
Net Liability as at the beginning of the period:	18,75,069	13,70,963
Net Expenses in P&L A/c	8,415	5,04,106
Benefits Paid	-	-
Net Liability as at the end of the period:	<b>18,83,484</b>	<b>18,75,069</b>
<b>Principal Actuarial Assumptions</b>		
Interest (Discount) Rate (Liabilities)	8.50%	8.50%
Rate of Return on Assets	N.A.	N.A.
Mortality Table	Ind.(2006-8)	LIC(94-96)
Resignation Rate per Annum	0.00%	5.00%
Salary Escalation Rate	10.00%	10.00%
<b>Experience Rated Adjustments</b>	<b>31.03.2014 (Rs.)</b>	<b>31.03.2013 (Rs.)</b>
Liability Side	3,00,166	3,696
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 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/-

sd/-

sd/-

**GOVIND PRASAD**

**NAND KISHORE SONTHALIA**

**C.A. Raja Ram More**

Chairman cum Managing Director

Director

Proprietor

Place : Chennai

M.No.21233

Date : 29.05.2014

FR. No. 2133S

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014**

PARTICULARS	31.03.2014 Rs.	31.03.2013 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	30,70,631	46,59,685
<b>Non-Cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation / Amortization	2,80,207	3,65,677
Loss / (Profit) on sale of Fixed Assets	-	2,513
Interest & Financial charges	26,49,439	17,08,177
Interest Income	(19,89,537)	(40,43,419)
Operating Profit before working capital changes	<b>40,10,740</b>	<b>26,92,633</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in receivables & others	(1,25,45,687)	5,05,86,725
(Increase) / Decrease in Inventories	53,06,459	(1,84,41,340)
Increase / (Decrease) in Current Liabilities & Provision	(1,96,39,307)	(57,13,116)
<b>Cash generated from / ( used in) operations</b>	<b>(2,28,67,795)</b>	<b>2,91,24,902</b>
Direct Taxes paid (net of refunds)	(9,52,712)	(15,94,754)
<b>Net Cash flow from/ (used in) Operating Activities (A)</b>	<b>(2,38,20,507)</b>	<b>2,75,30,148</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in non-current asset	-	-
Purchase of Fixed Assets	-	(70,830)
Proceeds from sale of Fixed Asset	-	7,000
Interest income	19,89,537	40,43,419
<b>Net Cash flow from/ (used in) Investing Activities (B)</b>	<b>19,89,537</b>	<b>39,79,589</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing of unsecured loans	-	-
Increase/(Decrease) in Bank Borrowings	2,28,39,345	(2,66,29,656)
Interest paid	(26,49,439)	(17,08,177)
Dividend Paid	(21,89,280)	(21,89,280)
Tax on Dividend	(3,72,068)	(3,55,156)
<b>Net Cash flow from/ (used in) Financing Activities (C)</b>	<b>1,76,28,558</b>	<b>(3,08,82,269)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C) Effect of Exchange Differences on Cash and Cash Equivalents held in Foreign Currency	(42,02,412)	6,27,468
Cash and Cash equivalents at the beginning of the year	67,95,765	61,68,296
<b>Cash and Cash equivalents at the end of the year</b>	<b>25,93,353</b>	<b>67,95,764</b>
For and on behalf of the Board	As per my report of even date For <b>R.R.More &amp; Co</b> Chartered Accountants	
sd/- <b>GOVIND PRASAD</b> Chairman cum Managing Director	sd/- <b>NAND KISHORE SONTHALIA</b> Director	sd/- <b>C.A. Raja Ram More</b> Proprietor M.No.21233 FR. No. 2133S
Place : Chennai Date: 29.05.2014		



# Bhagwandas Metals Limited

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

## ATTENDANCE SLIP

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

Name of the attending member .....

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

Name of Proxy\* .....

\*(If proxy attends instead of member)

I hereby record my presence at the 32nd Annual General Meeting of the Company to be held on 18th September 2014 at 10.00 a.m.

Venue : Narada Gana Sabha Trust (Mini Hall) 314 (Old No.254)  
TTK Road, Alwarpet Chennai - 600 018.

Date : Thursday, 18th September, 2014  
Time : 10.00 a.m.

### REQUEST TO MEMBERS

### SIGNATURE OF MEMBER

#### PROXY

- 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.



# Bhagwandas Metals Limited

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

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L28931TN1982PLC009418

Name of the company : BHAGWANDAS METALS LIMITED

Registered office : No.61, Sembudoss Street, Chennai-600001

Name of the member (s) : Registered address:

E-mail Id:

Folio No/ Client Id:

DPID:

I/We, being the member(s) of ..... shares of the above named company, hereby appoint

1. Name:

2. Name:

Address:

Address:

E-mail Id:

E-mail Id:

Signature:....., or failing him

Signature:....., or failing him

3. Name:

Address:

E-mail Id:

Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual general meeting, to be held on Thursday, the 18th day of September 2014 at 10 a.m. at Narada Gana Sabha Trust (Mini Hall) 314 (OLD NO.254) TTK Road, Alwarpet, Chennai – 600 018 and at any adjournment

thereof in respect of such resolutions as are indicated below:

Resolution No.

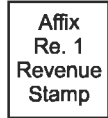
1. Consider and adopt the Audited Statements of Account for the year ended 31st March, 2014 and the Reports of Directors and the Auditors thereon.
2. Re-appointment of Mr. Nand Kishore Sonthalia who retires by rotation.
3. Appointment of M/s. R.R. More & Co., Chartered Accountants as statutory auditors and fixing their remuneration.
4. Appointment of Mr. Narendra Kumar Lunawath, as an Independent Director.
5. Appointment of Mr. Nirmal Anraj Gadhiya as a Independent Director.
6. Appointment of Mr. Chidambaram Chettiar Ramasamy Chettiar as a Independent Director.
7. Authorisation to Board of Directors for borrowing any sum or sums of money.
8. Authorisation to sell, lease or dispose the whole or substantially the whole of the undertaking.
9. Adoption of new Articles of Association

Signed this..... day of..... 2014

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



BOOK-POST  
PRINTED MATTER

If undelivered Please return to :



**Bhagwandas Metals Limited**  
54, (Old No.61), Sembudoss Street, Chennai - 600 001